

AGENDA FOR TEXAS REAL ESTATE BROKER-LAWYER COMMITTEE MEETING

Stephen F. Austin Building 1700 N. Congress, Room 400a, Austin, TX 78701 Friday, October 13, 2023, at 9:00 a.m.

To participate by providing public comment, contact general counsel, at general.counsel@trec.texas.gov before 5:00 p.m. Thursday, October 12, 2023, along with the item number on which you wish to speak.

In accordance with normal Commission practice, meeting materials will be available on the TREC website prior to the meeting at the following URL: https://www.trec.texas.gov/apps/meetings/

- 1. Call to order
- 2. Public comment on non-agenda items
- 3. Reports from BLC working groups
- 4. Discussion and possible action regarding deferred comments and recommendations from committee members concerning possible changes to contract forms, including review of draft new forms requested by the committee
- 5. Discussion and possible action regarding comments received on contract forms since the last meeting
- 6. Discussion and possible action regarding recent court cases
- 7. Discussion and possible action regarding future agenda items and meeting dates

Next meeting: January 12, 2024

Proposed future meeting: April 12, 2024

- 8. Discussion and possible action to approve the October 13, 2023, meeting minutes
- 9. Adjourn

Pursuant to the Americans with Disabilities Act, any requests for reasonable accommodation needed by persons wishing to attend this meeting should call Amber Hinton at 512-936-3000.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H. Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section $\underline{30.07}$, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter \underline{H} , Chapter $\underline{411}$, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

Broker/Lawyer Committee Meeting Minutes June 9, 2023

(1) SJ Swanson called the meeting to order at 9:00 a.m. on June 9, 2023.

Members Present: Ron Walker SJ Swanson Leigh York

Dianne McCoy Darlene Fairchild Charlie Still
Tony Malley Greg Glenn Bo Blackburn

John George and Mary Miner participated by on-line means.

Others Present: Scott Kesner, TREC Chairman

Robin Harris, Texas REALTORS Kelsey Vanderbilt, Texas REALTORS Vanessa Burgess, TREC General Counsel Abby Lee, TREC Deputy General Counsel

Sylvia Busk, CSRE Jesse Cantu, Broker Ann Still, Salesperson

Jim Wiedemer, Attorney and Broker

Renee Harvey Lowe, TREC Commissioner (on-line) Jason Hargraves, TREC Commissioner (on-line)

Other guests participated on-line

- (1) SJ Swanson called the meeting to order at 9:04 a.m. and made a few announcements. She thanked Bo Blackburn, Charles Still, and Greg Glenn for their service on the Broker/Lawyer Committee. She recognized the guests at the meeting.
- (2) The committee reviewed and approved the minutes from its February 24, 2023. SJ Swanson noted that the October 24, 2022 minutes were approved at the meeting on February 24, 2023.
- (3) No public comments were presented on non-agenda items.
- (4) Vanessa Burgess presented a summary of bills from the 2023 legislative session. She referred to the written legislative report in the meeting materials.
 - (a) Staff had presented changes to the Seller's Disclosure Notice published by TREC. The committee recommended that the Commission adopt the changes to the Seller's Disclosure Notice as recommended by staff with a small formatting change on Page 1 of the form.
 - (b) The committee recommended that staff prepare a form to comply with HB 2816, related to statutory district disclosure notices, for its next meeting and to engage in a communication effort to educate license holders about HB 2816.
 - (c) The committee also recommended a working group to review forms stemming from recent legislation (John George, Ron Walker, SJ Swanson, Mary Miner).
 - (d) The committee decided to add "geothermal" in Paragraph 4C of the contract after "mineral."
- (5) The committee discuss deferred comments from prior meeting.
 - (a) The committee decided to change Paragraph 6E(12) of the contract by striking the warning notice and substitute "Seller's failure to provide applicable statutory notices may provide Buyer with remedies or rights to terminate the contract."

- (b) The committee decided to change Paragraph 2A (first box) of the Financing Addendum by inserting a period after "determination" and adding "If Buyer terminates the contract under this provision,".
- (c) The committee decided to change Paragraph 2B of the contract by striking "3 days before the Closing Date, or earlier," and substitute "on or before the 3rd day before the Closing Date…"
- (d) The committee asked staff to provide a draft of a potential addendum for 1031 exchanges for the committee to consider at its next meeting.
- (e) The committee decided to change Paragraph 20 of the Farm and Ranch Contract by adding subparagraph A and B. Subparagraph will contain the existing language in Paragraph 20 and subparagraph B will read: "The Agriculture Foreign Investment Disclosure Act (AFIDA) of 1978 requires that a foreign person who acquires, disposes of, or holds an interest in United States agricultural land must disclose such transactions and holdings to the Secretary of Agriculture. Foreign persons must file an FSA-153 in the Farm Service Agency (FSA) Service Center where the land is physically located within 90 days of the date of the transaction. Failure to report is subject to civil penalty up to 25 percent of the fair market value of the land on the date the penalty is assessed. Consult an attorney or tax professional."
- (6) The committee reviewed comments received since its last meeting.
 - (a) The committee decided to add a box that no survey is required in all contract forms and buyer waives any right to object to matters disclosed in any survey in Paragraph 6D.
 - (b) The committee decided to add to Paragraph 3 of the Unimproved Property Contract a clause for a proportionate adjustment to the sales price based on square footage or acreage, using similar language as used in Paragraph 3 of the Farm and Ranch Contract.
 - (c) The committee deferred a discussion about provisions related to mobile homes.
 - (d) The committee decided to remove the proposed addition regarding the mold remediation certificate in the Unimproved Property Contract form.
 - (e) The committee decided to change the parenthetical in Paragraph 6E of the contract to read: "(for example, utility, water, drainage, and public improvement districts)".
- (7) The committee discussed recent court cases applicable to the forms. SJ Swanson gave a report about a pending case.
- (8) The committee approved the minutes of this meeting.
- (9) The committee next meets on October 13, 2023, January 12, 2024, and April 12, 2024. Dianne McCoy suggested adding a discussion item to receive a report from the working group related to the Back-Up Addendum.
- (10) The committee adjourned its meeting at 1:15 p.m.



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions



1.	PA	RTIES: The parties to this contr	act are	(Seller) (Buyer). Seller agrees e Property defined below.
	and	¹		(Buyer). Seller agrees
_	to s	sell and convey to Buyer and Buy	er agrees to buy from Seller th	e Property defined below.
2.	PK	OPERTY: Lot	, Віоск	
	City	v of	County of	Addition,
	Tax	y OI	, County oi	
	(ad	ldress/zin code) or as describe	d on attached exhibit togethe	r with all rights, privileges and
		ourtenances pertaining thereto (P		with all rights, privileges and
	RES	SERVATIONS: Any reservation for	roil, gas, or other minerals, wa	iter, timber, or other interests is
	ma	SERVATIONS: Any reservation for de in accordance with an attache	d addendum.	itely ambery or ourse meer esterio
3.	SA	LES PRICE:		
		Cash portion of Sales Price payal The term "Cash portion of the Sa kind or selling other real propert Sum of all financing described in	ales Price" does not include pro y except as disclosed in this co the attached: Third Party Fi	ceeds from borrowing of any Intract. inancing Addendum,
		 Loan Assumption Addendum, 		
		Sales Price (Sum of A and B)		· ·
		The Sales Price will will not If the Sales Price is adjusted, th	e Sales Price will be adjusted b	pased on the difference between
		difference in acreage (either in	ge set forth in the survey re increased or decreased shall	equired by Paragraph 6C. The be multiplied by the sum of
		per acre and either ac	dded to or subtracted from the	Sales Price stated in Paragraph
		3C. If the Sales Price is adjusted by providing written notice	to the other party within	days after the terminating
		by providing written notice party receives the survey. If nei	ther party terminates this conti	ract or if the variance is 10%
		or less, the adjustment will be 3A and 3B.	be made to the amount in L	3A □ 3B □ proportionately to
4.		ASES:		
	Α.	Except as disclosed in this cont	ract, Seller is not aware of ar	ny leases affecting the Property.
		After the Effective Date, Seller	may not, without Buyer's writt	en consent, create a new lease,
	R	amend any existing lease, or cor	ivey any interest in the Propert	ry. neans an existing oil and gas,
	υ.			lease affecting the Property to
				Natural Resource Lease. If Seller
		is a party to a Natural Resource		
		(1) Seller has delivered to Buyer		
				al Resource Leases. Seller shall
		provide to Buyer a copy of a	Il the Natural Resource Leases	within 3 days after the Effective
		receives all the Natural Resou	ine contract within days	s after the date the Buyer oney shall be refunded to Buyer.
5	FΔ	RNEST MONEY AND TERMINAT		oney shan be retained to buyer.
			AND OPTION FEE: Within 3 day	vs after the Effective Date, Buyer
		mast deliver to	(ac	ddress): \$
		as earnest money and \$	as the Option Fee.	ddress): \$ The earnest money and Option eparately or combined in a single
			crow Agent and may be paid se	eparately or combined in a single
		payment.	asymptot manay of t	to Factory Agent within
		davs after the Effective	ve Date of this contract.	to Escrow Agent within
		(2) If the last day to deliver the falls on a Saturday, Sunday,	e earnest money, Option Fee, or legal holiday, the time to de st money, as applicable, is ext	or the additional earnest money eliver the earnest money, Option tended until the end of the next
		(3) The amount(s) Escrow Ager	nt receives under this paragra est money, and then to the add	aph shall be applied first to the
		(4) Buyer authorizes Escrow Age	ent to release and deliver the	Option Fee to Seller at any time
		without further notice to or c	onsent from Buyer, and release	es Escrow Agent from liability for be credited to the Sales Price at
_ :L:	-1-	d for identification by Buyer	and Callan	TREC 181 187-17116

ontract Concerning Page 2 of 10 02-12	<u>-2024</u>
(Address of Property) B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowle	daes
and Buyer's agreement to pay the Option Fee within the time required, Seller grants Buyer	
unrestricted right to terminate this contract by giving notice of termination to Seller v	vitiiiii • +bic
days after the Effective Date of this contract (Option Period). Notices under	
paragraph must be given by 5:00 p.m. (local time where the Property is located) by the	
specified. If Buyer gives notice of termination within the time prescribed: (i) the Option Fe	
not be refunded and Escrow Agent shall release any Option Fee remaining with Escrow Age	nt to
Seller; and (ii) any earnest money will be refunded to Buyer.	
C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest m	onev
within the time required, Seller may terminate this contract or exercise Seller's remedies u	
Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest mone	V
D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee	
Buyer fails to deliver the Option Fee within the time required, Buyer shall not have	
unrestricted right to terminate this contract under this Paragraph 5.	; the
	- f-"
E. TIME: Time is of the essence for this paragraph and strict compliance with the tim	е тог
performance is required.	
5. TITLE POLICY AND SURVEY:	
A. TITLE POLICY: Seller shall furnish to Buyer at \square Seller's \square Buyer's expense an owner's pol	cy of
title insurance (Title Policy) issued by	
(Title Company) in the amount of the Sales Price, dated at or after closing, insuring I	
against loss under the provisions of the Title Policy, subject to the promulgated exclu	sions
(including existing building and zoning ordinances) and the following exceptions:	ì
(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.	a +b.a
(4) Utility easements created by the dedication deed or plat of the subdivision in which	i trie
Property is located. (5) Reservations or exceptions otherwise permitted by this contract or as may be approve	nd by
Buyer in writing.	su by
(6) The standard printed exception as to marital rights.	
(7) The standard printed exception as to waters, tidelands, beaches, streams, and re	lated
matters.	lacca
(8) The standard printed exception as to discrepancies, conflicts, shortages in area or bour	ndarv
lines, encroachments or protrusions, or overlapping improvements:	,
(i) will not be amended or deleted from the title policy; or	
(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 D Buyer D Seller.	
(9) The exception or exclusion regarding minerals approved by the Texas Departme	nt of
Insurance.	
B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's exp	Seller
snall rurnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's exp	ense,
legible copies of restrictive covenants and documents evidencing exceptions in the Commit	ment
Company to deliver the Commitment and Exception Documents to Ruyer at Ruyer's at	drace
(Exception Documents) other than the standard printed exceptions. Seller authorizes the Company to deliver the Commitment and Exception Documents to Buyer at Buyer's ad shown in Paragraph 21. If the Commitment and Exception Documents are not delivered	2d 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 the Commitment and Exce	ption
Documents are not delivered within the time required, Buyer may terminate this contract	t and
the earnest money will be refunded to Buyer.	
C. SURVEY: The survey must be made by a registered professional land surveyor acceptable t	o 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 Buye	r and
Title Company Seller's existing survey of the Property and a Residential Real Pro	perty
Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). If Seller	TallS
to furnish the existing survey or affidavit within the time prescribed, Buyer	Snaii Voto
obtain a new survey at Seller's expense no later than 3 days prior to Closing I If the existing survey or affidavit <u>is</u> not acce <u>pt</u> able to Title Company or Buyer's lender	or(c)
Buyer shall obtain a new survey at \square Seller's \square Buyer's expense no later than 3 days	nrior
to Closing Date.	prior
(2) Within days after the Effective Date of this contract, Buyer shall obtain a new so	irvev
at Buyer's expense. Buyer is deemed to receive the survey on the date of actual received the survey of the date of the date of actual received the survey of the date of	
the date specified in this paragraph, whichever is earlier.	P
(3) Within days after the Effective Date of this contract, Seller, at Seller's expense	shall
furnish a new survey to Buyer.	
(4) No survey is required and Buyer waives any right to object to matters disclosed in	any
survey in Paragraph 6D.	
D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to	title:
disclosed on the survey other than items 6A(1) through (7) above; or disclosed in	n the
Commitment other than items 6A(1) through (9) above; (ii) any portion of the Property lying a special flood hazard area (Zone V or A) as shown on the current Federal Emerg	ng in
a special flood hazard area (Zone V or A) as shown on the current Federal Emerg Management Agency map; or (iii) any exceptions which prohibit the following use or active	jency
management Agency map, or this any exceptions which profibilit the following use or active	/ILY:

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Contract	Concerning	rage 3 01 10	02-12-2024
[11-07-2	(Address of Property)		
В	uyer must object the earlier of (i) the Closing Date or (ii) days	after Buyer re	eceives the
C	ommitment, Exception Documents, and the survey. Buyer's failure	to object withi	n the time
al	lowed will constitute a waiver of Buyer's right to object; except	that the requi	rements in
S	chedule C of the Commitment are not waived. Provided Seller is n	ot obligated to	incur any
	rooped Callar shall sure any timely objections of Duyar or any this	rd nartí landar	a within 1É

expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES

Contract Concorning

(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 2 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 instruments may be obtained from the county clerk.

You are obligated to pay assessments to the property owners association(s). The You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to 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 validable to you by the property owners' association or the 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 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

1 KLC NO. 9-1/1 10 1	TREC NO. 197-17	16 1	
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Contract Concerning	Page 4 of 10 02-12-2024
[11-07-2022]	(Address of Property)
certificated area required to pay your property. at or before th	service to your property. You are advised to determine if the property is in a and contact the utility service provider to determine the cost that you will be and the period, if any, that is required to provide water or sewer service to The undersigned Buyer hereby acknowledges receipt of the foregoing notice ne execution of a binding contract for the purchase of the real property ragraph 2 or at closing of purchase of the real property.
(7) PUBLIC IMPROV must give Buy	required notice shall be attached to this contract.
(8) TEXAS AĞRICU Texas Agricultu Department of A	LTURAL DEVELOPMENT DISTRICT: The Property is is not located in a iral Development District. For additional information, contact the Texas Agriculture.
Property Code r may be governe	S: If the Property is subject to a private transfer fee obligation, §5.205, requires Seller to notify Buyer as follows: The private transfer fee obligation and by Chapter 5, Subchapter G of the Texas Property Code.
service area ow required by §14	SYSTEM SERVICE AREA: If the Property is located in a propane gas system ned by a distribution system retailer, Seller must give Buyer written notice as 1.010, Texas Utilities Code. An addendum containing the notice approved by d by the parties should be used.
(11)NOTICE OF WAT including a reservation a stouch that has a stouch operating level, adjoining the Property lawfully exercisi	FER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, ervoir or lake, constructed and maintained under Chapter 11, Water Code, brage capacity of at least 5,000 acre-feet at the impoundment's normal Seller hereby notifies Buyer: "The water level of the impoundment of water roperty fluctuates for various reasons, including as a result of: (1) an entity ling its right to use the water stored in the impoundment; or (2) drought or
flood conditions (12)REQUIRED NOTI (for example, <u>u</u> notices]):	ICES: The following notices have been given or are attached to this contract utility, water, drainage, and public improvement districts [MUD, WCID, PID]
Seller's failure to rights to termina 7. PROPERTY CONDIT	to provide applicable statutory notices may provide Buyer with remedies or ate the contract. TON:
the Property at respected by Buyer Seller at Seller's expected by the utilities of the seller's expected by the seller's	IONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to reasonable times. Buyer may have the Property inspected by inspectors and licensed by TREC or otherwise permitted by law to make inspections. Expense shall immediately cause existing utilities to be turned on and shall in during the time this contract is in effect. Hould determine the availability of utilities to the Property suitable to satisfy
Buyer's needs. B. ACCEPTANCE OF F with any and all warranties in this of (1) or (2) does n negotiating repair contract during the	PROPERTY CONDITION: "As Is" means the present condition of the Property defects and without warranty except for the warranties of title and the contract. Buyer's agreement to accept the Property As Is under Paragraph 7B ot preclude Buyer from inspecting the Property under Paragraph 7A, from s or treatments in a subsequent amendment, or from terminating this experience, if any.
	the Property As Is. the Property As Is provided Seller, at Seller's expense, shall complete the fic repairs and treatments:
(Do not insert repairs and tre	general phrases, such as "subject to inspections" that do not identify specific
C. COMPLETION OF F complete all agree permits. The repai such repairs or tre trade of providing documentation fro completed; and (ii with respect to the	REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, Seller shall ed repairs and treatments prior to the Closing Date and obtain any required rs and treatments must be performed by persons who are licensed to provide eatments or, if no license is required by law, are commercially engaged in the such repairs or treatments. Seller shall: (i) provide Buyer with copies of m the repair person(s) showing the scope of work and payment for the work of any transferable warranties e repairs and treatments to Buyer at closing. If Seller fails to complete any d treatments prior to the Closing Date, Buyer may exercise remedies under extend the Closing Date up to 5 days, if necessary, for Seller to complete
repairs and treatm D. ENVIRONMENTAL including asbestos or endangered spe concerned about t	extend the Closing Date up to 5 days, if necessary, for Seller to complete lents. MATTERS: Buyer is advised that the presence of wetlands, toxic substances, and wastes or other environmental hazards, or the presence of a threatened ecies or its habitat may affect Buyer's intended use of the Property. If Buyer is hese matters, an addendum promulgated by TREC or required by the parties
should be used. E. SELLER'S DISCLOS (1) Seller 🔲 is 🗍	SURE: I is not aware of any flooding of the Property which has had a material on the use of the Property
(2) Seller ☐ is ☐ special assessn (3) Seller ☐ is ☐ affect the Prop	I is not aware of any pending or threatened litigation, condemnation, or need affecting the Property. I is not aware of any environmental hazards that materially and adversely
(4) Seller 🖵 is 🗀	by Buyer and Seller TREC NO. 19-17[16]

	ract Concerning [Address of Property]	Page 5 of 10 <u>02-12-2024</u>
	now or previously located on the Property. (5) Seller is is not aware of any wetlands, as defined by feder regulation, affecting the Property. (6) Seller is is not aware of any threatened or endangered special affecting the Property. (7) Seller is is not aware that the Property is located who floodplain. (8) Seller is is not aware that a tree or trees located on the Propert If Seller is aware of any of the items above, explain (attach additional shee	ies or their habitat olly partly in a cy has oak wilt.
8.	BROKERS AND SALES AGENTS: A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a real es agent who is a party to a transaction or acting on behalf of a spouse, partity in which the broker or sales agent owns more than 10%, or a trust or sales agent acts as a trustee or of which the broker or sales agent or agent's spouse, parent or child is a beneficiary, to notify the other parentering into a contract of sale. Disclose if applicable:	tate broker or sales arent, child, business for which the broker r the broker or sales rty in writing before
9.	B. BROKERS' FEES: All obligations of the parties for payment of brokers' f separate written agreements. CLOSING: A. The closing of the sale will be on or before	, or within 7 days hichever date is later
	 B. At closing: Seller shall execute and deliver a general warranty deed conveying tit Buyer and showing no additional exceptions to those permitted in Partax statements or certificates showing no delinquent taxes on the Prop (2) Buyer shall pay the Sales Price in good funds acceptable to the Escrow (3) Seller and Buyer shall execute and deliver any notices, statements, or releases, loan documents, transfer of any warranties, and other do required for the closing of the sale and the issuance of the Title Policy. There will be no liens, assessments, or security interests against the not be satisfied out of the sales proceeds unless securing the pa assumed by Buyer and assumed loans will not be in default. Private transfer fees (as defined by Chapter 5, Subchapter G of the T will be the obligation of Seller unless provided otherwise in this collapses assessed by a property owners' association are governed by the Add Subject to Mandatory Membership in a Property Owners Association. 	agraph 6 and furnish erty. Agent. ertificates, affidavits, ocuments reasonably e Property which will yment of any loans exas Property Code) ntract. Transfer fees
10.	POSSESSION: Seller shall deliver to Buyer possession of the Property in its condition upon closing and funding.	s present or required
11.	SPECIAL PROVISIONS: (This paragraph is intended to be used only for ad items. An informational item is a statement that completes a blank in a confactual information, or provides instructions. Real estate brokers and sales a from practicing law and shall not add to, delete, or modify any provision of drafted by a party to this contract or a party's attorney.)	agents are prohibited
12.	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 reconform of Seller's loan liability; tax statements or certificates; preparation escrow fee; and other expenses payable by Seller under this contrated (b) Seller shall also pay an amount not to exceed to following order: Buyer's Expenses which Buyer is prohibited from Texas Veterans Land Board or other governmental loan programs Buyer's Expenses as allowed by the lender. (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loorigination charges; credit reports; preparation of loan documents; in from date of disbursement to one month prior to dates of first recording fees; copies of easements and restrictions; loan title policy required by lender; loan-related inspection fees; photos; amortization of escrow fee; all prepaid items, including required premiums for insurance, reserve deposits for insurance, ad valorem taxes and seasessments; final compliance inspection; courier fee; repair inspection wire transfer fee; expenses incident to any loan; Private Mortgage (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MII) lender; and other expenses payable by Buyer under this contract. B. If any expense exceeds an amount expressly stated in this contract for paid by a party, that party may terminate this contract unless the other such excess. Buyer may not pay charges and fees expressly prohibited.	of deed; one-half of act. be applied in the paying by FHA, VA, s, and then to other on application fees; one-therest on the notes monthly payments; y with endorsements or schedules; one-half or flood and hazard special governmental on; underwriting fee; Insurance Premium P) as required by the such expense to be party agrees to pay

such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Initialed for identification by Buyer____ and Seller ____ TREC NO.197-17[16]

Contract Concerning Page 6 of 10 02-12-2024 (Address of Property)

Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

A. PRORATIONS: Taxes for the current year, interest, rents, and regular periodic maintenance fees, assessments, and dues (including prepaid items) 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 for the current year vary from the amount that will affect the current year's taxes. If the propagation when the current year for the current year taxes for the current year. 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

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of

Seller. Obligations imposed by this paragraph will survive closing.

- 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. 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 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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a

- of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party. 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 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 disbursal of the earnest money.

 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.

Initialed for identification by Buye	r and Seller	TREC NO. 197-17[16]

Contract Concerning	Page 7 of 10 <u>02-12-2024</u>
[11-07-2022] (Address of the control	f Property) sentations and warranties in this contract survive contract is untrue on the Closing Date, Seller will be written agreement, Seller may continue to show the ck up offers.
Property and receive, negotiate and accept back	ck up offers.
Code and its regulations, or if Seller fails to de to Buyer that Seller is not a "foreign person," amount sufficient to comply with applicable tax forms. Service together with appropriate tax forms written reports if currency in excess of specific	a "foreign person," as defined by Internal Revenue eliver an affidavit or a certificate of non-foreign status then Buyer shall withhold from the sales proceeds an ax law and deliver the same to the Internal Revenue. Internal Revenue Service regulations require filing ed amounts is received in the transaction.
21. NOTICES: All notices from one party to the mailed to, hand-delivered at, or transmitted by	e other must be in writing and are effective when y fax or electronic transmission as follows:
To Buyer at:	
Phone: ()	Phone: <u>()</u>
E-mail/Fax:	_ E-mail/Fax:
E-mail/Fax:	E-mail/Fax:
With a copy to Buyer's agent at:	With a copy to Seller's agent at:
cannot be changed except by their written ag	contains the entire agreement of the parties and reement. Addenda which are a part of this contract
are (check all applicable boxes): Third Party Financing Addendum	☐ Addendum for Coastal Area Property
Seller Financing Addendum	Environmental Assessment, Threatened or
	Endangered Species and Wetlands
Addendum for Property Subject to Mandatory Membership in a Property Owners Association	Addendum Addendum for Property Located Seaward
Buyer's Temporary Residential Lease	of the Gulf Intracoastal Waterway
Seller's Temporary Residential Lease	Addendum for Sale of Other Property by
Addendum for Reservation of Oil, Gas	Buyer
and Other Minerals	Addendum for Property in a Propane Gas
Addendum for "Back-Up" Contract	System Service Area
 Addendum Concerning Right to Terminate Due to Lender's Appraisal 	Other (list):
 Addendum containing Notice of Obligation to Pay Improvement District Assessment 	
*	
agents from giving legal advice. READ THIS CO	IG: TREC rules prohibit real estate brokers and sales DNTRACT CAREFULLY.
Buyer's	Seller's
Attorney is:	Attorney is:
Phone: ()	Phone: ()
Fax: <u>(</u>)	Fax: <u>(</u>)
E-mail:	E-mail:
Initialed for identification by Buyer	and Seller TREC NO. 197-17[16]

Contract Concerning		Page 8 of 10 <u>02-12-2024</u>
[11-07-2022]	(Address of Property)	
EXECUTED theday of (BROKER: FILL IN THE DATE OF	ETNAL ACCEPTANCE	, 20 (Effective Date).
(BROKER: FILL IN THE DATE OF	FINAL ACCEPTANCE.)	
Buyer	Seller	
Buyer	Sellel	
`		
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. 9-17[16]. This form replaces TREC NO. 9-16[15].

Contract Concerning		Page 9 of 10	02-12-2024
[11-07-2022]	(Address of Property)	_	

Other Broker Firm	License No.	Listing Broker	Firm		License No.
represents Buyer only as Buyer's Seller as Listing Broke	_	represents	Seller and Buyer as ar Seller's		diary
Associate's Name	License No.	Listing Associ	ate's Name		License No.
Team Name		Team Name			
Associate's Email Address	Phone	Listing Associ	ate's Email Address		Phone
Licensed Supervisor of Associate	License No.	Licensed Supe	ervisor of Listing Associate	1	License No.
Other Broker's Address	Phone	Listing Broker	's Office Address		Phone
City State	e Zip	City		State	Zip
	2	Selling Associ	ate's Name		License No.
		Selling Associ	ate's Email Address		Phone
) `	Licensed Sup	ervisor of Selling Associate		License No.
		Selling Associ	ate's Office Address		
		City	S	tate	Zip
Disclosure: Pursuant to a previous agreement between brokers), Listi	ng Broker has agre	eed to pay Othe	er Broker a fee (informational purposes	mpensat	ion or othe

Contract Concerning			Page 10 of 10	02-12-2024
[11-07-2022]	(Address of P	roperty)		
	OPTION FE	E RECEIPT		
Receipt of \$is acknowledged.	(Option Fee) in the fo	orm of		
Escrow Agent				Date
	EARNEST MO	NEY RECEIPT		
Receipt of \$_ is acknowledged.	Earnest Money in the	form of		
Escrow Agent	Received by	Email Address		Date/Time
Address				Phone
City	State	Zip		Fax
	CONTRAC	T RECEIPT		
Receipt of the Contract is a	cknowledged.			
Escrow Agent	Received by	Email Address	•	Date
Address				Phone
City	State	Zip		Fax
	ADDITIONAL EARNE	ST MONEY RECEIPT		
Receipt of \$is acknowledged.	additional Earnest Mor	ney in the form of		
Escrow Agent	Received by	Email Address		Date/Time
Address				Phone
City	State	Zip		Fax

02-12-202

TREC

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

NOTICE: Not For Use For Condominium Transactions



1.	PA	ARTIES: The parties to this contract are
	(S	eller) and(Buyer). eller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined
		low.
2.		ROPERTY: The land, improvements and accessories are collectively referred to as the Property
		roperty).
	Α.	LAND: Lot Block,, County of, County of,
		Addition, City of, County of,
		Texas, known as(address/zip code), or as described on attached exhibit.
	B.	IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the
	٠.	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
		softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property 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, security systems that are not fixtures, and controls for: (i)
		garage doors, (ii) entry gates, and (iii) other improvements and accessories. "Controls" includes
		Seller's transferable rights to the (i) software and applications used to access and control
		improvements or accessories, and (ii) hardware used solely to control improvements or
	П	accessories. EXCLUSIONS: The following improvements and accessories will be retained by Seller and
	υ.	must be removed prior to delivery of possession:
		mast be removed prior to delivery or possession.
	E.	RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other
		interests is made in accordance with an attached addendum.
3.	SA	ALES PRICE:
	Ä.	Cash portion of Sales Price payable by Buyer at closing
		The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any
		kind or selling other real property except as disclosed in this contract.
	В.	Sum of all financing described in the attached: Third Party Financing Addendum,
		Loan Assumption Addendum, Seller Financing Addendum
		Sales Price (Sum of A and B)\$
4.	LE	ASES: Except as disclosed in this contract, Seller is not aware of any leases affecting the
	Pro	operty. After the Effective Date, Seller may not, without Buyer's written consent, create a new
		ase, amend any existing lease, or convey any interest in the Property. (Check all applicable
		XES)
۷	Α.	RESIDENTIAL LEASES: The Property is subject to one or more residential leases and the Addendum Regarding Residential Leases is attached to this contract.
П	B	FIXTURE LEASES: Fixtures on the Property are subject to one or more fixture leases (for
_	υ.	example, solar panels, propane tanks, water softener, security system) and the Addendum
		Regarding Fixture Leases is attached to this contract.
	C.	NATURAL RESOURCE LEASES: "Natural Resource Lease" means an existing oil and gas,
_		mineral, geothermal, water, wind, or other natural resource lease affecting the Property to
	wł	nich Seller is a party.
		(1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
		(2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall
		provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective
		Date. Buyer may terminate the contract within days after the date the Buyer
		receives all the Natural Resource Leases and the earnest money shall be refunded to
		Buyer.

Contract ConcerningPage 2 of 11 02-12 [11-07-2022] (Address of Property)	2-2024
5. EARNEST MONEY AND TERMINATION OPTION: A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, But the deliver to the Effective Date, But the Date of the Effective Date, But the Effective Da	uyer
must deliver to (Escrow Agent) at as earnest money and \$ as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent) at as earnest money and \$ as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent) at as earnest money and \$ as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent) at as the Option Fee.	 gent
and may be paid separately or combined in a single payment. (1) Buyer shall deliver additional earnest money of \$ to Escrow Agent wi days after the Effective Date of this contract.	thin
(2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money, Option a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Op Fee, or the additional earnest money, as applicable, is extended until the end of the next	tion
that is not a Saturday, Sunday, or legal holiday. (3) The amount(s) Escrow Agent receives under this paragraph shall be applied first to Option Fee, then to the earnest money, and then to the additional earnest money. (4) Buyer authorizes Escrow Agent to release and deliver the Option Fee to Seller at any t without further notice to or consent from Buyer, and releases Escrow Agent from liability delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price closing.	ime for
B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowledge and Buyer's agreement to pay the Option Fee within the time required, Seller grants Buyer unrestricted right to terminate this contract by giving notice of termination to Seller wing adays after the Effective Date of this contract (Option Period). Notices under paragraph must be given by 5:00 p.m. (local time where the Property is located) by the contract of the prescribed in the Option Fee not be refunded and Escrow Agent shall release any Option Fee remaining with Escrow Agent Seller; and (ii) any earnest money will be refunded to Buyer. C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies un Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee Buyer fails to deliver the Option Fee within the time required, Buyer shall not have unrestricted right to terminate this contract under this paragraph 5. E. TIME: Time is of the essence for this paragraph and strict compliance with the time	the thin this date will at to ney nder or if the
performance is required.	.0.
6. TITLE POLICY AND SURVEY: A. TITLE POLICY: Seller shall furnish to Buyer at □ Seller's □ Buyer's expense an owner polic title insurance (Title Policy) issued by	ny) the
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 Property is located. (5) Reservations or exceptions otherwise permitted by this contract or as may be approved	
Buyer in writing. (6) The standard printed exception as to marital rights. (7) The standard printed exception as to waters, tidelands, beaches, streams, and relative to the standard printed exception as to waters.	·
matters. (8) The standard printed exception as to discrepancies, conflicts, shortages in area or bound lines, encroachments or protrusions, or overlapping improvements: (i) will not be amended or deleted from the title policy; or	lary
(ii) will be amended to read, "shortages in area" at the expense of Buyer Seller (9) The exception or exclusion regarding minerals approved by the Texas Department Insurance.	of
B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Se shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's experience (Exception Documents) other than the standard printed exceptions. Seller authorizes the Company to deliver the Commitment and Exception Documents to Buyer at Buyer's additions shown in Paragraph 21. If the Commitment and Exception Documents are not delivered Buyer within the specified time, the time for delivery will be automatically extended up to days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract the earnest money will be refunded to Buyer.	nse, nent Fitle ress d to 15 tion
Initialed for identification by Buyer and Seller TREC NO. 20-1	 L8[17

Contract Concerning	07-2022] (Address of Property)	Page 3 of 11	02-12-202
C. SURVEY: The survey must be made		d surveyor accental	ale to the
Title Company and Buyer's lender(s		a sarveyor deceptor	one to the
☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐			
	g survey of the Property and a xas Department of Insurance (T-		
	ey or affidavit within the tim		
	er's expense no later than 3 d		
Buver shall obtain a new surve	vit is not acceptable to Title Cor y at Seller's Buyer's expens	npany or Buyer's 16 e no later than 3 d	ender(s), avs prior
to Closing Date.	y at abelier 5 abayer 5 expens	e no lacer chair o a	ays prior
(2) Within days after	the Effective Date of this contract	ct, Buyer shall obta	in a new
	yer is deemed to receive the su this paragraph, whichever is earli		or actual
(3) Within days after the E			nse shall
furnish a new survey to Buyer.	ver waives any right to object	to matters disclose	nd in any
(4) No survey is required and Bu survey in Paragraph 6D.	yer waives any right to object	to matters disclose	eu III aliy
D. OBJECTIONS: Buyer may object i			
disclosed on the survey other Commitment other than items 6A(than items 6A(1) through (/)) above; disclosed	in the
activity:	1) through (3) above, or which	Profitor the following	ig use of .
Buyer must object the earlier of (i) Commitment, Exception Document	the Closing Date or (ii) d	ays after Buyer rec	eives the
I allowed will constitute a waiver of	of Buver's right to object: excer	ot that the require	ments in
Schedule C of the Commitment a incur any expense, Seller shall cu	re not waived by Buyer. Provide	ed Seller is not obli	igated to
within 15 days after Seller receive	es the objections (Cure Period) a	and the Closing Dat	é will be
extended as necessary. If objecti delivering notice to Seller within	ons are not cured within the C	lure Period, Buyer	may, by
contract and the earnest money	will be refunded to Buyer; or (i	 i) waive the object 	tions. If
Buyer does not terminate within the objections. If the Commitment of	ne time required, Buyer shall be or survey is revised or any new	deemed to have wa	aived the
I delivered, Buver may object to any	v new matter revealed in the rev	rised Commitment o	or survev
or new Exception Document(s) objections beginning when the	within the same time stated in evised Commitment survey or	n this paragraph Exception Docum	to make ent(s) is
delivered to Buyer.	continuity sarrey, si	zxeeption becam	0.10(0) 10
E. TITLE NOTICES: (1) ABSTRACT OR TITLE POLICY: E	Broker advises Buver to have an	abstract of title cov	erina the
Property examined by an attorn	ley of Buyer's selection, or Buyer e Policy is furnished, the Comm	· should be furnishe	d with or
reviewed by an attorney of Bu	yer's choice due to the time lim	nitations on Buyer's	right to
object. (2) MEMBERSHIP IN PROPERTY OV	VNEDS ASSOCIATION(S): The Dr	oporty Die Die no	t cubioct
to mandatory membership in a	property owners association(s).	If the Property is s	ubject to
mandatory membership in a p	property owners association(s). property owners association(s), that, as a purchaser of property i which the Property is located,	Seller notifies Buy	er under
identified in Paragraph 2A in	which the Property is located,	you are obligated	to be a
member of the property owners	s association(s). Restrictive cover d all dedicatory instruments go	iants governing the	e use and
maintenance, or operation of t	his residential community have	been or will be red	corded in
restrictive covenants and dedic	the county in which the Propert catory instruments may be obta	ined from the cour	nty clerk.
You are obligated to pay as	<u>sessments to the próperty ov ts is subject to change. Y</u>	<u>vners association</u> Zour failure to i	(s). The
assessments could result i	n enforcement of the assoc	iation's lien on	and the
foreclosure of the Property. Section 207,003, Property Cod	e, entitles an owner to receive o	copies of any docun	nent that
governs the establishment, ma	intenance, or operation of a sul	bdivision, including	, but not
property owners' association.	s, rules and regulations, and a A resale certificate contains inf	ormation including,	, but not
limited to, statements specifyin	g the amount and frequency of r vsuits to which the property own	egular assessments	and the
other than lawsuits relating to	unpaid ad valorem taxes of a	n individual membe	er of the
association. These documents association or the association's	s must be made available to yo s agent on your request. If B u	ou by the property Iver is concerne	d about
these matters, the TREC	promulgated Addendum fo	or Property Sub	ject to
(3) STATUTORY TAX DISTRICTS:	Property Owners Association (If the Property is situated in a	utility or other s	u. tatutorily
created district providing water	r, sewer, drainage, or flood co	ntrol facilities and	services.
notice relating to the tax rate.	, requires Seller to deliver and bonded indebtedness, or standb	y fee of the district	statutory t prior to
final execution of this contract.		·	
Initialed for identification by Buyer	and Seller	TREC NO	o: 107 18[1

Contract (ConcerningPage 4 oPage 4 o	f 11	02-12-2024
(4)	TIDE WATERS: If the Property abuts the tidally influenced waters of the sta	ate 8	33.135
(')	Texas Natural Resources Code, requires a notice regarding coastal area pr	opert	y to be
	included in the contract. An addendum containing the notice promulgated	by T	TREC or
(5)	required by the parties must be used. ANNEXATION: If the Property is located outside the limits of a municipality, 5	Sallar	notifies
	Buyer under §5.011, Texas Property Code, that the Property may now or later by	oe incl	luded in
	the extraterritorial jurisdiction of a municipality and may now or later b	e sut	oject to
	annexation by the municipality. Each municipality maintains a map that boundaries and extraterritorial jurisdiction. To determine if the Property is loc	t dep	oicts its
	municipality's extraterritorial jurisdiction or is likely to be located within a	munic	cipality's
	extraterritorial jurisdiction, contact all municipalities located in the general pro	ximit	y of the
(6)	Property for further information. PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE.	E DDC	N/IDED.
(6)	Notice required by §13.257, Water Code: The real property, described in Para	arant	1 2. that
	you are about to purchase may be located in a certificated water or sewer	servi	ce area,
	which is authorized by law to provide water or sewer service to the property is leasted in a contificated area there may be	erties	in the
	certificated area. If your property is located in a certificated area there may be or charges that you will be required to pay before you can receive water or s	speci	service.
	There may be a period required to construct lines or other facilities necessa	ry to	provide
	water or sewer service to your property. You are advised to determine if the pr	opert	y is in a
	certificated area and contact the utility service provider to determine the cost be required to pay and the period, if any, that is required to provide water or	tnat	you will service
	to your property. The undersigned Buyer hereby acknowledges receipt of	the fo	oregoing
	notice at or before the execution of a binding contract for the purchase of the	real p	oroperty
(7)	described in Paragraph 2 or at closing of purchase of the real property. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement of	dictric	t Sallar
(/)	must give Buyer written notice as required by §5.014, Property Code. A	in ad	dendum
(0)	containing the required notice shall be attached to this contract.		
(8)	TRANSFER FEES: If the Property is subject to a private transfer fee obligation of the property Code, requires Soller to notify Buyer as follows: The private transfer fee	tion,	§5.205,
	Property Code, requires Seller to notify Buyer as follows: The private transfer may be governed by Chapter 5, Subchapter G of the Texas Property Code.	iee or	Jilgation
(9)	PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propan	e gas	system
` ′	service area owned by a distribution system retailer. Seller must give Buyer	writte	n notice
	as required by §141.010, Texas Utilities Code. An addendum containing the no by TREC or required by the parties should be used.	tice a	pprovea
(10)	NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an imp	ound	ment of
	water, including a reservoir or lake, constructed and maintained under Chapt	ter 11	., Water
	Code, that has a storage capacity of at least 5,000 acre-feet at the impound	nent's	normal
	operating level, Seller hereby notifies Buyer: "The water level of the impoundr adjoining the Property fluctuates for various reasons, including as a result of:	nent o	or water
	lawfully exercising its right to use the water stored in the impoundment; or (2) dro	ought or
	flood conditions."	•	
(11)	CERTIFICATE OF MOLD REMEDIATION: If the Property has been remediated for must provide to Buyer each certificate of mold damage remediation	r mole	d, Seller
	§1958.154, Occupations Code, during the five (5) years preceding the sale of the		
(12)			
(12)	[(11)]REQUIRED NOTICES: The following notices have been given or are attacontract (for example, utility, water, drainage, and public improvement dis	stricts	[MUD,
	WCID, PID notices]): Seller's failure to provide applicable statutory notices may provide Buyer with		
	rights to terminate the contract.	reme	edies or
7. PRO	PERTY CONDITION:		
A. A	CCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's a	igents	access
to	o the Property at reasonable times. Buyer may have the Property inspected belected by Buyer and licensed by TREC or otherwise permitted by law to make	oy ins	spectors
Δ,	ny hydrostatic testing must be separately authorized by Seller in writing. Sell	: IIISP er at	Seller's
ex	ny hydrostatić testing must be separately authorized by Seller in writing. Sell xpense shall immediately cause existing utilities to be turned on and shall kee	p the	utilities
10	n during the time this contract is in effect.		
	ELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (N	Votice):
	Check one box only)		
	 Buyer has received the Notice. Buyer has not received the Notice. Within the days after the Effective 	. Date	of this
	 Buyer has not received the Notice. Within days after the Effective contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive 	e the	Notice,
	Buyer may terminate this contract at any time prior to the closing and the ea	arnest	money
	will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate	this o	contract
	for any reason within 7 days after Buyer receives the Notice or prior to whichever first occurs, and the earnest money will be refunded to Buyer.	tne	ciosing,
	3) The Seller is not required to furnish the notice under the Texas Property Code.		
[C. ŠI	ELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARD	S is r	equired
by	y Federal law for a residential dwelling constructed prior to 1978.		
D. A	CCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of ith any and all defects and without warranty except for the warranties of	tne P	roperty
Initialed f	for identification by Buyer and Seller TRE	C NO	of <u>107</u> 20- <u>18[17]</u>

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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, Seller shall complete all agreed repairs and treatments prior to the Closing Date and obtain any required permits. The 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. Seller shall: (i) provide Buyer with copies of documentation from the repair person(s) showing the scope of work and payment for the work completed; and (ii) at Seller's expense, arrange for the transfer of any transferable warranties with respect to the repairs and treatments to Buyer at closing. 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 purch
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 AND SALES AGENTS: A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent'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:
B. 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
 (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, transfer of any warranties, 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) Private transfer fees (as defined by Chapter 5, Subchapter G of the Texas Property Code)
Initialed for identification by Buyer and Seller TREC $\stackrel{180}{\text{MO}}$. $\stackrel{107}{\text{20}}$ - $\frac{18[17]}{\text{10}}$

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•	[11-07-2022] (Address of Property)		

will be the obligation of Seller unless provided otherwise in this contract. Transfer fees assessed by a property owners' association are governed by the Addendum for Property Subject to Mandatory Membership in a Property Owners Association.

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: Qupon closing and funding Quaccording 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. SMART DEVICES: "Smart Device" means a device that connects to the internet to enable remote use, monitoring, and management of: (i) the Property; (ii) items identified in any Non-Realty Items Addendum; or (iii) items in a Fixture Lease assigned to Buyer. At the time Seller delivers possession of the Property to Buyer, Seller shall:
 - (1) deliver to Buyer written information containing all access codes, usernames, passwords, and applications Buyer will need to access, operate, manage, and control the Smart Devices; and
 - (2) terminate and remove all access and connections to the improvements and accessories from any of Seller's personal devices including but not limited to phones and computers.
- **11. SPECIAL PROVISIONS:** (This paragraph is intended to be used only for additional informational items. An informational item is a statement that completes a blank in a contract form, discloses factual information, or provides instructions. Real estate brokers and sales agents are prohibited from practicing law and shall not add to, delete, or modify any provision of this contract unless drafted by a party to this contract or a party's attorney.)

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 \$______ 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 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, rents, and regular periodic maintenance fees, assessments, and dues (including prepaid items) 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

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included for facilities action by bay	und Seller	TREC NO. 20 <u>10</u> [17

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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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.
- 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 disbursal of the earnest money.
- 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 Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status 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.

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ncialed for facilities action by	,		

Con	tract Concerning[11-07-2022] (Ad	
		other must be in writing and are effective when ax or electronic transmission as follows:
	Phone: ()	Phone: ()
	E-mail/Fax:	E-mail/Fax:
	E-mail/Fax:	E-mail/Fax:With a copy to Seller's agent at:
22.	AGREEMENT OF PARTIES: This contract contract to cannot be changed except by their written agree are (Check all applicable boxes):	ontains the entire agreement of the parties and ement. Addenda which are a part of this contract
	☐ Third Party Financing Addendum	☐ Seller's Temporary Residential Lease
	Seller Financing Addendum	☐ Short Sale Addendum
	 Addendum for Property Subject to Mandatory Membership in a Property Owners Association 	Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
	☐ Buyer's Temporary Residential Lease	Addendum for Seller's Disclosure of Information on Lead-based Paint and
	□ Loan Assumption Addendum□ Addendum for Sale of Other Property by	Lead-based Paint Hazards as Required by Federal Law
	Buyer	Addendum for Property in a Propane Gas System Service Area
	Addendum for Reservation of Oil, Gas and Other Minerals	Addendum Regarding Residential Leases
	□ Addendum for "Back-Up" Contract□ Addendum for Coastal Area Property	Addendum Regarding Fixture Leases
	Addendum for Authorizing Hydrostatic Testing	Addendum containing Notice of Obligation to Pay Improvement District Assessment
	Addendum Concerning Right to Terminate Due to Lender's Appraisal	Other (list):
	 Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum 	
23.	CONSULT AN ATTORNEY BEFORE SIGNING agents from giving legal advice. READ THIS CON	: TREC rules prohibit real estate brokers and sales NTRACT CAREFULLY.
	Buyer's Attorney is:	Seller's Attorney is:
	Phone: ()	Phone: ()
	Fax: <u>(</u>)	Fax: <u>(</u>)

act Concerning	[11-07-2022] (Address of Property)	Page 9 of 11	02-12-202
EXECUTED the (BROKER: FILL IN TH	day of, 20 (E E DATE OF FINAL ACCEPTANCE.)	Effective Date).	
		•	
		•	
		•	
Buyer	Seller	•	
Buyer	Seller		
Buyer	Seller		
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. 20-18[17]. This form replaces TREC NO. 20-17[16].

BROKER INFORMATION (Print name(s) only. Do not sign)				
Other Broker Firm	License No.	Listing Broker Firm	License No.	
represents Buyer only as Buyer's a		represents Seller and Buyer as an interpresents		
☐ Seller as Listing Broker	's subagent	Seller only as Seller's ager	ıt	
Associate's Name	License No.	Listing Associate's Name	License No.	
Team Name		Team Name		
Associate's Email Address	Phone	Listing Associate's Email Address	Phone	
Licensed Supervisor of Associate	License No.	Licensed Supervisor of Listing Associate	License No.	
Other Broker's Address	Phone	Listing Broker's Office Address	Phone	
City State	Zip	City Sta	ate Zip	
		Selling Associate's Name	License No.	
		Team Name		
		Selling Associate's Email Address	Phone	
		Licensed Supervisor of Selling Associate	License No.	
		Selling Associate's Office Address		
		City State	Zip	
Disclosure: Pursuant to a previou agreement between brokers), Listing	s, separate agre g Broker has agre	ement (such as a MLS offer of compo ed to pay Other Broker a fee (sclosure is for informational purposes and	ensation or othe	
the previous agreement between bro). This di okers to pay or sh	sciosure is for informational purposes and lare a commission.	a does not change	

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	OPTION FE	E RECEIPT	
Receipt of \$is acknowledged.	(Option Fee) in the	form of	
Escrow Agent			Date
	EARNEST MO	NEY RECEIPT	
Receipt of \$is acknowledged.	Earnest Money in	the form of	
Escrow Agent	Received by	Email Address	Date/Time
Address			Phone
City	State	Zip	Fax
	CONTRAC	T RECEIPT	
Receipt of the Contract is	acknowledged.		
Escrow Agent	Received by	Email Address	Date
Address			Phone
City	State	Žip	Fax
	ADDITIONAL EARNI	ST MONEY RECEIPT	
Receipt of \$ is acknowledged.	additional Earnest N	oney in the form of	
Escrow Agent	Received by	Email Address	Date/Time
Address			Phone
City	State	Zip	Fax

[11-07-2022] (Address of Property)

Contract Concerning _____



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) **NEW HOME CONTRACT**

(Incomplete Construction)

NOTICE: Not For Use For Condominium Transactions or Closings Prior to Completion of Construction



TEXAS REAL ESTATE COMMISSION		OPPORTUNITY
1.PARTIES: The parties to this contract (Seller) and convey to Buyer and Buyer agrees to b	are	\ C-
(Seller) and	(Buyer	r). Seller agrees to sell and
convey to Buyer and Buyer agrees to b	uy from Selier the Property de	erinea below.
2.PROPERTY:Lot,Block_		
2.PROPERTY:Lot,Block_Addition, City of	,County of	lexas, known as
	::1 (:) :	(address/zip_code), or as
described on attached exhibit, togethe	er with: (i) improvements, fi	xtures and all other property
described in the Construction Documer	its: and (ii) all riunts, briviled	es and appurtenances thereto
All property sold by this contract is call	ed the Property (Property).	
RESERVATIONS: Any reservation for o	ii, gas, or other minerals, wa	ter, timber, or other interests
is made in accordance with an attached	addendum.	
3.SALES PRICE:	B	_
A. Cash portion of Sales Price payable to The term "Cash portion of the Sales	by Buyer at closing	\$
The term "Cash portion of the Sales	Price" does not include procee	eas from borrowing of any
kind or selling other real property ex		
B. Sum of all financing described in the	attached: Third Party Fir	nancing Addendum,
lacksquare Loan Assumption Addendum, $lacksquare$	Seller Financing Addendum	1 \$
C. Sales Price (Sum of A and B)		\$
4.LEASES:		
A. Except as disclosed in this contract	, Seller is not aware of any	leases affecting the Property.
After the Effective Date Seller may	not without Buyer's written	consent create a new lease
amend any existing lease, or convey	any interest in the Property.	,
amend any existing lease, or convey B. NATURAL RESOURCE LEASES: "Na	atural Resource Lease" méa	ns an existing oil and gas,
mineral, geothermal, water, wind,	or other natural resource le	ase affecting the Property to
which Seller is a party. Seller \Box is		
party to a Natural Resource Lease, o	heck one of the following:	Resource Lease. It Seller is a
_ ' '		
\square (1) Seller has delivered to Buyer a c		
(2) Seller has not delivered to Buye provide to Buyer a copy of all th	er a copy of all the Natural F	Resource Leases. Seller shall
provide to Buyer a copy of all th	e Natural Resource Leases wi	thin 3 days after the Effective
Date. Buyer may terminate the receives all the Natural Resour	contract within days	after the date the Buyer
receives all the Natural Resour	ce Leases and the earnest	money shall be refunded to
Buyer.		
5.EARNEST MONEY AND TERMINATION		0 11 500 11 50 15
A. DELIVERY OF EARNEST MONEY AND	OPTION FEE: Within 3 days a	after the Effective Date, Buyer
must deliver toas	(Escro	ow Agent) at
	(address): \$	as earnest
money and \$as 1	the Option Fee. The earnest h	noney and Option Fee shall be
made payable to Escrow Agent and i	nay be paid separately or con	nbined in a single payment.
(1) Buyer shall deliver additional ear days after the Effective D	nest money of \$	to Escrow Agent within
days after the Effective D	ate of this contract.	
(2) If the last day to deliver the ea	rnest money, Option Fee, or	the additional earnest money
falls on a Saturday, Sunday, or I	egal holiday, the time to deliv	er the earnest money, Option
Fee, or the additional earnest m	ioney, as applicable, is exten	ded until the end of the next
day that is not a Saturday, Sund	dy, or legal Hollady.	shall be applied first to the
(3) The amount(s) Escrow Agent re Option Fee, then to the earnest r	noney and then to the addition	sildii be applied filst to tile
(4) Buyer authorizes Escrow Agent (o release and deliver the On	tion Fee to Seller at any time
without further notice to or cons	ent from Ruyer, and releases	Fectow Agent from liability for
delivery of the Option Fee to Se	eller The Ontion Fee will be	credited to the Sales Price at
closing.	sher. The option ree will be	created to the sales trice at
B. TERMINATION OPTION: For nomina	l consideration, the receipt of	of which Seller acknowledges.
and Buyer's agreement to pay the C	option Fee within the time rea	uired. Seller grants Buver the
unrestricted right to terminate this	contract by giving notice of	f termination to Seller within
days after the Effective D	ate of this contract (Option	Period). Notices under this
paragraph must be given by 5:00 p	.m. (local time where the Pro	operty is located) by the date
specified. If Buyer gives notice of	termination within the time p	prescribed: (i) the Option Fee
will not be refunded and Escrow A	gent shall release any Optio	n Fee remaining with Escrow
Agent to Seller; and (ii) any earnest	money will be refunded to Bu	yer.
C. FÄILURE TO TİMELY DELIVER EARN	NEST MONEY: If Buyer fails †	to deliver the earnest money
within the time required, Seller may	terminate this contract or ex	ercise Seller's remedies under
Paragraph 15, or both, by providing	notice to Buyer before Buyer	delivers the earnest money.
D. FAILURE TO TIMELY DELÍVER OPTIO	N FEE: It no dollar amount is	stated as the Option Fee or if
Buyer fails to deliver the Option	ree within the time require	d, Buyer shall not have the
unrestricted right to terminate this of	ontract under this Paragraph	o. . compliance with the time
E. TIME: Time is of the essence for for performance is required.	uns paragraph and strict	compliance with the time
<u>-</u>		25 of 107
nitialed for identification by Buyer	and Seller	TREC NO! 297-19[+6

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[11-07-2022]	(Address of Property)		
6.TITLE POLICY AND SURVEY:	to Buyon at DCallan's	DDvow/s symphose an au-	nor noliny of
A. TITLE POLICY: Seller shall furnish title insurance (Title Policy) issued	d by	(Title (Company) in
the amount of the Sales Price, do	ated at or after closing,	insuring Buyer against lo	ss under the
provisions of the Title Policy, sub and zoning ordinances) and the fo	Ject to the promulgated	exclusions (including exis	ting building
(1) Restrictive covenants common	to the platted subdivisi		located.
(2) The standard printed exception (3) Liens created as part of the fir	n for standby fees, taxes	s and assessments.	
(4) Utility easements created by	the dedication deed o	r plat of the subdivision i	n which the
Property is located.	hamuiaa namaittad hu th	is continuet on ac many bo	annuoved by
(5) Reservations or exceptions ot Buyer in writing.	nerwise permitted by tr	is contract or as may be	approved by
(6)The standard printed exception			
(7) The standard printed except matters.	ion as to waters, tide	lands, beaches, streams,	and related
(8) The standard printed exception			or boundary
lines, encroachments or protrus (i) will not be amended or dele	ions, or overlapping impr	ovements:	
(ii) will be amended to read, "	shortages in area" at the	e expense of Buyer Se	ller.
(9) The exception or exclusion	regarding minerals ap	proved by the Texas De	partment of
Insurance. B. COMMITMENT: Within 20 days a	fter the Title Company	receives a copy of this co	ntract Seller
shall furnish to Buyer a commitm	ent for title insurance	Commitment) and, at Buye	er's expense,
legible copies of restrictive co Commitment (Exception Docum	venants and documer	its evidencing exceptions	s in the
authorizes the Title Company to	deliver the Commitment	and Exception Documents	to Buyer at
Buyer's address shown in Paragra	aph 21. If the Commitr	ment and Exception Docum	ents are not
delivered to Buyer within the spec up to 15 days or 3 days before t	cified time, the time for the Closing Date, which	delivery will be automaticated by the companies of the companies are secured to the companies of the compani	nitment and
Exception Documents are not do	elivered within the time	e required, Buyer may te	rminate this
contract and the earnest money w C. SURVEY: The survey must be	vill be refunded to Buyer	ntial Completion Date by	a registered
professional land surveyor accept	able to the Title Compar	y and Buyer's lender(s).	a registered
_ (Check one box only)			-11
(1) At least days prior t new survey to Buyer.	o the Closing Date, Sell	er, at Seller's expense, sh	ali provide a
(2) At least days prior to t	the Closing Date, Buyer,	at Buyer's expense, shall	obtain a new
survey. Buyer is deemed to specified in this paragraph, wh	receive the survey on lichever is earlier.	the date of actual receipt	or the date
\square (3) No survey is required and B	uyer waives any right	to object to matters disc	<u>losed in any</u>
survey in Paragraph 6D. D. OBJECTIONS: Buyer may object	in writing to defects.	exceptions, or encumbrar	ices to title:
D. OBJECTIONS: Buyer may object disclosed on the survey other that	n items 6A(1) through (7) above; disclosed in the	Commitment
other than items 6A(1) through (9	above; or which prohi	bit the following use or act	ivity:
Buyer must object the earlier of (i) the Closing Date or (ii) days after Buyer	receives the
Commitment, Exception Docume	nts, and the survey. Bu	lyer's failure to object wit	hin the time
allowed will constitute a waiver Schedule C of the Commitment	are not waived by Buy	er. Provided Seller is not	obligated to
incur any expense, Seller shall o	cure any timely objection	ons of Buyer or any third	party lender
within 15 days after Seller receivextended as necessary. If objections	ves the objections (Cur-	e Period) and the Closing Ithin the Cure Period Bu	ver may by
delivering notice to Seller within	5 days after the end	of the Cure Period: (i) te	rminate this
contract and the earnest money v does not terminate within the	vill be refunded to Buye	r; or (ii) waive the objection	ns. If Buyer
objections. If the Commitment	or survey is revised (or any new Exception Do	cument(s) is
delivered, Buyer may object to a	ny new matter revealed	I in the revised Commitme	nt or survey
or new Exception Document(s) wi beginning when the revised Cor	tnin the same time state nmitment survey or F	ed in this paragraph to mai Excention Document(s) is	delivered to
Buyer.		Entopolori Document(o) 15	
E. TITLE NOTICES: (1) ABSTRACT OR TITLE POLICY:	Broker advises Ruver to	have an abstract of title	covering the
Property examined by an attor	rney of Buyer's seléctior	n, or Buyer should be furni	shed with or
obtain á Title Policy.´ If a Ti reviewed by an attorney of E	tle Policy is furnished.	the Commitment should	be promptly
reviewed by an attorney of E object.	buyer's choice due to th	ie uine iiinitations on Buy	er S right to
(2) MÉMBERSHIP IN PROPERTY O'	WNERS ASSOCIATION(S	(a): The Property Dis Dis n	ot subject to
mandatory membership in a mandatory membership in a	property owners assoc	lation(s). If the Property	IS SUDJECT TO Buver under
§5.012, Texas Property Code,	that, as a purchaser o	f property in the residentia	I community
Initialed for identification by Buyer	and Seller	TREC	760 f 107 19[18]

Contract Concerning __ _Page 3 of 10 02-12-2024 (Address of Property)

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 instruments may be obtained from the county clerk. You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to 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 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

(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. 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

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 pay and the period, if any, that is required to pay and the period of any that is required to pay and the period, if any, that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay and the period of any that is required to pay any that is require 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, Seller

must give Buyer written notice as required by §5.014, Property Code. An addendum containing the required notice shall be attached to this contract.

(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

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 recognizer of lake constructed and maintained under Chapter 11. Water Code, that

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- 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 a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- (11) CERTIFICATE OF MOLD REMEDIATION: If the Property has been remediated for mold, Seller must provide to Buyer each certificate of mold damage remediation issued under §1958.154, Occupations Code, during the five (5) years preceding the sale of the Property.

r identification by Buyer and Selle	r TREC NO. 19[18]
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Contract ConcerningPage 4 of 10
(12)[(11)]REQUIRED NOTICES: The following notices have been given or are attached to this contract (for example, utility, water, drainage, and public improvement districts [MUD, WCID, PID
notices]): Seller's failure to provide applicable statutory notices may provide Buyer with remedies or rights
to terminate the contract. 7.PROPERTY CONDITION:
A. ACCESS AND INSPECTIONS: 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. B. CONSTRUCTION DOCUMENTS: Seller shall complete all improvements to the Property with due diligence in accordance with the Construction Documents. "Construction Documents" means the plans and specifications, the finish out schedules, any change orders, and any allowances related to the plans and specifications, finish out schedules, and change orders. The Construction Documents have been signed by the parties and are incorporated into this contract by reference. C. COST ADJUSTMENTS: All change orders must be in writing. Increase in costs resulting from change orders or items selected by Buyer which exceed the allowances specified in the Construction Documents will be paid by Buyer as follows:
A decrease in costs resulting from change orders and unused allowances will reduce the Sales Price, with proportionate adjustments to the amounts in Paragraphs 3A and 3B as required by
lender. D. BUYER'S SELECTIONS: If the Construction Documents permit selections by Buyer, Buyer's selections will conform to Seller's normal standards as set out in the Construction Documents or will not, in Seller's judgment, adversely affect the marketability of the Property. Buyer will make required selections within days after notice from Seller. E. COMPLETION: Seller must commence construction no later than days after the Effective Date of this contract. The improvements will be substantially completed in accordance with the Construction Documents and ready for occupancy not later than 20 The improvements will be deemed to be substantially completed in accordance with the Construction Documents upon the final inspection and approval by all applicable governmental authorities and any lender (Substantial Completion Date). Construction delays caused by acts of God, fire or other casualty, strikes, boycotts or nonavailability of materials for which no substitute of comparable quality and price is available will be added to the time allowed for substantial completion of the construction. However, in no event may the time for substantial completion extend beyond the Closing Date. Seller may substitute materials, equipment and appliances of comparable quality for those specified in the Construction Documents. F. WARRANTIES: Except as expressly set forth in this contract, a separate writing, or provided by law, Seller makes no other express warranties. Seller shall assign to Buyer at closing all assignable manufacturer warranties. G. INSULATION: As required by Federal Trade Commission Regulations, the information relating to the insulation installed or to be installed in the Improvements at the Property is: (check only one box below) (1) as shown in the attached specifications. (2) as follows: (a) Exterior walls of improved living areas: insulated with insulation to a thickness of inches which yields an R-Value of
(b) Walls in other areas of the home: insulated with insulation to a thickness of inches which yields an R-Value of
(c) Ceilings in improved living areas: insulated with insulation to a thickness of inches which yields an R-Value of
(d) Floors of improved living areas not applied to a slab foundation: insulated with insulation to a thickness of inches
(e) Other insulated areas: insulated with insulation to a thickness of inches which yields an R-Value of insulation to a
(d) Floors of improved living areas not applied to a slab foundation: insulated with
(1) Seller \Box is \Box is not aware of any flooding of the Property which has had a material adverse effect on the use of the Property. (2) Seller \Box is \Box is not aware of any pending or threatened litigation, condemnation, or
 (2) Seller ☐ is ☐ is not aware of any pending or threatened litigation, condemnation, or special assessment affecting the Property. (3) Seller ☐ is ☐ is not aware of any environmental hazards that materially and adversely
(3) Seller is is not aware of any environmental nazards that materially and adversely affect the Property. (4) Seller is is not aware of any dumpsite, landfill, or underground tanks or containers new or proviously located on the Property.
now or previously located on the Property. Initialed for identification by Buyer and Seller TREC NO. 23-19[18]

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(Address of Property) (5) Seller is is not aware of any wetlands, as defined by federal or state law or
`´regulation, affecting the Property. (6) Seller 🖵 is 🗖 is not aware of any threatened or endangered species or their habitat
affecting the Property.
affecting the Property. (7) Seller is is is not aware that the Property is located wholly partly in a floodplain. (8) Seller is is not aware that a tree or trees located on the Property has oak wilt. If Seller is aware of any of the items above, explain (attach additional sheets if necessary):
J. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a provider or administrator licensed by the Texas Department of Licensing and Regulation. 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 \$ 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 AND SALES AGENTS:
A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent'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:
B. 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
 (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, transfer of any warranties, 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 payment of any loans assumed by Buyer and assumed loans will not be in default. (5) Private transfer fees (as defined by Chapter 5, Subchapter G of the Texas Property Code)
will be the obligation of Seller unless provided otherwise in this contract. Transfer fees assessed by a property owners association are governed by the Addendum for Property Subject to Mandatory Membership in a Property Owners Association.
A. BUYER'S POSSESSION: Seller shall deliver to Buyer possession of the Property: 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. SMART DEVICES: "Smart Device" means a device that connects to the internet to enable remote use, monitoring, and management of: (i) the Property; (ii) items identified in any Non-Realty Items Addendum; or (iii) items in a fixture lease assigned to Buyer. At the time Seller delivers possession of the Property to Buyer, Seller shall: (1) deliver to Buyer written information containing all access codes, usernames, passwords, and
applications Buyer will need to access, operate, manage, and control the Smart Devices; and (2) terminate and remove all access and connections to the improvements and accessories from
any of Seller's personal devices including but not limited to phones and computers. 11.SPECIAL PROVISIONS: (This paragraph is intended to be used only for additional informational items. An informational item is a statement that completes a blank in a contract form, discloses factual information, or provides instructions. Real estate brokers and sales agents are prohibited from practicing law and shall not add to, delete, or modify any provision of this contract unless drafted by a party to this contract or a party's attorney.)
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
Initialed for identification by Buyer and Seller TREC NO. 23-19[18]

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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 \$ 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 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 AND ROLLBACK TAXES:

- 13.PRORATIONS AND ROLLBACK TAXES:

 A. PRORATIONS: Taxes for the current year, interest, rents, and regular periodic maintenance fees, assessments, and dues (including prepaid items) 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 will be obligated to pay taxes for the current year.

 B. ROLLBACK TAXES: If additional taxes, penalties, or interest (Assessments) are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

 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 45 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. 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. Subject to applicable law, 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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds
- acceptable to 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party. entitled to the earnest money that were authorized by this contract or that party.
- 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

Contract Concerning(Address o	Page 7 of 10 <u>02-12-2024</u> of Property)				
the demand from the other party within 15 to the party making demand reduced by t the party receiving the earnest money and Escrow Agent complies with the provisions Agent from all adverse claims related to the	days, Escrow Agent may disburse the earnest money the amount of unpaid expenses incurred on behalf of Escrow Agent may pay the same to the creditors. If of this paragraph, each party hereby releases Escrow e disbursal of the earnest money.				
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.					
Notice of objection to the demand will be de	effective when sent in compliance with Paragraph 21. eemed effective upon receipt by Escrow Agent.				
closing. If any representation of Seller in this in default. Unless expressly prohibited by w Property and receive, negotiate and accept ba					
Service together with appropriate tax forms written reports if currency in excess of specific 21.NOTICES: All notices from one party to the or	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: ()				
E-mail/Fax:	E-mail/Fax: E-mail/Fax:				
With a copy to Buyer's agent at:	With a copy to Seller's agent at:				
22.AGREEMENT OF PARTIES: This contract cannot be changed except by their written ag are (check all applicable boxes):	contains the entire agreement of the parties and reement. Addenda which are a part of this contract				
☐ Third Party Financing Addendum	Addendum for Coastal Area Property				
Seller Financing Addendum	 Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum 				
Addendum for Property Subject to					
Mandatory Membership in a Property Owners Association	☐ Seller's Temporary Residential Lease				
Buyer's Temporary Residential Lease	☐ Short Sale Addendum				
Loan Assumption Addendum	 Addendum for Property Located Seaward of the Gulf Intracoastal Waterway 				
Addendum for Sale of Other Property by Buyer	Addendum for Property in a Propane Gas System Service Area				
Addendum for Reservation of Oil, Gas and Other Minerals	Addendum containing Notice of Obligation to Pay Improvement District Assessment				
Addendum for "Back-Up" Contract	Other (list):				
 Addendum Concerning Right to Terminate Due to Lender's Appraisal 					
Initialed for identification by Buyer a	and Seller TREC NO. ^f 297-19[18]				

Contract Concerning [11-07-2022]	(Address of Pr	operty)	Page 8 of 10	02-12-2024
23.CONSULT AN	ATTORNEY BEFORE SIGNING ving legal advice. READ THIS CON	: TREC rules r	orohibit real estate bro	
Buyer's		Seller's		
Phone: ()	Phone:	_()	
Fax: <u>(</u>)	Fax:	()	
E-mail:		E-mail:		
[-	day of IN THE DATE OF FINAL ACCES	PIANCE.)		
This contract is Texas Property chapter may a	subject to Chapter 27 of the Code. The provisions of that affect your right to recover from a construction defect. If	Buyer		
you have a construction def been corrected by contract, you required by Cha Code to the cont	complaint concerning a fect and that defect has not as may be required by law or ou must provide the notice apter 27 of the Texas Property tractor by certified mail, return	Buyer		
before the dat damages in a arbitration. The 27 of the Text describe the con	td, not later than the 60th day te you file suit to recover a court of law or initiate e notice must refer to Chapter as Property Code and must astruction defect. If requested the must provide the	Seller		
contractor an or	ctor, you must provide the pportunity to inspect and cure provided by Section 27.004 of cty Code.	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. 23- $\frac{19}{18}$. This form replaces TREC NO. 23- $\frac{19}{18}$.

Contract Concerning	P	Page 9 of 10	02-12-2024
[11-07-2022]	(Address of Property)	J	

		INFORMATION) only. Do not sign)	
Other Broker Firm	License No.	Listing Broker Firm	License No.
represents		represents Seller and Buyer as a Seller only as Seller's	
Associate's Name	License No.	Listing Associate's Name	License No.
Team Name		Team Name	
Associate's Email Address	Phone	Listing Associate's Email Address	Phone
icensed Supervisor of Associate	License No.	Licensed Supervisor of Listing Associat	te License No.
Other Broker's Address	Phone	Listing Broker's Office Address	Phone
City State	Zip	City	State Zip
		Selling Associate's Name Team Name	License No.
	/	Selling Associate's Email Address	Phone
		Licensed Supervisor of Selling Associate	e License No.
		Selling Associate's Office Address	
		City	State Zip
Disclosure: Pursuant to a previous, agreement between brokers), Listing change the previous agreement between	separate agr Broker has agr). This een brokers to	eement (such as a MLS offer of c eed to pay Other Broker a fee (disclosure is for informational pu pay or share a commission.	compensation or other irposes and does not

02-12-2024

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	OPTION FE	E RECEIPT	
Receipt of \$is acknowledged.	(Option Fee)	in the form of	
Escrow Agent			Date
	EARNEST MO	NEY RECEIPT	
Receipt of \$is acknowledged.	Earnest Mond	ey in the form of	
Escrow Agent	Received by	Email Address	Date/Time
Address			Phone
City	State	Zip	Fax
Receipt of the Contract is	CONTRAC acknowledged.	T RECEIPT	
Escrow Agent	Received by	Email Address	Date
Address			Phone
City	State	Zip	Fax
	ADDITIONAL EARNI	ST MONEY RECEIPT	
Receipt of \$is acknowledged.	additional Earnes	st Money in the form of	
Escrow Agent	Received by	Email Address	Date/Tim
Address			Phone
City	State	Zip	Fax

(Address of Property)

Contract Concerning __ [11-07-2022]



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) NEW HOME CONTRACT (Completed Construction) NOTICE: Not For Use For Condominium Transactions or Closings Prior to Completion of Construction



1.	(Seller) and(Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
	to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2.	PROPERTY: Lot,Block, Addition,
	PROPERTY: Lot, Block, Addition, City of, County of, Texas, known as (address/zip code), or as described on attached exhibit, together with: (i) improvements, fixtures and all other property located thereon; and (ii) all rights, privileges and appurtenances thereto. All property sold by this contract is called the Property (Property).
3	RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum. SALES PRICE:
٥.	A. Cash portion of Sales Price payable by Buyer at closing\$
	The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any kind or selling other real property except as disclosed in this contract. 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)
4.	LEASES: Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property. (Check all applicable boxes)
	A. RESIDENTIAL LEASES: The Property is subject to one or more residential leases and the Addendum Regarding Residential Leases is attached to this contract.
	B. FIXTURE LEASES: Fixtures on the Property are subject to one or more fixture leases (for example, solar panels, propane tanks, water softener, security system) and the Addendum Regarding Fixture Leases is attached to this contract.
	C. NATURAL RESOURCE LEASES: "Natural Resource Lease" means an existing oil and gas, mineral, geothermal, water, wind, or other natural resource lease affecting the Property to which Seller is a party.
	\square (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
_	(2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract within days after the date the Buyer receives all the Natural Resource Leases and the earnest money shall be refunded to Buyer.
5.	EARNEST MONEY AND TERMINATION OPTION:
	A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, Buyer must deliver to (Escrow Agent) at as earnest money and
	\$ as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent and may be paid separately or combined in a single payment. (1) Buyer shall deliver additional earnest money of \$ to Escrow Agent within days after the Effective Date of this contract.
	(2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Option Fee, or the additional earnest money, as applicable, is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.
	(3) The amount(s) Escrow Agent receives under this paragraph shall be applied first to the Option Fee, then to the earnest money, and then to the additional earnest money. (4) Buyer authorizes Escrow Agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases Escrow Agent from liability
	for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.
	B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowledges, and Buyer's agreement to pay the Option Fee within the time required, 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

Contract Concerning	Page 2 of 112224 Address of Property)
will not be refunded and Escrow Agent sh Agent to Seller; and (ii) any earnest money C. FAILURE TO TIMELY DELIVER EARNEST M within the time required, Seller may tern	tion within the time prescribed: (i) the Option Fee all release any Option Fee remaining with Escrow will be refunded to Buyer. ONEY: If Buyer fails to deliver the earnest money ninate this contract or exercise Seller's remedies notice to Buyer before Buyer delivers the earnest
D. FAILURE TO TIMELY DELIVER OPTION FEE: if Buyer fails to deliver the Option Fee w unrestricted right to terminate this contract	If no dollar amount is stated as the Option Fee or ithin the time required, Buyer shall not have the under this Paragraph 5. aragraph and strict compliance with the time
6. TITLE POLICY AND SURVEY:	
A. TITLE POLICY: Seller shall furnish to Buyer of title insurance (Title Policy) issued by(Title Company) in the amount of the Sale	at \square Seller's \square Buyer's expense an owner policy es Price, dated at or after closing, insuring Buyer
against loss under the provisions of the T (including existing building and zoning ordi	itle Policy, subject to the promulgated exclusions nances) and the following exceptions: atted subdivision in which the Property is located. dby fees, taxes and assessments.
 (4) Utility easements created by the dedic Property is located. (5) Reservations or exceptions otherwise p 	ation deed or plat of the subdivision in which the permitted by this contract or as may be approved
by Buyer in writing. (6) The standard printed exception as to matters.	arital rights. waters, tidelands, beaches, streams, and related
 (8) The standard printed exception as to disclines, encroachments or protrusions, or or □ (i) will not be amended or deleted from 	
(ii) will be amended to read, "shortages	in area" at the expense of Buyer Seller. minerals approved by the Texas Department of
B. COMMITMENT: Within 20 days after the Seller shall furnish to Buyer a commitment expense, legible copies of restrictive cover Commitment (Exception Documents) other authorizes the Title Company to deliver the at Buyer's address shown in Paragraph 2 are not delivered to Buyer within the automatically extended up to 15 days or 3 If the Commitment and Exception Documents and Exception Doc	Title Company receives a copy of this contract, for title insurance (Commitment) and, at Buyer's lants and documents evidencing exceptions in the exthan the standard printed exceptions. Seller Commitment and Exception Documents to Buyer I. If the Commitment and Exception Documents specified time, the time for delivery will be days before the Closing Date, whichever is earlier lents are not delivered within the time required, earnest money will be refunded to Buyer. registered professional land surveyor acceptable to Check one box only)
(1) Within days after the Effective and Title Company Seller's existing surv Affidavit promulgated by the Texas De	Date of this contract, Seller shall furnish to Buyer vey of the Property and a Residential Real Property partment of Insurance (T-47 Affidavit). If Seller or affidavit within the time prescribed, Buyer
Closing Date. If the existing survey	er's expense no later than 3 days prior to or affidavit is not acceptable to Title Company or new survey at \square Seller's \square Buyer's expense no
(2) Within days after the Effective	ve Date of this contract, Buyer shall obtain a new eemed to receive the survey on the date of actual graph, whichever is earlier.
(3) Within days after the Effective shall furnish a new survey to Buyer.	e Date of this contract, Seller, at Seller's expense es any right to object to matters disclosed in any
survey in Paragraph 6D. D. OBJECTIONS: Buyer may object in writing disclosed on the survey other than items	to defects, exceptions, or encumbrances to title: ms 6A(1) through (7) above; disclosed in the igh (9) above; or which prohibit the following use
the Commitment, Exception Documents, ar time allowed will constitute a waiver	days after Buyer receives of the survey. Buyer's failure to object within the of Buyer's right to object; except that the ment are not waived by Buyer. Provided Seller is

__Page 3 of 11 ___02-12-2024 Contract Concerning _ (Address of Property)

not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, survey, or Exception Document(s) is delivered to Buyer. Exception Document(s) is delivered to Buyer. 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 ubject 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). Postrictive coverants 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 instruments may be obtained from the county clerk. You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to 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 should be used.

Property Subject to Manualory Membership in a Tropole, 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.

lexas 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 prope closing of purchase of the real property.

Contract ConcerningPage 4 of [11-07-2022] (Address of Property)	11 02-12-2024
(7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improver Seller must give Buyer written notice as required by \$5.014, Propert addendum containing the required notice shall be attached to this contract. (8) TRANSFER FEES: If the Property is subject to a private transfer fee obligated Property Code, requires Seller to notify Buyer as follows: The private obligation may be governed by Chapter 5, Subchapter G of the Texas Propert (9) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a system service area owned by a distribution system retailer, Seller must written notice as required by \$141.010, Texas Utilities Code. An addendum contice approved by TREC or required by the parties should be used. (10) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an import water, including a reservoir or lake, constructed and maintained under Chapted Code, that has a storage capacity of at least 5,000 acre-feet at the impound operating level, Seller hereby notifies Buyer: "The water level of the import water adjoining the Property fluctuates for various reasons, including as (1) an entity lawfully exercising its right to use the water stored in the import (2) drought or flood conditions." (11) CERTIFICATE OF MOLD REMEDIATION: If the Property has been remediated Seller must provide to Buyer each certificate of mold damage remediation \$1958.154, Occupations Code, during the five (5) years preceding the	tion, §5.205, transfer fee y Code. propane gas t give Buyer containing the coundment of ter 11, Water nent's normal coundment of a result of: bundment; or ted for mold, issued under
Property. (12)[(11)]REQUIRED NOTICES: The following notices have been given or are atta contract (for example, utility, water, drainage, and public improvement dis	ached to this stricts [MUD,
Seller's failure to provide applicable statutory notices may provide Buyer with rights to terminate the contract.	remedies or
 7. PROPERTY CONDITION: A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's a to the Property at reasonable times. Buyer may have the Property inspected by selected by Buyer and licensed by TREC or otherwise permitted by law to make Seller at Seller's expense shall immediately cause existing utilities to be turned keep the utilities on during the time this contract is in effect. B. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of with any and all defects and without warranty except for the warranties of warranties in this contract. Buyer's agreement to accept the Property As Is und 7B(1) or (2) does not preclude Buyer from inspecting the Property under Paragra negotiating repairs or treatments in a subsequent amendment, or from terr 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 following specific repairs and treatments: 	by inspectors inspections. on and shall the Property title and the Praragraph aph 7A, from minating this
(Do not insert general phrases, such as "subject to inspections," that do not ide repairs and treatments.)	, ,
 C. WARRANTIES: Except as expressly set forth in this contract, a separate writing by law, Seller makes no other express warranties. Seller shall assign to Buyer assignable manufacturer warranties. D. INSULATION: As required by Federal Trade Commission Regulations, the information to the insulation installed or to be installed in the Improvements at the Proper only one box below) (1) as shown in the attached specifications. (2) as follows: (a) Exterior walls of improved living areas: insulated with 	at closing all ation relating ty is: (check
(a) Exterior walls of improved living areas: insulated with insulation to a thickness of inches which yields an R-Value of	
(b) Walls in other areas of the home: insulated with insulation to a thickness of inches which yields an R-Value of	
(c) Ceilings in improved living areas: insulated with insulation to a thickness of inches which yields an R-Value of	
(d) Floors of improved living areas not applied to a slab foundation: insulated insulation to a thickness of	with inches which
yields an R-Value of insulation to a thickness o	nsulation to a
All stated R-Values are based on information provided by the manufacturer of the E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in very party is obligated to pay for lender required repairs, which includes treatments are destroying insects. If the parties do not agree to pay for the lender required treatments, this contract will terminate and the earnest money will be refunded to	e insulation. writing, neither
Induced for identification by buyer and Seller The	.C NO. 27 17[10]

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terminate this contract and the earnest mon F. COMPLETION OF REPAIRS, TREATMENTS, writing, Seller shall complete all agree prior to the Closing Date and obtain any persons who are licensed to provide succommercially engaged in the trade of provide commercially engaged in the trade of provide comment for the work completed; and (if any transferable warranties with respect complete any agreed Work prior to the Closing Date	nents exceeds 5% of the Sales Price, Buyer may ey will be refunded to Buyer. AND IMPROVEMENTS: Unless otherwise agreed in d repairs, treatments, and improvements (Work) required permits. The Work must be performed by the Work or, if no license is required by law, are oviding such Work. Seller shall: (i) provide Buyer repair person(s) showing the scope of work and i) at Seller's expense, arrange for the transfer of to the Work to Buyer at closing. If Seller fails to Closing Date, Buyer may exercise remedies under a up to 5 days if necessary for Seller to complete
substances, including asbestos and waste of a threatened or endangered species or Property. If Buyer is concerned about the required by the parties should be used.	advised that the presence of wetlands, toxic s or other environmental hazards or the presence its habitat may affect Buyer's intended use of the se matters, an addendum promulgated by TREC or
adverse effect on the use of the Proper (2) Seller is is not aware of any special assessment affecting the Prope (3) Seller is is not aware of any end affect the Property. (4) Seller is is not aware of a containers now or previously located (5) Seller is is not aware of any regulation, affecting the Property. (6) Seller is is not aware of any affecting the Property. (7) Seller is is not aware that the floodplain. (8) Seller is aware of any of the items about	pending or threatened litigation, condemnation, or rty. Invironmental hazards that materially and adversely my dumpsite, landfill, or underground tanks or on the Property. Invite wetlands, as defined by federal or state law or threatened or endangered species or their habitatine Property is located wholly partly in a see or trees located on the Property has oak wilt. Inve, explain (attach additional sheets if necessary):
a provider or administrator licensed by the Buyer purchases a residential service cont cost of the residential service contract in a should review any residential service collimitations. The purchase of a residential service collimitations. The purchase of a residential service collimitations. The purchase of a residential service collimitations. 8. BROKERS AND SALES AGENTS:	er may purchase a residential service contract from a Texas Department of Licensing and Regulation. If ract, Seller shall reimburse Buyer at closing for the namount not exceeding \$ Buyer at a scope of coverage, exclusions and lential service contract is optional. Similar ious companies authorized to do business in
agent who is a party to a transaction or a entity in which the broker or sales agen broker or sales agent acts as a trustee or	Texas law requires a real estate broker or sales cting on behalf of a spouse, parent, child, business towns more than 10%, or a trust for which the of which the broker or sales agent or the broker or a beneficiary, to notify the other party in writing sclose if applicable:
separate written agreements.	rties for payment of brokers' fees are contained in
defaulting party may exercise the remedie B. At closing: (1) Seller shall execute and deliver a gen	ph 6D have been cured or waived, whichever date is to close the sale by the Closing Date, the nonscontained in Paragraph 15. eral warranty deed conveying title to the Property
furnish tax statements or certificates s (2) Buyer shall pay the Sales Price in good (3) Seller and Buyer shall execute an affidavits, releases, loan documents, reasonably required for the closing of t (4) There will be no liens, assessments, o not be satisfied out of the sales pro assumed by Buyer and assumed loans	d deliver any notices, statements, certificates, transfer of any warranties, and other documents he sale and the issuance of the Title Policy. r security interests against the Property which will ceeds unless securing the payment of any loans will not be in default.
will be the obligation of Seller unless	apter 5, Subchapter G of the Texas Property Code) provided otherwise in this contract. Transfer fees

				AGENDA IT	EM 4
	ract Concerning	(Addros	s of Property)	Page 6 of 11	02-12-2024
-	assessed by a property own Subject to Mandatory Member			ne Addendum for tion.	Property
10.	POSSESSION: A. BUYER'S POSSESSION: Seller sh required condition, ordinary wear a temporary residential lease for parties. Any possession by Buyer by a written lease will establish a your insurance agent prior to coverage may be limited or to	m promulgated by prior to closing or tenancy at suffera	/ TREC or other wr by Seller after clos nce relationship bel	ritten lease require sing which is not a tween the parties.	ed by the outhorized Consult
	insurance coverage may expose B. SMART DEVICES: "Smart Device remote use, monitoring, and marken and Items Addendum; or (items Seller delivers possession of the (1) deliver to Buyer written informand applications Buyer will Devices; and	se the parties to ce" means a dev inagement of: (i) ii) items in a Fix Property to Buye ormation containi	economic loss. ice that connects the Property; (ii) i cture Lease assign r, Seller shall: ng all access code	to the internet to the identified in led to Buyer. At ss., usernames, pa	to enable any Non the time
11.	(2) terminate and remove all a from any of Seller's personal SPECIAL PROVISIONS: (This informational items. An informatio form, discloses factual informatio agents are prohibited from practic of this contract unless drafted by a	devices including paragraph is i nal item is a stat n, or provides i ing law and shall	but not limited to ntended to be used to be used the complement that complement and to, delete the complement and to.	phones and compused only for a etes a blank in a estate brokers a e, or modify any	puters. additional contract and sales provision
12.	SETTLEMENT AND OTHER EXPE	NSFS:			·
	A. The following expenses must be (1) Expenses payable by Seller ((a) Releases of existing liens of Seller's loan liability; the escrow fee; and other expenses as allowed by Seller shall also pay an an a following order: Buyer's Texas Veterans Land Box Buyer's Expenses as allowed by Expenses payable by Buyer origination charges; credit of the from date of disbursement recording fees; copies of ear equired by lender; loan-relation of escrow fee; all prepaid insurance, reserve deposits assessments; final compliant wire transfer fee; expenses (PMI), VA Loan Funding Feethe lender; and other expenses the lender; and other expenses and and paid by a party, that party may such excess. Buyer may not poverans Land Board or other go	Seller's Expenses, including preparation of the expenses payable because of the expenses which lard or other governed by the lender (Buyer's Expenses which lard or other governed by the lender (Buyer's Expense ports; preparation one month sements and restited inspection featigms, including for insurance, are inspection; councident to any expense payable by Butterminate this count expressly staterminate this count cay charges and feat the expense of the expression of the expre	yment penalties are certificates; prepay y Seller under this sed \$ Buyer is prohibited ernmental loan process): Appraisal feon of loan docume prior to dates of crictions; loan title es; photos; amorti required premiud valorem taxes arier fee; repair insurance Premyer under this contract unless the ees expressly problem.	to be applied to be applied from paying by be grams, and then es; loan applicated first monthly paying with endougation schedules; ms for flood and apecial government (MIP) as rectact. In the contract of t	d in the FHA, VA, to other ion fees; the notes ayments; rsements one-half d hazard rnmental iting fee; Premium quired by the set o be set to pay
13.	PRORATIONS AND ROLLBACK T A. PRORATIONS: Taxes for the cu fees, assessments, and dues (ii Date. The tax proration may be that will affect the current year prorated at closing, the partie current year are available. If tax to pay taxes for the current year B. ROLLBACK TAXES: If additiona because of Seller's use or chang be the obligation of Seller. Oblig	AXES: rrent year, interent year, interest year, int	est, rents, and regitems) will be prointo consideration for the current year or prior to closings, or interest (Astroperty prior to closings)	ular periodic mai rated through the any change in ex ear vary from the n tax statements ng, Buyer will be ssessments) are sing, the Assessn	e Closing emptions e amount s for the obligated imposed nents will
14.	CASUALTY LOSS: If any part casualty after the Effective Date of condition as soon as reasonably podo so due to factors beyond Selle earnest money will be refunded to the Closing Date will be extended condition with an assignment of in and receive credit from Seller at policy. Seller's obligations under Seller under this contract.	of the Property this contract, Se ssible, but in any er's control, Buye Buyer (b) extend as necessary of surance proceed closing in the ar	is damaged or d ller shall restore the event by the Closer may (a) termine the time for perform or (c) accept the s, if permitted by	estroyed by fire ne Property to its ing Date. If Sellate this contract rmance up to 15 Property in its Seller's insuranctible under the i	or other previous er fails to and the days and damaged e carrier, nsurance

Initialed for identification by Buyer____ and Seller ____ TREC NO. 24-19[18]

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[11-07-2022]	(Address of Property)	

- 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. Subject to applicable law, 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.

- 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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to Escrow
- B. EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then
- 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.

 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 disbursal of the earnest money.

 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 de
- 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 Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status 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: () E-mail/Fax:	Phone: () E-mail/Fax:
E-mail/Fax: With a copy to Buyer's agent at:	E-mail/Fax: With a copy to Seller's agent at:

AGENDA ITEM 4

Contract Concerning(Add	Page 8 of 11 <u>02-12-2024</u> dress of Property)
22. AGREEMENT OF PARTIES: This contract conta not be changed except by their written agreeme are (check all applicable boxes):	ains the entire agreement of the parties and can- ent. Addenda which are a part of this contract
☐ Third Party Financing Addendum	Addendum for Coastal Area Property
☐ Seller Financing Addendum ☐ Addendum for Property Subject to	 Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
Mandatory Membership in a Property Owners Association	☐ Seller's Temporary Residential Lease
Buyer's Temporary Residential Lease	☐ Short Sale Addendum
Loan Assumption Addendum	
Addendum for Sale of Other Property by	Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
Buyer Addendum for Reservation of Oil, Gas and Other Minerals	Addendum for Property in a Propane Gas System Service Area
☐ Addendum for "Back-Up" Contract	☐ Addendum containing Notice of
Addendum Concerning Right to Terminate Due to Lender's Appraisal	Obligation to Pay Improvement District Assessment
Addendum Regarding Residential Leases	Other (list):
☐ Addendum Regarding Fixture Leases	
- Addendam Regarding Fixed E Leases	*
23. CONSULT AN ATTORNEY BEFORE SIGNING and sales agents from giving legal advice. READ	TREC rules prohibit real estate license brokers
Buyer's Attorney is:	Seller's Attorney is:
	,
Phone: ()	Phone: ()
	
_	_
Fax: <u>(</u>)	Fax: <u>(</u>)
E-mail:	E-mail:
Initialed for identification by Buyer and	Seller TREC NO. 24-19[18

Contract Concerning	(Address of Property)	Page 9 of 11 <u>02-12-2024</u>
	(
EVECUTED the day of	20	(Effective Date)
EXECUTED theday of(BROKER: FILL IN THE DATE OF FINAL A	CCEPTANCE.)	(Effective Date).
	*	
This contract is subject to Chapter 27 of the	e t	
Texas Property Code. The provisions of tha chapter may affect your right to recove damages arising from a construction defect. I	r Buyer	
	a	
been corrected as may be required by law o by contract, you must provide the notice required by Chapter 27 of the Texas Property	r V	
Code to the contractor by certified mail, return	1	
receipt requested, not later than the 60th day before the date you file suit to recove	r	
damages in a court of law or initiate arbitration. The notice must refer to Chapte	r Seller	
27 of the Texas Property Code and mus describe the construction defect. If requested by the contractor, you must provide the	d	
contractor an opportunity to inspect and curve the defect as provided by Section 27.004 of	e	
the Texas Property Code.	. Sellel	



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. 24-19[18]. This form replaces TREC NO. 24-18[17].

AGENDA ITEM 4

Contract Concerning	ı	Page 10 of 11 02-12-2024
[11-07-2022]	(Address of Property)	

	License No.	Listing Broke	er Firm	License No
represents \Box Buyer only as Buyer's	agent	represents	Seller and Buyer as an inter	rmediary
☐ Seller as Listing Broke	er's subagent		☐ Seller only as Seller's agent	
Associate's Name	License No.	Associate's N	lame	License No
Team Name		Team Name		
Associate's Email Address	Phone	Listing Assoc	ciate's Email Address	Phon
Licensed Supervisor of Associate	License No.	Licensed Sup	pervisor of Listing Associate	License No
Other Broker's Address	Phone	Listing Broke	er's Office Address	Phone
City State	e Zip	City	State	Zip
		Selling Assoc	siate's Name	License No
		Team Name	ciate's Name	License No
		Team Name Selling Associ		
	Q-	Team Name Selling Associ	ciate's Email Address	Phon
		Team Name Selling Associ	ciate's Email Address pervisor of Selling Associate	Phon
Disclosure: Pursuant to a previou agreement between brokers), Listin	us, separate agre	Team Name Selling Associ Eicensed Sup Selling Associ City ement (such	ciate's Email Address Dervisor of Selling Associate Ciate's Office Address State as a MLS offer of comper	Phon License No Zip

_Page 11 of 11 <u>02-12-2024</u>

OPTION FEE RECEIPT Receipt of \$_____is acknowledged. $_$ (Option Fee) in the form of $_$ Escrow Agent **EARNEST MONEY RECEIPT** Receipt of \$_ __ Earnest Money in the form of _____ is acknowledged. Escrow Agent Received by Email Address Date/Time Address Phone State City Fax CONTRACT RECEIPT Receipt of the Contract is acknowledged. Escrow Agent Received by Email Addres Date Address Phone City Fax ADDITIONAL EARNEST MONEY RECEIPT Receipt of \$_____is acknowledged. additional Earnest Money in the form of _____

Email Address

Zip

Received by

State

(Address of Property)

Contract Concerning _ [11-07-2022]

Escrow Agent

Address

City

Date/Time

Phone

Fax





PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

FARM AND RANCH CONTRACT

NOTICE: Designed For Use In Sales Of Existing Farms Or Ranches Of Any Size. Not For Use In Complex Transactions.

12-2024
EQUAL ROUSING

1.	P/	ARTIES: The parties to this contract are
	(S	ARTIES: The parties to this contract are(Buyer). Seller agrees to ell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2.	SE PI	ROPERTY: The land, improvements, accessories and crops except for the exclusions and isservations, are collectively referred to as the Property (Property).
		LAND: The land situated in the County (or Counties) of
		Texas, described as follows:
		or as described on attached exhibit, also known as(address/zip code), together with all rights, privileges, and appurtenances pertaining thereto.
	В.	TMDD/AV/EMENTC:
		(1) FARM and RANCH IMPROVEMENTS: The following permanently installed and built-in
		 (1) FARM and RANCH IMPROVEMENTS: The following permanently installed and built-in items, if any: windmills, tanks, barns, pens, fences, gates, sheds, outbuildings, and corrals. (2) RESIDENTIAL IMPROVEMENTS: Any houses, garages, 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
		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 carneting 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 attached to the above described real property.
	_	other property attached to the above described real property.
	C.	ACCESSORIES: (1) FARM AND RANCH ACCESSORIES: The following described related accessories: (check boxes
		of conveyed accessories) \square portable buildings \square builting blinds \square game feeders \square livestock
		of conveyed accessories) \square portable buildings \square hunting blinds \square game feeders \square livestock feeders and troughs \square irrigation equipment \square fuel tanks \square submersible pumps \square pressure
		tanks a corrals a gates a chutes a other:
		(2) RESIDENTIAL 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
		draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment
		and maintenance accessories, artificial fireplace logs, security systems that are not fixtures, and controls for: (i) garage doors (ii) entry gates, and (iii) other improvements and
		and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories. "Controls" includes Seller's transferable rights to the (i) software and
		applications used to access and control improvements or accessories, and (ii) hardware used
	D.	solely to control improvements or accessories. CROPS: Unless otherwise agreed in writing, Seller has the right to harvest all growing crops until
		delivery of possession of the Property.
	E.	EXCLUSIONS: The following improvements, accessories, and crops will be retained by Seller and
		must be removed prior to delivery of possession:
	F.	RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests
		is made in accordance with an attached addendum.
		ALES PRICE:
	Α.	Cash portion of Sales Price payable by Buyer at closing
		The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any kind or selling other real property except as disclosed in this contract.
	В.	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)\$ The Sales Price \square will \square will not be adjusted based on the survey required by Paragraph 6C.
	D.	The Sales Price \square will \square will not be adjusted based on the survey required by Paragraph 6C.
		If the Sales Price is adjusted, the Sales Price will be adjusted based on the difference between acres and the acreage set forth in the survey required by Paragraph 6C. The difference
		acres and the acreage set forth in the survey required by Paragraph 6C. The difference in acreage (either increased or decreased) shall be multiplied by the sum of per acre
		and either added to or subtracted from the Sales Price stated in Paragraph 3C. It the Sales Price
		is adjusted by more than 10%, either party may terminate this contract by providing written notice to the other party within days after the terminating party receives the survey.
		If neither party terminates this contract or if the variance is 10% or less, the adjustment
_		If neither party terminates this contract or if the variance is 10% or less, the adjustment will be made to the amount in \square 3A \square 3B \square proportionately to 3A and 3B.
4.	LE	EASES: Except as disclosed in this contract, Seller is not aware of any leases affecting the
	le:	operty. After the Effective Date, Seller may not, without Buyer's written consent, create a new ase, amend any existing lease, or convey any interest in the Property. (Check all applicable
	bc	oxes)
		RESIDENTIAL LEASES: The Property is subject to one or more residential leases and the
		Addendum Regarding Residential Leases is attached to this contract.
it	ial	ed for identification by Buyer and Seller TREC NO. 25- <u>16[11</u>
	٠٠	TREC NO. 25-16 1

Contract Concerning	[11-07-2022] (Address of Property)	Page 2 of 11 02-12-2024
☐ C. NATURAL RESOURCE LEASES:	n the Property are subject to ne tanks, water softener, secur ached to this contract. "Natural Resource Lease" means	rity system) and the Addendum
(1) Seller has delivered to Buy (2) Seller has not delivered to provide to Buyer a copy of all Buyer may terminate the controllar Natural Resource Leases and the controllar selection of the controll	the Natural Resource Leases with act within days after the ne earnest money shall be refunde	iral Resource Leases. Seller shall in 3 days after the Effective Date. he date the Buyer receives all the ed to Buyer.
_ solar leases, timber or forestry	nunting leases, agricultural leases leases). (Check all applicable box	, recreational leases, wind leases, es)
☐ (2) Seller provides Buyer with	er a copy of all written Surface Lean notice of the following oral Surface ental amount, and term:	ee Lease(s), identifying the type of
provide to Buyer a copy of all identifying the type of lease, t	the written Surface Leases and he name of the tenant(s), rental	ther written or oral). Seller shall notice of all oral Surface Leases, amount, and term, within 3 days days after the date the laberefunded to Buyer.
5. EARNEST MONEY AND TERMIN A. DELIVERY OF EARNEST MONE must deliver to	Y AND OPTION FEE: Within 3 day	ys after the Effective Date, Buyer (Escrow Agent) at as earnest
money and \$ made payable to escrow agent (1) Buyer shall deliver additional days after the Effec	as the Option Fee. The earner and may be paid separately or common all earnest money of \$tive Date of this contract.	est money and Option Fee shall be j
on a Saturday, Sunday, or the additional earnest mon not a Saturday, Sunday, or	legal holiday, the time to deliver to ey, as applicable, is extended un legal holiday.	the earnest money, Option Fee, or til the end of the next day that is shall be applied first to the Option
Fee, then to the earnest mo (4) Buyer authorizes Escrow A without further notice to o delivery of the Option Fee closing.	oney, and then to the additional ear agent to release and deliver the r consent from Buyer, and releas to Seller. The Option Fee will	ornest money. Option Fee to Seller at any time ses Escrow Agent from liability for be credited to the Sales Price at
Buyer's agreement to pay the unrestricted right to termin days after the Effect paragraph must be given by specified. If Buyer gives notion not be refunded and Escrow A Seller; and (ii) any earnest mo	e Option Fee within the time rate this contract by giving notictive Date of this contract (Op 5:00 p.m. (local time where the e of termination within the time gent shall release any Option Feen will be refunded to Buyer.	of which Seller acknowledges, and equired, Seller grants Buyer the lice of termination to Seller within tion Period). Notices under this Property is located) by the date prescribed: (i) the Option Fee will be remaining with Escrow Agent to
the time required, Seller many Paragraph 15, or both, by proving D. FAILURE TO TIMELY DELIVER Buyer fails to deliver the O	ay terminate this contract or e iding notice to Buyer before Buyer OPTION FEE: If no dollar amount	o deliver the earnest money within exercise Seller's remedies under r delivers the earnest money. It is stated as the Option Fee or if uired, Buyer shall not have the possible of 5.
E. TIME: Time is of the essence performance is required. 6. TITLE POLICY AND SURVEY:	e for this paragraph and strict	t compliance with the time for
A. TITLE POLICY: Seller shall furn title insurance (Title Policy) issuin the amount of the Sales Priprovisions of the Title Policy, and zoning ordinances) and the (1) The standard printed excep	ued by:	yer's expense an owner policy of (Title Company) uring Buyer against loss under the usions (including existing building ssessments.
(3) Reservations or exceptions Buyer in writing.	•	ntract or as may be approved by
Initialed for identification by Buyer	and Seller	——— TREC NO. 25- <u>16[15]</u>

Contract Concerning Page 3 of 11 02-12-2024 [11-07-2022] (Address of Property)
[11 07 2022] (Address of Froperty)
 (4) The standard printed exception as to marital rights. (5) The standard printed exception as to waters, tidelands, beaches, streams, and related matters. (6) 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. (7) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
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 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 survey or 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. The existing
survey will will not be recertified to a date subsequent to the Effective Date of this contract at the expense of Buyer Seller. If the existing survey is not approved by the Title Company or Buyer's lender(s), a new survey will be obtained at the expense of Buyer Seller no later than 3 days prior to Closing Date. (2) Within 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. (4) No survey is required and Buyer waives any right to object to matters disclosed in any survey
in Paragraph 6D. D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title disclosed on the survey other than items 6A(1) through (5) above; or disclosed in the Commitment other than items 6A(1) through (7) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:
Buyer must object the earlier of (i) the Closing Date or (ii) 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 any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, survey, or Exception Document(s) is delivered to Buyer. E. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with
E. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with copies of the Exception Documents listed below or on the attached exhibit. Matters reflected in the Exception Documents listed below or on the attached exhibit will be permitted exceptions in the Title Policy and will not be a basis for objection to title: Document Date Recording Reference
F. SURFACE LEASES: The following Surface Leases will be permitted exceptions in the Title Policy and will not be a basis for objection to title:
G. TITLE NOTICES: 48 of 107
Initialed for identification by Buyer and Seller TREC NO. 25- <u>16[15</u>

TREC NO. 25-<u>16[15</u>]

Contract (Concerning		[11 07 202	27 (4 1 1	(D		Page 4	of 11	02-12-2024
(4)	4 D C T D 4 C T C	D TITLE DOLL	-	2] (Address o	. ,,				
	Property exa obtain a Titl reviewed by	R TITLE POLI mined by an a e Policy. If an attorney	CY: Broker attorney of a Title Poli of Buyer's	advises B Buyer's se icy is furr choice du	uyer to ha election, or lished, the e to the t	ave an abs r Buyer sh e Commitr time limita	stract of the should be sh	furnish uld be Buyer	vering the led with or e promptly s right to
(2)	district provid Texas Water	TAX DISTRICT ding water, se Code, require bonded indeb	ewer, draina s Seller to o	age, or flo deliver and	od control I Buyer to	facilities sign the s	and servi statutory	ces, C notice	hapter 49, relating to
(3)	TIDE WATERS Natural Resol	S: If the Prop urces Code, re addendum co I	equires a no	tice regard	ling coasta	il area pro	perty to b	e inclu	ided in the
(4)	ANNEXATION Buyer under the extraterritoric extraterritoric extraterritoric extraterritoric further information of the control	I: If the Prop §5.011, Texas itorial jurisdict icipality. Each al jurisdiction contact all m	ion of a mu municipal To deterr or is likel unicipalities	nicipality a ity mainta nine if th y to be lo located	and may no nins a ma e Property ocated with in the ger	ow or late p that de is locate hin a mu heral prox	r be subjects its ed within nicipality of	bound a mu s extr the Pr	annexation daries and inicipality's raterritorial roperty for
(5)	PROPERTY LONOTICE PROPERTY LONOTICE POUR IT YOU ARE TO THE POUR TO THE PROPERTY LONG P	DCATED IN A ed by §13.25 to purchase by law to pi property is loud be required to consider the utility service, if any, that a binding confactors.	pay before the pay before the pay before the provide the provide the provide the provide the pay before the provide the provid	e you can or other f sed to del r to deter to provid dges rece	d area the receive was acilities in the cermine the cermine the cermine the cermine of the period the real control of the cermine the real cermine.	ter or sew cessary to the proper cost that y sewer ser foregoing	e special ver service provide ty is in a ou will be vice to you describe	e. The water certific requirements or control or contro	or charges ere may be r or sewer cated area ired to pay operty. The before the aragraph 2
	the required	of purchase of OVEMENT DIS yer written no notice shall be CULTURAL DE	attacheu t	o this cont	ract.				
	Texas Agricı Department (ultural Develo of Agriculture	opment Dis	strict. For	addition	al informa	ation cor	ntact	the Texas
(9)	may be gove PROPANE GA service area required by §	EES: If the lee, requires Serned by Chapt S SYSTEM SEOWNED by a distance of the second	er 5, Subch RVICE ARE istribution s as Utilities	apter G of A: If the system ret Code. An	the Texas Property ailer, Selle addendun	Property of the little of the	Code. in a prop e Buyer ng the no	pane g writter tice ar	jas system n notice as oproved by
(10)	TREC or requinction of the control of the conditions."	owned by a d 141.010, Tex ired by the pa VATER LEVEL eservoir or lak e capacity of hereby notifies tuates for va s right to use	rties should FLUCTUATION e, construct at least 5, a Buyer: "The arious reas e the water	be used. ONS: If th ted and m .000 acre- e water le ons, inclu stored ir	e Property aintained if feet at the vel of the ding as a the impo	dadjoins a under Cha e impound impoundm i result o oundment;	in impour pter 11, dment's r lent of wa f: (1) ar or (2)	ndmen Water normal ater ad n entii drough	t of water, Code, that operating joining the ty lawfully at or flood
(11)	CERTIFICATE must provide	OF MOLD RE to Buyer eac Code, during t	MEDIATION h certificate	: If the Fe of mold	Property ha damage re	<u>as been re</u> emediation	mediated issued u	l for m nder ६	nold, Seller
	<mark>)</mark>]REQUIRED (for example notices]):	NOTICES: The utility, water	e following i er, drainage	notices ha e, and pu	ve been gi blic impro	ven or are vement di	e attached istricts [4	to th	is contract WCID, PID
	Seller's failur	e to provide ninate the con	applicable tract.	statutory	notices ma	ay provide	Buyer v	vith re	emedies or
A. ACC the by hyd sha	Property at I Buyer and I rostatic testii Il immediatel	CTIONS AND Uneasonable times and times in the consent of the conse	nes. Buyer (FREC or ot eparately au	may have herwise p uthorized	the Prope ermitted by Seller i	rty inspect by law to n writing.	ted by ins make Seller at	specto inspec Seller	rs selected tions. Any 's expense
NO Buy	TICE : Buyer er's needs.	t is in effect . should deteri		•			. ,		•
(Che (1) (2) Selle this Selle Buy	eck one box one box on Buyer has now the Buyer has now the Buyer shall deliver at a contract at a co	ceived the Not of received the er the Notice t any time prior ne Notice, Buy he Notice or i	cice Notice. Wit o Buyer. If to the clos yer may ter	thin Buyer doo ing and th minate th	_ days afte es not rece e earnest is contract	er the Effective the No money will for any r	ctive Date tice, Buye Il be refui eason wit	e of thi er may nded to thin 7	s contract, terminate o Buyer. If davs after
	be refunded r identification	to Buyer. n by Buyer		_ and Selle	er		TD		of <u>107</u> . 25- <u>16[15]</u>
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Contract Concerning	Page 5 of 11 <u>02-12-2024</u>
C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED Federal law for a residential dwelling constructed prior to 1978. D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the presein any and all defects and without warranty except for the warrantic this contract. Buyer's agreement to accept the Property As Is und not preclude Buyer from inspecting the Property under Paragraph treatments in a subsequent amendment, or from terminating the property was accepted by the property under paragraph treatments.	PAINT HAZARDS is required by nt condition of the Property with es of title and the warranties in ler Paragraph 7D(1) or (2) does 7A, from negotiating repairs or
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 following specific repairs and treatments:	's expense, shall complete the
(Do not insert general phrases, such as "subject to in specific repairs and treatments.) E. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise complete_all agreed repairs and treatments prior_to the Closing	agreed in writing, Seller shall Date and obtain any required
permits. The repairs and treatments must be performed by person such repairs or treatments or, if no license is required by law, as trade of providing such repairs or treatments. Seller shall: (i) documentation from the repair person(s) showing the scope of work completed; and (ii) at Seller's expense, arrange for the transfer of respect to the repairs to Buyer at closing. If Seller fails to complete Closing Date, Buyer may exercise remedies under Paragraph 1 to 5 days if necessary for Seller to complete repairs. F. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise is obligated to pay for lender required repairs, which includes insects. If the parties do not agree to pay for the lender required contract will terminate and the earnest money will be refunded	ons who are licensed to provide re commercially engaged in the provide Buyer with copies of work and payment for the work any transferable warranties with plete any agreed repairs prior to 5 or extend the Closing Date up agreed in writing, neither party treatment for wood destroying tred repairs or treatments, this to Buyer. If the cost of lender
required repairs and treatments exceeds 5% of the Sales Price, Bu and the earnest money will be refunded to Buyer. G.ENVIRONMENTAL MATTERS: Buyer is advised that the presence including asbestos and wastes or other environmental hazards, or endangered species or its habitat may affect Buyer's intended u concerned about these matters, an addendum promulgated by T should be used.	of wetlands, toxic substances, the presence of a threatened or
H. SELLER'S DISCLOSURE: (1) Seller is is not aware of any flooding of the Property where the selfect on the use of the Property. (2) Seller is is not aware of any pending or threatened litig	
assessment affecting the Property. (3) Seller □ is □ is not aware of any environmental hazards affect the Property. (4) Seller □ is □ is not aware of any dumpsite, landfill, or under	that materially and adversely
or previously located on the Property. (5) Seller is is not aware of any wetlands, as defined by fe affecting the Property. (6) Seller is is not aware of any threatened or endangered.	deral or state law or regulation,
the Property. (7) Seller is is not aware that the Property is located where we will will will be the property is located will will be the property is located on the lift seller is aware of any of the items above, explain (attach as	nolly \barget partly in a floodplain.
I. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a resi provider or administrator licensed by the Texas Department of Lic purchases a residential service contract, Seller shall reimburse Buy residential service contract in an amount not exceeding \$\frac{1}{2}\$ any residential service contract for the scope of coverage, expurchase of a residential service contract is optional. Similar from various companies authorized to do business in Texas. J. GOVERNMENT PROGRAMS: The Property is subject to the govern	
on the attached exhibit: Seller shall provide Buyer with copies of all governmental program proration of payment under governmental programs is made by separties which will survive closing.	. •
8. BROKERS AND SALES AGENTS: A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a rewho is a party to a transaction or acting on behalf of a spouse, which the broker or sales agent owns more than 10%, or a trustagent acts as a trustee or of which the broker or sales agent or the parent or child is a beneficiary, to notify the other party in writing of sale. Disclose if applicable:	
B. BROKERS' FEES: All obligations of the parties for payment of separate written agreements.	E0 of 107
Initialed for identification by Buyer and Seller	— TREC NO. 25- <u>16[15</u>]

Contract Concerning	Page 6 of 11 <u>02-12-2024</u>
9. CLOSING:	
A. The closing of the sale will be on or before after objections made under Paragraph 6D have been cured or v (Closing Date). If either party fails to close the sale by the Closing may exercise the remedies contained in Paragraph 15. B. At closing:	Date, the non-defaulting party
(1) Seller shall execute and deliver a general warranty deed cor Buyer and showing no additional exceptions to those p assignment of Leases, and furnish tax statements or certificate on the Property.	ermitted in Paragraph 6, an
 (2) Buyer shall pay the Sales Price in good funds acceptable to the (3) Seller and Buyer shall execute and deliver any notices, stat releases, loan documents, transfer of any warranties, and other for the closing of the sale and the issuance of the Title Policy. (4) There will be no liens, assessments, or security interests agai be satisfied out of the sales proceeds unless securing the pay Buyer and assumed loans will not be in default. 	ements, certificates, affidavits, documents reasonably required inst the Property which will not ment of any loans assumed by
(5) Private transfer fees (as defined by Chapter 5, Subchapter G of be the obligation of Seller unless provided otherwise in this could be a property owners' association are governed by the Adde Mandatory Membership in a Property Owners Association.	ontract. Transfer fees assessed endum for Property Subject to
A. BUYER'S POSSESSION: Seller shall deliver to Buyer possession of required condition, ordinary wear and tear excepted: upon closing temporary residential lease form promulgated by TREC or other writt Any possession by Buyer prior to closing or by Seller after closing who lease will establish a tenancy at sufferance relationship between insurance agent prior to change of ownership and possession may be limited or terminated. The absence of a written lease	en lease required by the parties. ich is not authorized by a written the parties. Consult your because insurance coverage
coverage may expose the parties to economic loss. B. SMART DEVICES: "Smart Device" means a device that connects to use, monitoring, and management of: (i) the Property; (ii) item Items Addendum; or (iii) items in a Fixture Lease assigned to Bu possession of the Property to Buyer, Seller shall: (1) deliver to Buyer written information containing all access code applications Buyer will need to access, operate, manage, and (2) terminate and remove all access and connections to the improany of Seller's personal devices including but not limited to pho	o the internet to enable remote ns identified in any Non-Realty yer. At the time Seller delivers es, usernames, passwords, and control the Smart Devices; and ovements and accessories from
11. SPECIAL PROVISIONS: (This paragraph is intended to be used of items. An informational item is a statement that completes a blan factual information, or provides instructions. Real estate brokers a from practicing law and shall not add to, delete, or modify any produced by a party to this contract or a party's attorney.)	nly for additional informational k in a contract form, discloses nd sales agents are prohibited
 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 Seller's loan liability; tax statements or certificates; preescrow fee; and other expenses payable by Seller under th (b) Seller shall also pay an amount not to exceed \$ following order: Buyer's Expenses which Buyer is prohib Texas Veterans Land Board or other governmental loan Buyer's Expenses as allowed by the lender. (2) Expenses payable by Buyer (Buyer's Expenses) Appraisal origination charges; credit reports; preparation of loan documedate of disbursement to one month prior to dates of first mon copies of easements and restrictions; loan title policy with end loan related inspection foces; photos: amortization schedules 	eparation of deed; one-half of is contract.
loan-related inspection fees; photos; amortization schedules prepaid items, including required premiums for flood and haze for insurance, ad valorem taxes and special governmental inspection; courier fee; repair inspection; underwriting fee incident to any loan; Private Mortgage Insurance Premium (FHA Mortgage Insurance Premium (MIP) as required by the payable by Buyer under this contract. B. If any expense exceeds an amount expressly stated in this contract by a party, that party may terminate this contract unless the excess. Buyer may not pay charges and fees expressly prohibite Land Board or other governmental loan program regulations.	ard insurance, reserve deposits assessments; final compliance; wire transfer fee; expenses MI), VA Loan Funding Fee, or e lender; and other expenses act for such expense to be paid
13. PRORATIONS AND ROLLBACK TAXES: A. PRORATIONS: Taxes for the current year, interest, rents, and reg assessments, and dues (including prepaid items) will be prorated tax proration may be calculated taking into consideration any of	through the Closing Date. The change in exemptions that will
Initialed for identification by Ruyer and Seller	51 of 107

Contract Concerning Page 7 of 11 02-12-2024

[11-07-2022] (Address of Property)

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. Rentals which are unknown at time of closing will be prorated between Buyer and Seller when they become known.

- B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.
- **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 for any other reason, 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 FSCROW:

- 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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.
- 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 disbursal of the earnest money.
- 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.

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Initialed for identification by Buyer	and Seller	—— TREC NO. 25- <u>16[15]</u>

C	ontra	ct Concerning	dress of P	Page 8 of 11 <u>02-12-2024</u> (roperty)
19.	If a Unl	PRESENTATIONS: All covenants, representation of Seller in this contract is less expressly prohibited by written agreeme teive, negotiate and accept back up offers.	tions an untrue (d warranties in this contract survive closing. on the Closing Date, Seller will be in default.
	A. Sell "for with app in each bear who tran farr date value.	DERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by ler fails to deliver an affidavit or a certificate reign person," then Buyer shall withhold from he applicable tax law and deliver the same propriate tax forms. Internal Revenue Service excess of specified amounts is received in the tax forms. Internal Revenue Service excess of specified amounts is received in the tax forms. Internal Revenue Service acquires, disposes of, or holds an interest in asactions and holdings to the Secretary of Agriculture Agency (FSA) Service Center where the of the transaction. Failure to report is subject to the land on the date the penalty is assess of the land on the date the penalty to the other contents.	of non- the sal to the regulation ransact Act (Af United culture. the lan t to civi	-foreign status to Buyer that Seller is not a es proceeds an amount sufficient to comply e Internal Revenue Service together with ions require filing written reports if currency ion. FIDA) of 1978 requires that a foreign person States agricultural land must disclose such Foreign persons must file an FSA-153 in the add is physically located within 90 days of the I penalty up to 25 percent of the fair market is sult an attorney or tax professional.
		hand-delivered at, or transmitted by fax or el		
		Buyer at:		eller at:
	Ph	none: ()	Phon	e : <u>(</u>)
	E-	mail/Fax:	E-ma	ail/Fax:
		mail/Fax: ith a copy to Buyer's agent at:	r .	ail/Fax: a copy to Seller's agent at:
22.	car	GREEMENT OF PARTIES: This contract connot be changed except by their written agree (check all applicable boxes):	ntains ement.	the entire agreement of the parties and Addenda which are a part of this contract
		Third Party Financing Addendum Seller Financing Addendum		Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
		Addendum for Property Subject to Mandatory Membership in a Property Owners Association		Seller's Temporary Residential Lease Short Sale Addendum
		Buyer's Temporary Residential Lease		Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
		Loan Assumption Addendum Addendum for Sale of Other Property by Buyer		Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law
		Addendum for "Back-Up" Contract		
		Addendum for Coastal Area Property	Ц	Addendum for Property in a Propane Gas System Service Area
		Addendum for Authorizing Hydrostatic Testing		Addendum Regarding Residential Leases
		Addendum Concerning Right to Terminate Due to Lender's Appraisal		Addendum Regarding Fixture Leases Other (list):
		Addendum for Reservation of Oil, Gas and Other Minerals		
		Addendum containing Notice of Obligation to Pay Improvement District Assessment		
				53 of 107

Initialed for identification by Buyer_____ and Seller _____ _

TREC NO. 25-<u>16[15</u>]

AGENDA ITEM 4

ntract Concer	ning		[4	11-07-2022] (A	Address of Proper	ty)		Page 9 of	11 02-12-20
							hit real	estate hrok	ers and sale
agents from	n givin	g legal a	dvice. RE	AD THIS CO	I G: TREC rule: ONTRACT CAR	EFULL'	Y.	estate blok	ers and sale
Buyer's					Seller's				
Attorney is	:					is:			
Phone:	()			Phone:)		
Fax:	()			Fax:	()		
E-mail:					E-mail:				
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					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. 25-16[15]. This form replaces TREC NO. 25-15[14].

Contract Concerning	[11-07-2022] (Ad	Paddress of Property)	age 10 of 11 <u>02-12-2024</u>
		ION OF FEE	
Listing Broker has agreed to pay Othe Price when Listing Broker's fee is rece Listing Broker's fee at closing. Other Broker:	r Broker ived. Escrow Age	nt is authorized and directed to pa	of the total Sales ay Other Broker from
Ву:		<u>-</u>	
		ENT FOR PAYMENT OF BROKER	S' FEES
Other Broker	License No.	Listing or Principal Broker	License No.
Associate's Name	License No.	Listing Associate's Name	License No.
Team Name		Team Name	
Associate's Email Address	Phone	Listing Associate's Email Address	Phone
Licensed Supervisor of Associate	License No.	Licensed Supervisor of Listing Associ	ciate License No.
Other Broker's Office Address	Phone	Listing Broker's Office Address	Phone
City State	Zip	City	State Zip
represents Buyer only as Buyer's ager Seller as Listing Broker's so	ubagent	Selling Associate Team Name Selling Associate's Email Address	License No. Phone
		Licensed Supervisor of Selling Association	ciate License No.
		Selling Associate's Office Address	
		City	State Zip
DO NOT SIGN IF THERE IS A SEPAR negotiable. Brokers' fees or the sha suggested or maintained by the Texas	ce; and (b) US the total Sales Pr closing. ATE AGREEMENT ring of fees betw	roperty described in the contracting/Principal Broker a cash fee eller Buyer will pay Other Broice. Seller/Buyer authorizes and of FOR PAYMENT OF BROKERS' FEEd brokers are not fixed, control	ker la cash fee of directs Escrow Agent S. Brokers' fees are
Seller		Buyer	
Seller		Buyer	 55 of 107

	OPTION F	EE RECEIPT	
Receipt of \$is acknowledged.	(Option Fee) in the	form of	
Escrow Agent			Date
	EARNEST MO	NEY RECEIPT	
Receipt of \$is acknowledged.	Earnest Money in	the form of	
Escrow Agent	Received by	Email Address	Date/Time
Address			Phone
City	State	Zip	Fax
Receipt of the Contract is		T RECEIPT	
	_		
Escrow Agent	Received by	Email Address	Date
Address			Phone
City	State	Zip	Fax
	ADDITIONAL EARN	ST MONEY RECEIPT	
Receipt of \$is acknowledged.	additional Earnest	Money in the form of	
Escrow Agent	Received by	Email Address	Date/Time
Address			Phone
City	State	Zip	Fax



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) RESIDENTIAL CONDOMINIUM CONTRACT (RESALE) NOTICE: Not For Use Where Seller Owns Fee Simple Title To Land Beneath Unit



)2-12-2024
企
EQUAL

1.	PA	RT]	I ES: The p	arties to	this con	tract are					(Duyor)	Cal	(Seller) ler agrees
	and to	ا احدا	and conve	v to Buve	er and Ri	iver agre	es to hu	/ from	Seller	the Pror	(Buyer) Perty def	. Sei ined l	ier agrees helow
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۷.	PK ^	The	ERTY AND	nium IIr	nit imn	ovement	ieivio:	CCOSS	oriae c	leccribed	halow	are i	collectively
,	Λ.	ref	erred to as	the Pror	nerty (Pr	onerty)	o ana a	cccssc) i i c 3	iescribed	DCIOW	are .	conectively
		(1)	CONDOMI	NÏÜM Ü	NİT: 'Ur	nit		, in	Buildir	na			,
		• ,	of					-,	, a	condom	inium pr	oject,	located at
			(address/z	-:	C:L E					Carrati			
			(address/2	zip code)	, City of					_,Count	y 01		
			Texas, des	scribed in	n the Co	ndominiu	m Declai	ration	and Pl	at and a	nv amer	ndmei	nts thereto
			of record	in said	County;	together	with su	ch Un	it's un	divided i	nterest	in the	e Common
			Elements	_designal	ted bý į	the Decla	ration,	includ	ing th	ose are	as reser	ved a	as_Limited
			Common	Elements	appurt	enant to	the Unit	and	such c	ther rigi	nts to u	se the	e Common as Limited e Common er. Parking
			areas assi	aned to t	ive been ha Unit	specifical	ily assigi	ied to	the U	nic in an	y other i	папп	er. Parking
			ai cas assi	gned to i	lile Offic	ai e							
		(2)	IMPROVEN	IENTS: /	All fixtur	es and in	nproven	nents	attach	ed to th	e above	des	cribed real
		` ,	property ii	ncluding	without	limitation	, the foll	owing	perm	anently	installe	ed an	ind built-in hings, wall-antennas, ning units, handeliers, attached to
			items, if	any: all	equipme	nt and ap	pliances	, vala	nces, s	screens,	shutters	, awn	iings, wall-
			mounts a	nd brack	ots for	, ceillig television	idiis, d	neakei	rs hes	iting and	air co	nditio	ning units
			security a	nd fire de	etection	eauipmen	it, wiring	, plun	ibina a	and liahti	na fixtui	res. c	handeliers.
			shrubbery	, landsca	aping, ou	itdoor coo	oking eq	úipme	nt, ănd	d all oth	er prope	rty' a	ittached tó
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			draperies	and roo	ds. door	kevs. n	nailbox	kevs.	above	arouna	pool.	swim	mina pool
			eauibmeni	t and ma	aıntenan	ce access	sories, a	rtiricia	ı tireb	iace logs	s, securi	tv sv:	stems tnat
			are not fi	xtures, a	and cont	trols for:	(i) gai	rage c	loors,	(ii) entr	ý gates,	and	(iii) other s to the (i)
			improvem	ents and	accesso	ories. "Co	ntrois" ii	nclude	s Selle	er's trans	sterable	rignts	s to the (I) sories, and
			(ii) hardwa	are used	solely to	useu to a control i	mproven	nents	or acce	iprovenii Ssories	בוונא טו מ	access	sories, and
		(4)	EXCLUSIO	NS: The	followin	a improve	ements a	and ac	cessor	ies will b	e retain	ed bv	Seller and
		` ,	must be re	emoved i	prior to	felivėry of	possess	sion:					
	_							_					<u> </u>
	В.				ws and	any Rules	of the	ASSOC	iation	are calle	ea "Docu	ıment	s". (Check
	П	(1)	box only)	receive	d a conv	of the C)ocumen	te Ru	var is	advisad	to read	the I	<u>Documents</u>
	_	(+)	before sign	ning the	contract	. Of the B	/ocumen	ts. Du	y Ci 13	auviscu	to read	CIIC I	<u>Documents</u>
		(2)	Buver has	not rece	ived a c	opy of the	e Docum	ents. S	Seller,	at Seller	's exper	ise, sl	hall deliver
			the Docum	nents to I	Buyer wi	thin	<u>,,,,</u> <u>d</u> ay:	s afte	r the	Effective	Date o	of_the	contract. uments by ursuant to
		~i.,	Buyer may	/ termina	ite the c	ontract wi	thin / da	ays aft	ter Bu	yer rece	ives the	Doc	uments by
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		teri	minate und	ler Sectio	on 82.15	Texas I	Property	Code.		•	-		_
(C.	The	e Resale Co	ertificate	from th	e condon	ninium ʻo	wners	assoc	iation (t	he Asso	ciatior	n) is called
		the	"Certificat	e". The	Certificat	te must b	e in a fo	rm pr	omulg	ated by	TREC or	requi	ired by the
		par	ties. The	Certificat	te must	nave be	en prepa	area,	at Sei	ier's exp	pense, n	o mo	ore than 3
		info	ormation re	e the u	v Sectio	n 82 157	Tevas P	ronert	v Code	ust com	aiii at (a 111111	nimum the
			neck one bo		y occio	11 02.137,	TCAGST	торстс	.y couc				
		(1)	Buyer has	receive	d the Cer	tificate.							
	Ш	(2)	Buyer has	not rece	eived the	e Certifica	te. Şelle	r shall	l deli <u>v</u> e	er the Ce	erțificațe	to Bu	ıyer within
			within 7	lays afte	r the Eff	ective Da	te of the	contr	act. B	uyer ma	y termin	ate tr	né contract
			terminatio	n to Sel	ler If F	Ruver terr	ninates	s lile the co	ntract	nursuan	t to this	nara	n notice of graph, the
			earnest m	oney wil	be refu	nded to B	uyer. Bu	iyer re	tains r	ights to	terminal	te uno	der Section
	_	(0)	82.156, Te	exas Prop	perty Co	de.	•	•		_			
	Ч	(3)	Buyer ha	s receiv	ed Sell	er's affid	avit tha	at Sel	ller re	quested	intorma	ation	from the
			that the	n concer ∆ssoci≥t	inn did	not pro	vide 2	as rec Certifi	rate 7	oy the land inform	exas Pro nation	perty	Code, and ed in the
			Certificate	. Buver a	and Selle	er agree to	waive t	he rec	guirem	ent to fu	rnish the	e Cert	ificate.
	D.	If t	the Docum	ents rev	eal that	the Prop	ertv is s	ubiect	to a	riaht of	refusal i	under	which the
		Ass	sociation o	r a mem	ber of t	he Associ	ation ma	av bur	chase	the Prop	ertv, th	e Effe	ective Date
		sha	all be ame	naed to	tne date	tnat Buy	yer rece	ives a	copy	or the A	ssociation	on's c	ertification
		ner	rsons who	mav eve	rcise the	right of r	efusal h	ICIILS	unuer It exer	cised or	t or reit	ived t	and (ii) all the right to
		buy	/ the Pro	perty.	If Buve	r does	not rec	eive	the A	ssociatio	n's cer	tificat	ion within
			davs	after the	e Effectiv	re Date or	r if the ri	iaht of	refusa	al is exer	cised, th	nis coi	ntract shall
		ter	minate and	the ear	nest mor	ney shall l	oe refund	ded to	Buyer				

Contract Concerning(Address of Property)	Page 2 of 10	02-12-2024
3. SALES PRICE:		
 A. Cash portion of Sales Price payable by Buyer at closing The term "Cash portion of the Sales Price" does not include price kind or selling other real property except as disclosed in this composition. B. Sum of all financing described in the attached: ☐ Third Party ☐ Loan Assumption Addendum, ☐ Seller Financing Addender. C. Sales Price (Sum of A and B)	oceeds from borrowi ontract. y Financing Addendu dum \$ vare of any leases a 's written consent, c	m, Iffecting the reate a new
Doxes) □ A. RESIDENTIAL LEASES: The Property is subject to one or not addendum Regarding Residential Leases is attached to this control of B. FIXTURE LEASES: Fixtures on the Property are subject to example, solar panels, propane tanks, water softener, secur Regarding Fixture Leases is attached to this contract. 5. EARNEST MONEY AND TERMINATION OPTION.	ntract. one or more fixture ity system) and the	leases (for Addendum
A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 Buyer must deliver to(address):		
money and \$ as the Option Fee. The earnest made payable to Escrow Agent and may be paid separately or (1) Buyer shall deliver additional earnest money of \$ within days after the Effective Date of this contract (2) If the last day to deliver the earnest money, Option Fee, falls on a Saturday, Sunday, or legal holiday, the time Option Fee, or the additional earnest money, as applicable, next day that is not a Saturday, Sunday, or legal holiday. (3) The amount(s) Escrow Agent receives under this paragra Option Fee, then to the earnest money, and then to the ad (4) Buyer authorizes Escrow Agent to release and deliver the without further notice to or consent from Buyer, and rele for delivery of the Option Fee to Seller. The Option Fee wat closing.	money and Option combined in a single to Est. or the additional ear to deliver the earr, is extended until the aph shall be applied ditional earnest mor Option Fee to Seller ases Escrow Agent fill be credited to the	Fee shall be a payment. Scrow Agent rest money, e end of the first to the ley. at any time from liability a Sales Price
B. TERMINATION OPTION: For nominal consideration, the receip and Buyer's agreement to pay the Option Fee within the time the unrestricted right to terminate this contract by giving notion and agreement to pay the Option Fee within the time days after the Effective Date of this contract (Option paragraph must be given by 5:00 p.m. (local time where the specified. If Buyer gives notice of termination within the time will not be refunded and Escrow Agent shall release any Option Agent to Seller; and (ii) any earnest money will be refunded to C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fai within the time required, Seller may terminate this contract under Paragraph 15, or both, by providing notice to Buyer be	ne required, Seller good for the second termination to be second to be second to be second to be second to be second to be second to be second to deliver the earest or exercise Seller	rants Buyer Seller within under this by the date Option Fee with Escrow rnest money 's remedies
money. D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amou if Buyer fails to deliver the Option Fee within the time requunrestricted right to terminate this contract under this Paragra E. TIME: Time is of the essence for this paragraph and str for performance is required.	uired, Buyer shall n aph 5.	ot have the
6. TITLE POLICY: A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Butitle insurance (Title Policy) issued by in the amount of the Sales Price, dated at or after closing, in the provisions of the Title Policy, subject to the promulgate building and zoning ordinances) and the following exceptions: (1) Restrictive covenants common to the platted subdivision in (2) The standard printed exception for standby fees, taxes and (3) Liens created as part of the financing described in Paragrag (4) Terms and provisions of the Documents including easements. (5) Reservations or exceptions otherwise permitted by this cor Buyer in writing.	(Title isuring Buyer agains ed exclusions (include a which the Property d assessments. The assessments at the assessments a	e Company) t loss under ing existing is located. and platted
 (6) Thé standard printed exception as to marital rights. (7) The standard printed exception as to waters, tidelands, matters. (8) The standard printed exception as to discrepancies, conflicts lines, encroachments or protrusions, or overlapping improvem (9) The exception or exclusion regarding minerals approved Insurance. 	s, shortages in area	or boundary
Initialed for identification by Buyer and Seller	TREC	580f 107 NO. 30- <u>17[16</u>]

Contract Concerning_ Page 3 of 10 02-12-2024 (Address of Property)

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 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.

terminate this contract and the earnest money will be refunded to Buyer.

C. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed in the Commitment other than items 6A(1) through (9) above; or which prohibit the following use or activity:

Buyer must object the earlier of (i) the Closing Date or (ii) days after Buyer receives the Commitment and Exception Documents. 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 any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment or Exception Document(s) is delivered to Buyer.

D. 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.

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) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, dramage, 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.

(3) TIDE WATERS: If the Property abuts, the tidally influenced waters of the state, §33.135, Texas Natural Resources, ode, 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.

(4) 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 extraternitorial jurisdiction of a municipality and may now or later be included in the extraternitorial jurisdiction of a municipality maintains a man 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.

(5) 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 not property is located in a certificated area there may be special costs or charges that you will be required to pour p

Contract Concerning (Address of Property)	Page 4 of 10	02-12-2024
(9) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property water, including a reservoir or lake, constructed and mainta Code, that has a storage capacity of at least 5,000 acre-feet operating level, Seller hereby notifies Buyer: "The water leve adjoining the Property fluctuates for various reasons, includin lawfully exercising its right to use the water stored in the im flood conditions."	adjoins an imporation and an imporation at the impoundment of the impoundment as a result of: (poundment; or (2)	oundment of er 11, Water ent's normal ent of water (1) an entity) drought or
(10) CERTIFICATE OF MOLD REMEDIATION: If the Property has Seller must provide to Buyer each certificate of mold damages §1958.154, Occupations Code, during the five (5) years Property.	e remediation issu	ied under
(11)[(10)]REQUIRED NOTICES: The following notices have been gontract (for example, utility, water, drainage, and public WCID, PID notices]):	improvement dis	tricts (MUD,
Seller's failure to provide applicable statutory notices may prights to terminate the contract.	rovide Buyer with	<u>remedies or</u>
7. PROPERTY CONDITION:		
A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buye the Property at reasonable times. Buyer may have the Property selected by Buyer and licensed by TREC or otherwise permitted Any hydrostatic testing must be separately authorized by Selle expense shall immediately cause existing utilities to be turned or during the time this contract is in effect.	perty inspected by d by law to make er in writing. Selle	y inspectors inspections. er at Seller's
B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PR	ROPERTY CODE (No	otice):
(Check one box only) (1) Buyer has received the Notice.		
(2) Buyer has not received the Notice. Within days a contract, Seller shall deliver the Notice to Buyer. If Buyer Buyer may terminate this contract at any time prior to the cwill be refunded to Buyer. If Seller delivers the Notice, Buyer for any reason within 7 days after Buyer receives the N whichever first occurs, and the earnest money will be refunded (3) The Texas Property Code does not require this Seller to furnis	does not receive closing and the earlier may terminate to otice or prior to do to Buyer.	the Notice, rnest money this contract
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 1s" means the prewith any and all defects and without warranty except for the warranties in this contract. Buyer's agreement to accept the Property or (2) does not preclude Buyer from inspecting the Property or treatments in a subsequent amendment contract during the Option Period, if any.	esent condition of e warranties of t perty As Is under P	the Property itle and the aragraph 7D
(Check one box only) (1) Buyer accepts the Property As Is.		
(2) Buyer accepts the Property As Is provided Seller, at Seller's following specific repairs and treatments:	s expense, shall c	omplete the
Do not insert general phrases, such as "subject to insert specific repairs and treatments.) E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherw party is obligated to pay for lender required repairs, which destroying insects. If the parties do not agree to pay for the treatments, this contract will terminate and the earnest money we cost of lender required repairs and treatments exceeds 5% or terminate this contract and the earnest manage will be refunded to	vise agreed in writ includes treatment ne lender required vill be refunded to l f the Sales Price,	ting, neither nt for wood d repairs or Buyer. If the
terminate this contract and the earnest money will be refunded to F. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise complete all agreed repairs and treatments prior to the Closing permits. The repairs and treatments must be performed by person such repairs or treatments or, if no license is required by law, are trade of providing such repairs or treatments. Seller shall: (i) documentation from the repair person(s) showing the scope of which completed; and (ii) at Seller's expense, arrange for the transfer received with respect to the repairs and treatments to Buyer complete any agreed repairs and treatments prior to the Closing Pate up to 5 complete repairs and treatments.	agreed in writing, Date and obtain a line who are license e commercially en provide Buyer without and payment of any transferabler at closing. If Sing Date, Buyer makes and payer makes and p	any required ed to provide gaged in the th copies of for the work e warranties eller fails to nay exercise for Seller to
G. ENVİRONMENTAL MATTERS: Buyer is advised that the presence including asbestos and wastes or other environmental hazards o or endangered species or its habitat may affect Buyer's intendec is concerned about these matters, an addendum promulgated parties should be used.	r the presence of a I use of the Proper by TREC or requ	threatened ty. If Buyer uired by the
H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a real a provider or administrator licensed by the Texas Department of	of Licensing and R	egulation. If
Initialed for identification by Buyer and Seller	TREC	` NO! 30- <u>17[+</u>

	ntract Concerning(Address of Property)	Page 5 of 10	02-12-2024
-	Buyer purchases a residential service contract, Seller shall reimbut of the residential service contract in an amount not exceeding \$ review any residential service contract for the scope of coverage, purchase of a residential service contract is optional. purchased from various companies authorized to do business. BROKERS AND SALES AGENTS:	exclusions and limita Similar coverage ss in Texas.	yer should ations. The may be
	A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a rewho is a party to a transaction or acting on behalf of a spouse, purple which the broker or sales agent owns more than 10%, or a sales agent acts as a trustee or of which the broker or sales agent's spouse, parent or child is a beneficiary, to notify the entering into a contract of sale. Disclose if applicable:	parent, child, busines trust for which the s agent or the broke	s entity in broker or er or sales
0	B. BROKERS' FEES: All obligations of the parties for payment of separate written agreements. CLOSING:	brokers' fees are co	ontained in
9.	A. The closing of the sale will be on or before after objections to matters disclosed in the Commitment have later (Closing Date). If either party fails to close the sale by the oparty may exercise the remedies contained in Paragraph 15. B. At closing:	, 20, or wi been cured, whiche Closing Date, the non	thin 7 days ver date is -defaulting
	(1) Seller shall execute and deliver a general warranty deed co Buyer and showing no additional exceptions to those permit tax statements or certificates showing no delinquent taxes on (2) Buyer shall pay the Sales Price in good funds acceptable to th (3) Seller and Buyer shall execute and deliver any notices, state	ted in Paragraph 6 a the Property. Se Escrow Agent.	and furnish
	releases, loan documents, transfer of any warranties, and required for the closing of the sale and the issuance of the Tit (4) There will be no liens, assessments, or security interests aga be satisfied out of the sales proceeds unless securing the parabuyer and assumed loans will not be in default.	l other documents le Policy. ainst the Property wh	reasonably ich will not
10	(5) Private transfer fees (as defined by Chapter 5, Subchapter will be the obligation of Seller unless provided otherwise in does not apply to fees assessed by the Association.	G of the Texas Prop n this contract. This	erty Code) paragraph
10.	POSSESSION: A. BUYER'S POSSESSION: Seller shall deliver to Buyer possession or required condition, ordinary wear and tear excepted: upon closific temporary residential lease form promulgated by TREC or other writed Any possession by Buyer prior to closing or by Seller after closific written lease will establish a tenancy at sufferance relationship between the sufferance agent prior to change of ownership and possession may be limited or terminated. The absence of a written lead to coverage may expose the parties to economic loss.	tten lease required by ng which is not autho ween the parties. Co n n because insurance	the parties. orized by a nsult your coverage
	B. SMART DEVICES: "Smart Device" means a device that connects to use, monitoring, and management of: (i) the Property; (ii) items Items Addendum; or (iii) items in a Fixture Lease assigned to Buyer, Seller shall:	ns identified in any uyer. At the time Sel	Non-Realty ler delivers
	 deliver to Buyer written information containing all access cod applications Buyer will need to access, operate, manage, and terminate and remove all access and connections to the imprany of Seller's personal devices including but not limited to pl 	control the Smart De rovements and access	evices; and sories from
11.	SPECIAL PROVISIONS: (This paragraph is intended to be used items. An informational item is a statement that completes a blar factual information, or provides instructions. Real estate brokers from practicing law and shall not add to, delete, or modify any p drafted by a party to this contract or a party's attorney.)	only for additional inf nk in a contract form and sales agents are	formational n, discloses prohibited
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 penaltic FHA, or VA completion requirements; tax statements or cone-half of escrow fee; and other expenses payable by Seller shall also pay an amount not to exceed \$ (b) Seller shall also pay an amount not to exceed \$ following order: Buyer's Expenses which Buyer is prohilated and Buyer's Expenses as allowed by the lender. (2) Expenses payable by Buyer (Buyer's Expenses): Appraisa	to be applied by the bound of t	ed in the
	Texas Veterans Land Board or other governmental loar Buyer's Expenses as allowed by the lender. (2) Expenses payable by Buyer (Buyer's Expenses): Appraisa origination charges; credit reports; preparation of loan doc from date of disbursement to one month prior to dates of firs fees; copies of easements and restrictions; loan title policy	tuments; interest on st monthly payments; with endorsements r	the notes recording equired by

Contract Concerning Page 6 of 10 02-12-2024 (Address of Property)

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 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.

(3) Buyer shall pay any and all Association fees, deposits, reserves and other charges resulting from the transfer of the Property not to exceed \$\frac{1}{2}\$ and Seller shall pay any excess. This paragraph does not apply to: (i) regular periodic maintenance fees, assessments, or dues (including prepaid items) that are prorated by Paragraph 13, and (ii) costs and fees provided by Paragraph 2.

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.

PRORATIONS: Taxes for the current year, interest, rents, and regular periodic maintenance fees.

- 13. PRORATIONS: Taxes for the current year, interest, rents, and regular periodic maintenance fees, assessments, and dues (including prepaid items) 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. Cash reserves from regular condominium assessments for deferred maintenance or capital improvements established by the Association will not be credited to Seller. Any special condominium assessment due and unpaid at closing will be the obligation of Seller.
- due and unpaid at closing will be the obligation of Seller.

 14. CASUALTY LOSS: If any part of the Unit which Seller is solely obligated to maintain and repair under the terms of the Declaration is damaged or destroyed by fire or other casualty, Seller shall restore the same 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. If any part of the Common Elements or Limited Common Elements appurtenant to the Unit is damaged or destroyed by fire or other casualty loss. Buyer will have 7 days from receipt of notice of such casualty loss within which to notify Seller in writing that the contract will be terminated unless Buyer receives written confirmation from the Association that the damaged condition will be restored to its previous condition within a reasonable time at no cost to Buyer. Unless Buyer gives such notice within such time, Buyer will be deemed to have accepted the Property without confirmation of such restoration. Seller will have 7 days from the date of receipt of Buyer's notice within which to cause to be delivered to Buyer such confirmation. If written confirmation is not delivered to Buyer as required above, Buyer may terminate this contract and the earnest money will be refunded to Buyer. 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 provi
- 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.

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. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to 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 before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.

that party.

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

Contract Concerning (Address of Prope	Page 7 of 10 <u>02-12-2024</u>
a copy of the demand to the other party. If to the demand from the other party within money to the party making demand red on behalf of the party receiving the earnest the creditors. If Escrow Agent complies wi hereby releases Escrow Agent from all adverses money.	Escrow Agent does not receive written objection 15 days, Escrow Agent may disburse the earnest uced by the amount of unpaid expenses incurred money and Escrow Agent may pay the same to the provisions of this paragraph, each party arse claims related to the disbursal of the earnest
Escrow Agent within 7 days of receipt of the damages; (ii) the earnest money; (iii) reaso E. NOTICES: Escrow Agent's notices will be e 21. Notice of objection to the demand will be	or refuses to sign a release acceptable to the ne request will be liable to the other party for (i) nable attorney's fees; and (iv) all costs of suit. If the feetive when sent in compliance with Paragraph and deemed effective upon receipt by Escrow Agent.
the Property and receive, negotiate and accept	back up offers.
20. FEDERAL TAX REQUIREMENTS: If Seller is a Code and its regulations, or if Seller fails to a status to Buyer that Seller is not a "foreign p proceeds an amount sufficient to comply with a ternal Revenue Service together with appropri tions require filing written reports if currency transaction.	a "foreign person," as defined by Internal Revenue deliver an affidavit or a certificate of non-foreign serson," then Buyer shall withhold from the sales applicable tax law and deliver the same to the Inate tax forms. Internal Revenue Service regulatin excess of specified amounts is received in the
21. NOTICES: All notices from one party to the mailed to, hand-delivered at, or transmitted by	other must be in writing and are effective when fax or electronic transmission as follows:
To Buyer at:	To Seller at:
Phone: ()	Phone: ()
E-mail/Fax:	E-mail/Fax:
E-mail/Fax: With a copy to Buyer's agent at:	E-mail/Fax: With a copy to Seller's agent at:
22. AGREEMENT OF PARTIES: This contract of cannot be changed except by their written agree are (check all applicable boxes):	contains the entire agreement of the parties and eement. Addenda which are a part of this contract
☐ Third Party Financing Addendum ☐ Loan Assumption Addendum	Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
☐ Buyer's Temporary Residential Lease☐ Seller's Temporary Residential Lease	Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
Addendum for Sale of Other Property by BuyerAddendum for "Back-Up" Contract	Addendum for Release of Liability on Assumption of FHA, VA, or Conventional Loan Restoration of Seller's Entitlement for
Seller Financing Addendum Addendum for Coastal Area Property	VA Guaranteed Loan Addendum for Property in a Propane Gas System Service Area
Short Sale Addendum	☐ Addendum Regarding Residential Leases
Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required	☐ Addendum Regarding Fixture Leases
by Federal Law Addendum for Authorizing Hydrostatic Testing	Addendum containing Notice of Obligation to Pay Improvement District Assessment
Addendum Concerning Right to Terminate Due to Lender's Appraisal	Other (list):
Initialed for identification by Buyer a	nd Seller TREC NO: 17[16]

Contract Concerning 11-07-2022]	(Address of Property)	Page 8 of 10 <u>02-12-2024</u>
3. CONSULT AN ATT agents from giving	TORNEY BEFORE SIGNING: TREC rules legal advice. READ THIS CONTRACT CAR	s prohibit real estate brokers and sales REFULLY.
Buyer's Attorney is:	Seller's Attorne	s ey is:
Phone: () Phone:	: <u>(</u>)
Fax: <u>(</u>) Fax:	_(
E-mail:	E-mail:	:
EXECUTED the	day of FINAL ACCEPTANCE.) Seller	, 20 (Effective Date).
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. 30-17[16]. This form replaces TREC NO. 30-16[15].

02-12-2024

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BROKER INFORMATION (Print name(s) only. Do not sign) Other Broker Firm License No. Listing Broker Firm License No. ☐ Buyer only as Buyer's agent represents ☐ Seller and Buyer as an intermediary represents ☐ Seller as Listing Broker's subagent ☐ Seller only as Seller's agent Associate's Name License No. Listing Associate's Name License No. Team Name Team Name Associate's Email Address Listing Associate's Email Address Phone Phone Licensed Supervisor of Associate License No. Licensed Supervisor of Listing Associate License No. Other Broker's Address Phone Listing Broker's Office Address Phone State City Zip City State Zip Selling Associate's Name License No. Téam Name Selling Associate's Email Address Phone Licensed Supervisor of Selling Associate License No. Selling Associate's Office Address City State Zip

the previous agreement between brokers to pay or share a commission.

(Address of Property)

Contract Concerning

[11-07-2022]

02-12-

Page 10 of 10

(Address of Property) **OPTION FEE RECEIPT** Receipt of \$ (Option Fee) in the form of _ is acknowledged. Escrow Agent **EARNEST MONEY RECEIPT** Receipt of \$ Earnest Money in the form of _ is acknowledged. Escrow Agent Received by Email Address Date/Time Address Phone City State Zip Fax **CONTRACT RECEIPT** Receipt of the Contract is acknowledged. Email Address Date Escrow Agent Received by Address Phone City State Fax ADDITIONAL EARNEST MONEY RECEIPT Receipt of \$ ____ is acknowledged. additional Earnest Money in the form of _ Email Address Escrow Agent Received by Date/Time Address Phone City Fax Zip State

Contract Concerning

<u>02-12-2024</u>[10-07-2022]



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)



THIRD PARTY FINANCING ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

(Street Address and City)
1. 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):
A. CONVENTIONAL FINANCING:
(1) A first 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) 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.
B. 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.
C. 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.
D. 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.
E. USDA GUARANTEED FINANCING: A USDA-guaranteed loan of 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.
F. 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 loanwill
will not be an FHA insured loan.
G. OTHER FINANCING: A loan not of a type described above from (name of lender) in the principal amount of \$ due in year(s), with interest not to exceed% per annum for the first year(s) of the loan with
Origination Charges not to exceed $__$ % of the loan. Buyer \square does \square does not waive all rights to terminate the contract under Paragraph 2B of this addendum for the loan described in this paragraph.
2. APPROVAL OF FINANCING: Approval for the financing described above will be deemed to have been obtained when Buyer Approval and Property Approval are obtained. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

02-12-2024[10 07 2022] Page 2 of 2

Inira Party Financing Addendum Concerning	Page 2 d
(Address o	f Property)
Approval, Buyer may terminate thi within days after the Effective Dat Seller: (i) notice of termination; and (ii setting forth the reason(s) for lender's under this provision, [and] this contract refunded to Buyer. If Buyer does not contract shall no longer be subject to Approval will be deemed to have bee described above are available and (ii) lender's requirements related to Buyer's This contract is not subject to Buyer obtains a contract is not subject to Buyer obtains underwriting requirements for the insurability, and lender required repairs) Bethan 3 days on or before the 3rd day befor by giving Seller: (i) notice of termination; lender setting forth the reason(s) for lender	ng Buyer Approval. If Buyer cannot obtain Buyer s contract [give written notice to Seller] e [effective date] of the [this] contract by giving a copy of a written statement from the lender determination. If Buyer terminates the contract twill terminate and the earnest money will be terminate the contract under this provision, the contract the Buyer obtaining Buyer Approval. Buyer nobtained when (i) the terms of the loan(s) ender determines that Buyer has satisfied all of assets, income and credit history. In a satisfy the loan (including but not limited to appraisal, buyer [7] may [not] terminate this contract [later to the Closing Date [may terminate this contract] and (ii) a copy of a written statement from the statement of the loan of th
4. FHA/VA REQUIRED PROVISION: If the fin VA financing, it is expressly agreed that, notw the purchaser (Buyer) shall not be obligated described herein or to incur any penalty by fo (i) unless the Buyer has been given in accordance statement issued by the Federal Housing Compirect Endorsement Lender setting forth the property or (ii) if the contractions are contracted to the second of the sec	ancing described above involves FHA insured or withstanding any other provision of this contract, ed to complete the purchase of the Property officiare of earnest money deposits or otherwise: not with HUD/FHA or VA requirements a written imissioner, Department of Veterans Affairs, or a eappraised value of the Property of not less than of purchase price or cost exceeds the reasonable
A. The Buyer shall have the privilege and o contract without regard to the amount of established by the Department of Veterans A. B. If FHA financing is involved, the appraised very mortgage the Department of Housing and warrant the value or the condition of the Protection of the P	ption of proceeding with consummation of the he appraised valuation or the reasonable value affairs. Affairs. It is a rrived at to determine the maximum Urban Development will insure. HUD does not operty. The Buyer should satisfy himself/herself rty are acceptable. Exercise to complete the purchase at an amount in y the VA, Buyer shall pay such excess amount in its close to the VA and which Buyer represents will proved by VA. If VA reasonable value of the may reduce the Sales Price to an amount equal will be closed at the lower Sales Price with
5. AUTHORIZATION TO RELEASE INFORMATI A. Buyer authorizes Buyer's lender to furnis information relating to the status of the app B. Seller and Buyer authorize Buyer's lender, if furnish a copy of the closing disclosures and brokers and sales agents provided under Bro	h to Seller or Buyer or their representatives roval for the financing. Eitle company, and Escrow Agent to disclose and settlement statements to the parties' respective
Buyer	Seller
Buyer	Seller



This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (http://www.trec.texas.gov) TREC No. 40-11[10]. This form replaces TREC No. 40-10[9].



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

02-12-2024

ADDENDUM FOR SECTION 1031 EXCHANGE



	CONCERNING THE PROPERTY AT: (Street Address and City)
A.	☐ Seller ☐ Buyer intends to use this Property to accomplish an exchange of like-kind properties under Section 1031 of the Internal Revenue Code, as amended.
В.	The parties agree to cooperate with one another and take all reasonable actions necessary to accomplish the exchange, including signing or completing any relevant documents.
C.	The non-exchanging party shall bear no additional expense or liability with respect to the exchange.
Bu	yer Seller
Bu	yer



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 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 (www.trec.texas.gov) TREC No. 58-0.

02-12-2024



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT



	CONCERNING THE PROPERTY AT:
	(Street Address and City)
1.	NAME OF SPECIAL DISTRICT: The real property that you are about to purchase is located in the and may be subject to district taxes or assessments.
	(insert name of district)
2.	TAX RATE: The district may, subject to voter approval, impose taxes and issue bonds. The district may impose an unlimited rate of tax in payment of such bonds. (Check only one box)
	The current rate of the district property tax ison each \$100 of assessed valuation.
	The district has not yet imposed taxes. The projected rate of the district property tax is on each \$100 of assessed valuation.
3.	ASSESSMENTS: The district may impose assessments and issue bonds and impose an assessment in
٠.	payment of such bonds. (Check only one box)
	The rate of the district assessment ison each \$100 of assessed valuation.
	The amount of the district assessment on the real property that you are about to purchase is
	(insert current assessment amount) The district has not yet imposed an assessment, but the projected rate amount of the
	assessment is(insert projected assessment rate or amount)
4.	BONDS:
	A. The total amounts of bonds payable wholly or partly from property taxes assessments (a excluding refunding bonds that are separately approved by the voters are excluding any bonds or any portions of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity) approved by the voters are: (1) \$
	(2) \$ for road facilities;
	(3) \$for parks and recreational facilities; and
	(4) \$(insert amount) for(insert description of additional facilities, as applicable) .
	B. The aggregate initial principal amounts of all such bonds issued are:
	(1) \$ for water, sewer, and drainage facilities;
	(2) \$ for road facilities;
	(3) \$for parks and recreational facilities; and
	(4) \$ for (insert amount) (insert description of additional facilities, as applicable)
5.	STANDBY FEES: The district sought and obtained approval of the Texas Commission on Environmental
	An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

	to Purchaser of Special Taxing or Ass	coomene protrice correction		Page 2 of
		(Address of Propert	у)	
5. LC	The district is located the municipality's extrater municipality is dissolved. The district is located the municipality is dissolved. The district is located duplicate services or improto taxation by the municipal	wholly or partly i —. Texas law gover ritorial jurisdiction wholly or partly wholly or partly who municipality vements. Property lo	ns the ability of a municipa and whether a district the vithin the corporate bou	lity to annex property in at is annexed by the undaries of the City of the cit
ag pro	reament with the City of cocess, and procedures for unicipality's extraterritorial jur	(insert name of municipality) the municipal annex	district has entered into —. This agreement may ation of the area of the	a strategic partnershi address the timeframe district located in the
bo is PURCH THE IADVIS	RPOSE: The purpose of the oxes) □ water □ sewer □ draparks and recreational □ — not included in the purchase purchase purchase in the purchase purchase for the contract of t	einage I flood control (insert other types of facilities price of your property E INFORMATION SHO HE DISTRICT ANNUA RICT TO DETERMINE	OWN ON THIS FORM IS SUALLY ESTABLISHES TAX RETHE STATUS OF ANY CU	cost of district facilities UBJECT TO CHANGE BY RATES. PURCHASER IS
Sig	nature of Seller	Date	Signature of Seller	Date
	ndersigned purchaser hereby inding contract for the purcha			



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 suitable 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. 56-0.

Form	From	Comment
	Richard Bobo	In Paragraph 5.A.(4) of the ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE), it states the following. (4) Buyer authorizes escrow agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases escrow agent from liability for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.
		The last sentence can be interpreted to imply that there is a relationship between the Option Fee and the Sales Price, when the two are fully independent.
1-4 Family		Someone can easily interpret this to mean that the Option Fee is credited for the buyer toward the sales price in the event that the sale goes to closing. If it said something like the Option Fee will be credited to the Seller at closing then there would be no doubt regarding to whom the option fee is credited.
		This matter similarly pertains to the following contracts: RESIDENTIAL CONDOMINIUM CONTRACT (RESALE) NEW HOME CONTRACT NEW HOME CONTRACT (Incomplete Construction) FARM AND RANCH CONTRACT UNIMPROVED PROPERTY CONTRACT Thank you for your consideration on this matter.
	Ben Holloway	Good afternoon, My name is Ben Holloway, and I have been licensed in Texas since 2016. I want to provide feedback and make a few suggestions to the commission. I believe the TREC promulgated forms could easily be made more clear and transparent, which could reduce disputes between the parties to a contract.
		With one of my active transactions, my Buyer needed to extend the Option Period by one extra day. We drafted an amendment to extend the Option Period, in exchange for \$10 consideration paid from the Buyer to the Seller.
		When my Buyer asked the title company how to remit the \$10, the title company told us it needs to be paid directly to the Seller. To me, this didn't sound correct. If the original Option Fee and Earnest Money needs to be deposited with the title company, I assumed any further exchange of monies would be the same under the terms of the TREC promulgated contract. However as instructed, my Buyer sent the \$10 directly to the Seller using Zelle.
		I am writing you today for several reasons:
		1) Is it correct that any monies contractually required by either party, excluding the initial Option Fee and Earnest Money deposit and required thereafter, should be paid directly to the other party and not deposited with the title company, regardless of the amount?
1-4 Family		2) If the answer to my first question is, 'yes,' may I please make a suggestion to amend Section 5 of the promulgated contract forms? Section 5 could be renamed from 'Earnest Money and Termination Option' to 'Exchange of Monies by The Parties.' Section 5 A (1-4) would remain the same, but Section 5 A (5) could be added to state that, 'Any monies deposited or exchanged by the parties in connection with this contract must be deposited to and disbursed by the title company of record. Prior to closing, funds may not be directly exchanged between the parties of this contract.'
		3) The TREC promulgated amendment does not specify how or when the additional money must be provided for an extension of the Option Period, or for any other instance where additional consideration is being provided. It would be helpful if a required timeframe was identified on the amendment, or if the agent could fill in a custom deadline date.
		I feel that as it currently stands, allowing parties to exchange money, especially without a specified deadline, is opening the door for potential problems or disagreements to arise. Concerning my ongoing transaction, \$10 is a small amount of money exchanged, but in some transactions, the amount exchanged might be significantly more. How long does a party have to provide the consideration? Can it be cash? When is it due? Can the other party spend it, or does it need to stay in the transaction until closing? How are the funds receipted or tracked by the title company? What if a Buyer forgets they gave money to the Seller, and the title company forgets to account for it at closing because they weren't involved in collecting it? What if no receipt was given and the recipient claims they never received the money? What triggers a default of contract? How can the Buyer's lender be sure they provided the money as the lender accounts for the down payment? There are not clear answers to these questions with the promulgated contract forms as currently written.
		So to summarize, I want to provide feedback to the commission regarding the TREC promulgated Amendment and 1-4 Family Residential Resale contract, as it relates to how additional monies are handled in the contract. The current forms do not provide clear guidance on this process. Minor changes to the contract forms could prevent potential disputes by making the process and deadline more transparent as additional funds are entangled with a transaction. I understand that for most transactions in most situations, disputes won't arise when using the promulgated forms as currently written. But inevitably, for someone somewhere, a dispute will arise. Making a few minor changes could prevent an issue from developing and provide clarity to agents, buyers, and sellers in Texas.
1-4 Family	Samantha Connaway	I believe paragraph 12 could be improved by giving buyers the option to contribute toward seller's costs. I can think of a few reasons why it would be preferable for a buyer to cover a seller's costs as opposed to just raising the sales price. Possibly by adding verbiage and a blank in 12. A. (2).
2 . runny		This change could allow buyers the opportunity to be more competitive if/when necessary, and could help eliminate one instance of agents incorrectly writing in special provisions.

Unimproved Property	Romona Brogan	The new TREC form 9-16 includes questions that a seller has to answer – Section 7.E. This is a terrible design as now, with it as part of the contract, the Buyer submits the offer, the seller has to answer those questions, then it has to come back to the Buyer to approve or not, before the contract can be executed. This section needs to be a stand-alone form (like the seller's disclosure for homes) that the seller's agent can get completed when they LIST the property. That way the Buyer can see it, sign, etc. and submit with their offer, thereby eliminating the need for it to come back to the Buyer to approve the additions as it currently stands. Please consider removing this section from TREC for 9-16 and creating a Seller's Disclosure for land.
Third Party Financing	Robin Harris	As discussed during Broker Lawyer Committee meeting, I noticed Third Party Financing Addendum Paragraph 2A states "If Buyer does not terminate the contract under this paragraph,". Since changes are being made it is a good opportunity to use one or the other for consistency. A. BUYER APPROVAL (Check one box only): This contract is subject to Buyer obtaining Buyer Approval. If Buyer cannot obtain Buyer Approval, Buyer may terminate this contract (give written notice to Sellee) within does not the contract being the property obtaining buyer Approval, Buyer may terminate this contract (like) contract by Louding self-time forth the reason(s) for lender's determination and this contract will terminate and the earnest money will be refunded to Buyer. If Buyer does not terminate the contract will be refunded to Buyer. If Buyer does not terminate the contract will be refunded to Buyer. If Buyer does not terminate the contract will be refunded to Buyer. If Buyer does not selled the contract will be refunded to Buyer. If Buyer does not contract will be refunded to Buyer. If Buyer does not contract will be refunded to Buyer. If Buyer does not contract will be refunded to Buyer. If Buyer does not contract will be refunded to Buyer. If Buyer does not contract will be refunded to Buyer assets, income and credit history. B PROPERTY APPROVAL: If Buyer's lender determines that Buyer has a satisfied all of lender's requirements related to Buyer's assets, income and credit history. B PROPERTY APPROVAL: If Buyer's lender determines that the Property does not satisfy lender's underwriting requirements for the loan (including but not limited to appraisal, lender's underwriting requirements for the loan (including but not limited to appraisal, lender's determination; and (ii) a copy of a written satement from the lender setting off the reason (c) for limited to determination. B Buyer terminate under this paragraph, Property Approval is deemed to have beginning the satisfied.
Condo and POA Addendum	Cathy Faulkner	The Forms & Contracts Committee of the MetroTex Association of REALTORS® would like to suggest the following: The committee is recommending that the Form Residential Condominium Contract (Resale) Paragraph B.2. (TREC Form 30-16) and Addendum for Property Subject to Mandatory Membership in a Property Owners Association, (Paragraphs 1 and 2) (TREC Form 36-10) be updated where the days to respond in these paragraphs is changed to a blank. The blank would give both the buyer and selfer the ability to negotiate the time to respond. The recommended changes will create consistency between the forms plus allow the buyer the time they may need for legal review or personal review of the Documents in question. The example of the requested changes to these forms is shown below: From the Residential Condominium Contract (Resale) Paragraph B.2. (TREC Form 30-16) "(2) Buyer has not received a copy of the Documents. Seller, at Seller's expense, shall deliver the Documents to Buyer within days after the Effective Date of the contract. Buyer may terminate the contract within 7 days

Buyer's		The Forms & Contracts Committee of the MetroTex Association of REALTORS* would like to suggest the following:
	Cath. Faullinas	
	Cathy Faulkner	The committee is also recommending a change to the Notice of Buyer's Termination of Contract (TREC Form 38-7) that item number eight (8) be changed to allow termination for failure to deliver the required HOA/POA documents and renumber
Contract		the current Paragraph 8 to Paragraph 9 to cover "other".
		Who do I need to contact about a possible change needed to a form.
		It is TREC Form # 12-3 ot TXR 1920. Addendum for release of liability on assumed loanThis document has caused much confusion and squabble simply due to the wording highlighted on attached form.
		The sellers of course want to check box 1 and the buyers want to check box 2.
		It is up to the VA if the entitlement will be restored and the word "approved" has caused some alarm for my particular scenario. The seller feels it should be approved and restored by closing according to the document. We have explained that it
		can be approved, but not restored until after closing when the loan is paid off.
		Is there some way to rework the verbage so that is more clear? VA assumptions are challenging anyways due to the fact that everything is in the hands of the loan servicer, so making this form understandable to buyers and sellers would be helpful.
		(Address of Property)
		(numers or respectly)
		A. RELEASE OF SELLER'S LIABILITY ON LOAN TO BE ASSUMED:
Release for		
Assumption VA	Kellie Kellner	days after the effective date of this contract Seller and Buyer shall apply for violate of Seller's liability from (a) a year conventional lender, (b) VA and any lender whose loan has been guaranteed by Willy from (a) and any elender, (b) VA and seller should be seller whose loan has been insured by the Clean and any elender whose loan has been insured by the Clean and the seller and by the Clean and the seller should be seller
Loan Addendum		Buyer'shall furnish all required information and doubles furnish as open markets and porced by the Closing Date: (check not box only) and so not been furnished and so provided by the Closing Date: (check not box only) check and so not been furnished.
200117 Idaciia		(1) This contract will terminate and the earnest money will be refunded to Buyer.
		(2) Failure to obtain release approval will not delay dosing.
1		□ B. RESTORATION OF SELLER'S ENTITLEMENT FOR VA LOAN-
		Within days after the effective date of this contract Seller and Buyer shall apply for restoration of Seller's the entirement and shall furnish all information and documents required by VA. If restoration has not been approved by the Closing Date; (check one box only)
		If restoration has not been approved by the Closing Date: (check one box only)
		(a) This contract will terminate and the earnest money will be refunded to Buyer.
		2) Fallure to obtain restoration approval will not delay closing.
		NOTICE: VA will not restore Seller's VA entitlement unless Buyer: (a) is a veteran, (b) has sufficient unused VA entitlement and (c) is otherwise qualified. If Seller desires restoration of VA entitlement, paragraphs A and B should be used.
		persus puris a ratio is stroked be used. Selfer shall pry the cost of securing the release and restoration.
		Seller's deep visit containing the release and restoration.
		and any lender.
		I would like to see the new Sellers Disclosure lines removed from the New Constructions, Unimproved and the Farm and Ranch contracts and a new (extra) SD form for these land type properties. There is way too much confusion among agents on
		the proper procedure on how this needs to be filled out. Way too may buyers agents are filling this area in for the sellers when submitting offers or listing agents executing without this area filled in by the sellers.
		Far too may brokers and even title companies are teaching that its ok for a buyers agent or a listing agent to fill this area in- when it falls under the Sellers Disclosure rule of Seller ONLY fills this in— not the agents.
New Forms	Shannon Potts	This is a huge liability to all involved.
		It would be best to have its own separate SD that the seller can fill out that is related to the land or land items that can be attached to the SD for the home.
		Please consider for the protection of all.
New Forms	Jessica Waggoner	Please forward to appropriate recipients. I believe that we need to have an Unimproved Land Listing Agreement. There are times when land is not zoned in any particular way to fit the current options of Residential 1-4, Commercial options offered
		by TAR, or Farm and Ranch Listing Agreement. TREC does offer the unimproved land contract, yet does not offer an unimproved land listing agreement. I'd like this suggestion to be considered.
		hello, will you please forward this to the Broker Lawyer committee. Thank you
		I have been a licensed TREC agent since 1985 and purpose to uphold my duties to my clients regarding FULL Disclosure of condition of properties. By doing so I aid my sellers in selling their homes for the highest value and I aid my buyers in
		obtaining a home with FULL knowledge of the condition, including all applicable warranties.
		Lately, I'm finding that agents and independent brokers "hide" the details of their properties. they intentionally do not post documents into the MLS, but require the agents to ask for them.
		they do not obtain PAID repair invoices from sellers, yet make claims that items have been repaired or replaced. This becomes Heresay and can potentially leave a buyer with a lien on their new home.
Seller's	Barbara Giberson	Agents are using the TAR seller disclosure because it doesn't require the seller to list PREVIOUS Inspections. It is a useless form that does not give any dates for repairs ore replacements, including roofs which lenders always ask for.
Disclosure		Agents are using the FAA series discussive because it departs of the series when the agents don't cooperate with the TREC regulations. This is not just one agent, I've experienced this countries times over the past few years and more so recently.
		Agents are turning Texas into a BUYER BEWARE state not a FULL DISCLOSURE STATE. Buyers from other states and countries don't know their rights and are being subjected to irresponsible agents and independent brokers. This can only lead to
		Agents are uning less into a butter because state into a PULL DISCUSSION STATE. Buyers from other states and countries don't know their rights and are being subjected to irresponsible agents and independent brokers. This can only lead to more lawsits, great for the attorneys, but a black mark for homeownership.
		Can we PLEASE do something about this? I am very Happy to help. Sign me up!!

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Lavelle BROWN, Appellant/Cross-Appellee

v.

Krista GILMORE, Appellee/Cross-Appellant

No. 04-22-00369-CV

Court of Appeals of Texas, Fourth District, San Antonio

August 16, 2023

From the County Court at Law No. 10, Bexar County, Texas Trial Court No. 2021CV00936A Honorable David J. Rodriguez, Judge Presiding

Sitting: Patricia O. Alvarez, Justice Liza A. Rodriguez, Justice Lori I. Valenzuela, Justice

MEMORANDUM OPINION

LORI I. VALENZUELA, JUSTICE

Appellant Lavelle Brown, as Seller, and appellee Krista Gilmore, as Buyer, entered a contract for the sale of a residential home. Prior to closing, Gilmore sought termination of the contract and a refund of her earnest money deposit. Asserting Gilmore failed to properly invoke her termination option, Brown refused to authorize release of the earnest money. The trial court granted summary judgment in favor of Gilmore. In five issues, that we consolidate and address as three, Brown asserts on appeal the trial court erred in (1) admitting certain summary judgment

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evidence; (2) granting summary judgment in favor of Gilmore and denying summary judgment in favor of Brown; and (3) failing to award Brown attorney's fees. We affirm.



Background

On January 16, 2016, Brown and Gilmore executed a Texas Real Estate Commission One to Four Family Residential Contract (Resale) (the "Contract") for the sale of residential property located in San Antonio, Texas. Both parties were represented by realtors: Kathia Viquez acted as Brown's agent, and Laura Yznaga acted as Gilmore's agent.

The Contract required Gilmore to deliver \$2,400 in earnest money to the title company, First American Title, within three days after January 16, 2016. The Contract also contained a termination option, which provides in relevant part:

TERMINATION OPTION:

For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$70.00 (Option Fee) within 3 days after the Effective Date of this contract [January 16, 2016], grants Buver Seller unrestricted right to terminate this contract by giving notice of termination to Seller within 7 days after the Effective Date of this contract (Option Period). . . . [I]f Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be 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.

On the day that Gilmore executed the Contract, she mailed a check for \$2,470 to the title company. It is undisputed this amount

reflects the total sum of the earnest money deposit (\$2,400) and the termination option fee (\$70). The root of the parties' dispute is whether Gilmore effectively invoked the termination option by paying the termination option fee to the *title company* rather than to Brown.

On January 21, 2021, Gilmore executed a Notice of Buyer's Termination of Contract. The following day, Gilmore executed a Release of Earnest Money from Escrow. Asserting Gilmore

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failed to pay the option fee in accordance with the terms of the Contract, Brown refused to agree to release the escrow money to Gilmore.

Procedural History

On March 12, 2021, Gilmore filed suit seeking a return of the earnest money. Brown answered and later counterclaimed. The parties subsequently filed cross-motions for summary judgment as well as several related motions. Relevant to this appeal, Brown filed a motion to strike certain evidence as untimely and as inadmissible parol evidence.

Arguing that she paid the option fee pursuant to the terms of the Contract, Gilmore asserts the Contract is silent on how the payment is to be paid to Brown. Gilmore correctly points out the Contract does not identify a physical address for Brown; instead, it contains only a phone number and e-mail address for Brown. Nevertheless, Brown asserts the Contract specifically required payment of the option fee to *her*-"to seller"-not to the title company.

In response, Gilmore argues she paid the option fee to the title company at the direction of Brown's realtor, Viquez. As summary judgment evidence, Gilmore introduced a declaration in which she attested, "On January 16, 2021, I asked my

realtor where to send the check for the earnest money and the termination option fee as dictated in the Contract. My agent received instructions from Viquez, which she shared directly with me, that I should submit the termination option fee payment to the escrow agent at First American Title along with the earnest money." The declaration authenticated text messages sent by Viquez to Yznaga (and later forwarded to Gilmore) regarding payment of the option fee to the title company.

After Brown filed a cross-motion for summary judgment, Gilmore filed a response attaching Exhibit M-Yznaga's affidavit stating, "We were instructed, via call and text, by the listing agent Kathia Viquez to send or wire the option money to the Title Co. with the earnest money for the transaction. For reference, the texts from the listing agent are attached. They are

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true and accurate copies of the texts." The text messages between Viquez and Yznaga were attached as Exhibit M-1. Brown moved to strike these exhibits as untimely filed, which the trial court denied. The trial court rendered judgment in favor of Gilmore. This appeal follows.

Timeliness of Summary Judgment Evidence

In her first issue, Brown asserts the trial court erred in denying her motion to strike evidence on the basis that the evidence was untimely filed. The complained-over exhibits were filed on November 18, 2021 as part of Gilmore's response to Brown's cross-motion for summary judgment and reply in support of Gilmore's summary judgment-one day before the original hearing setting but sixteen days before the summary judgment hearing resetting.



Although the evidence was filed more than seven days before the hearing, Brown asserts the evidence supports Gilmore's motion (and was untimely as filed less than twenty-one days before the hearing) and not her response (which would only need to be filed seven days before the hearing). See Tex. R. Civ. P. 166a(c) ("Except on leave of court, with notice to opposing counsel, the motion and any supporting affidavits shall be filed and served at least twenty-one days before the time specified for hearing. Except on leave of court, the adverse party, not later than seven days prior to the day of hearing may file and serve opposing affidavits or other written response."). But we need not decide whether the evidence was timely filed because, assuming without deciding it was not, the trial court granted Gilmore's requested leave.

Standard of Review

Trial courts may grant parties leave to file late summary judgment evidence. *See id.* We review a trial court's ruling on a motion for leave to file late summary judgment evidence for an abuse of discretion. *See Carpenter v. Cimarron Hydrocarbons Corp.*, 98 S.W.3d 682, 686 (Tex.

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2002). A trial court abuses its discretion when it acts without reference to any guiding rules or principles. *Id.* at 687. In the context of late-filed summary judgment evidence, a motion for leave "should be granted when a litigant establishes good cause for failing to timely respond by showing that (1) the failure to respond was not intentional or the result of conscious indifference, but the result of accident or mistake, and (2) allowing the late response will occasion no undue delay or otherwise injure the party seeking summary judgment." *Id.* at 688.

Application



Gilmore's motion for leave explains her response was filed one day before the original hearing setting "[d]ue to an inadvertent calendaring error." Thus, her failure to file the response was not intentional or the result of conscious indifference, but the result of accident or mistake. Moreover, to the extent Brown believed Gilmore's late response unduly prejudiced her, she could have taken up the trial court's invitation for a continuance:

THE COURT: The motion for leave is granted. The Court will give additional time in a continuance to Mr. Froman [Brown's attorney] if necessary if it's - if it's requested by him. Are you seeking additional time, Mr. Froman?

MR. FROMAN: No. sir.

Under these facts and assuming without deciding that the evidence was untimely filed, we hold the trial court did not abuse its discretion in granting leave. We therefore overrule Brown's first issue.

Cross-Motions for Summary Judgment

In her second issue, Brown asserts the trial court erroneously granted Gilmore's traditional motion for summary judgment instead of Brown's traditional motion for summary judgment.

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Standard of Review

Under the traditional standard for summary judgment, the movant has the burden to show that no genuine issue of material fact exists, and the movant is entitled to judgment as a matter of law. Tex.R.Civ.P. 166a(c); *KPMG Peat Marwick v. Harrison Cnty. Hous. Fin. Corp.*, 988 S.W.2d 746, 748

(Tex. 1999). When, as in this case, both sides move for summary judgment, and the trial court grants one motion and denies the other, we review *de novo* all questions presented and all summary-judgment evidence presented by both sides. *Aery v. Hoskins, Inc.*, 493 S.W.3d 684, 690-91 (Tex. App.-San Antonio 2016, pet. denied).

Application

The essence of the dispute between the parties is whether Gilmore satisfied the requirements to invoke the termination option when she paid the option fee to the title company. According to Brown, Gilmore's payment of the option fee to the title company did not satisfy the requirements of the termination option provision because the provision required Gilmore to pay the fee to "Seller," and "Seller" is defined in the Contract as Brown-not the title company.

In response, Gilmore asserts the Contract is silent as to how Brown is to be paid and that she paid Brown the only way she could have: by requesting payment instructions from Brown's agent. Reviewing the Contract de novo, we agree with Gilmore. The Contract nowhere states how Brown is to be paid and contains no address or account by which Brown could be paid the option fee. Because the Contract is silent on how to pay Brown, Gilmore, through her agent, requested instructions from Brown's agent, Viguez, on how to pay the option fee. See Tex. Occ. Code § 1101.557(a) ("A broker who represents a party in a real estate transaction or who lists real estate for sale under an exclusive agreement for a party is that party's agent."); Nahm v. J. R. Fleming & Co., 116 S.W.2d 1174, 1176 (Tex. App.-Eastland 1938, no writ) ("What a principal does through an agent he does himself."). The summary judgment evidence-in the form of Gilmore's

declaration, Yznaga's affidavit, text messages, admissions[2]-conclusively Brown's and demonstrates that Viquez instructed Gilmore to pay the option fee to the title company and that Brown in fact received the option fee. Under these facts, we hold Gilmore timely paid Brown the option fee, invoking a right to terminate the Contract as provided by the termination option provision. Moreover, the summary judgment evidence conclusively demonstrates Gilmore timely exercised her termination option. Therefore, Gilmore was entitled to a return of her escrow money. We accordingly overrule Brown's second issue. Because Brown's third issue-entitlement to attornev's fees-is contingent upon her prevailing on her second issue, we likewise overrule her third issue.

Conclusion

Having overruled each of Brown's issues on appeal, we affirm the judgment of the trial court.

Notes:

Exhibits L and L-1-an affidavit by Gilmore's attorney and attorney's fees invoices evidencing Gilmore's attorney's fees.

[2] In written discovery, Brown admitted the following requests for admission: (1) Kathia Viquez instructed Krista Gilmore to send the earnest money check and termination option period fee directly to First American Title; (2) First American Title Company received \$2,470 from Krista Gilmore on January 19, 2021; and (3) [Brown] received the \$70.00 termination option period fee.

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1

Apache Corporation, Petitioner,

Apollo Exploration, LLC; Cogent Exploration, Ltd., Co.; and SellmoCo, LLC, Respondents

No. 21-0587

Supreme Court of Texas

April 28, 2023

Argued October 27, 2022

On Petition for Review from the Court of Appeals for the Eleventh District of Texas

OPINION

Evan A. Young Justice

Contracts regularly address time: when a contractual relationship begins or ends; by when a party must perform; after when it has become too late to do so. Such vital matters illustrate that contractual clarity is often every bit as important when talking about time as about anything else. Clarity comes from sound drafting, but sound drafting relies on confidence in the courts' ability and willingness to consistently interpret similar provisions. Since this Court's earliest days, we have confronted

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contracts that use the words "from" or "after" a specified date to measure a length of time. To enhance clarity, provide certainty, and prevent future disputes, our cases have long followed a default common-law rule in that circumstance, under which we must treat the time period as excluding the specified date (which we can call the "measuring date" for calculations). A period measured in years "from" or "after" a measuring date, therefore, ends on the anniversary of the measuring date, not on the day before the anniversary.



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See Home Ins. Co., N.Y. v. Rose, 255 S.W.2d 861, 862 (Tex. 1953). A year "from" or "after" June 30 ends on June 30 of the following year, not June 29.

This default rule is just a default. It does not even apply if time periods are not measured "from" or "after" a given date. Even when the rule does apply, parties may freely depart from it by demonstrating a clear contrary intent within their agreement, such as by expressly providing a different method for calculating time. They also can simply state the exact date on which a period ends. Texas courts will enforce any lawful agreement about how to measure or compute time.

In this case, however, the parties' agreement implicates the default rule without displacing it. We must therefore apply the default rule to the parties' dispute. Because the court of appeals did not do so-and because we also conclude that it incorrectly construed other contractual provisions at issue-we reverse its judgment on the issues presented for our review and remand the case to that court for further proceedings.

I

The facts and procedural history are complex, but at its core this case concerns whether petitioner, Apache Corporation, breached its

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purchase-and-sale agreements, or "PSAs," with respondents (whom we collectively call the "Sellers"). In those PSAs, Sellers sold 75% of their working interests in 109 oil-and-gas leases to Apache. The parties ask us to resolve key questions of contract construction.

A

In 2007, respondent Cogent Exploration entered into an oil-and-gas lease for the Bivins Ranch in the Texas Panhandle. Respondents Apollo Exploration SellmoCo also owned an interest in the lease, and so did Gunn Oil Company. Collectively, Sellers and Gunn owned 98% of the working interest in the Bivins Ranch lease and a number of other leases within what Apache, Gunn, and Sellers called the "Bivins Area," with Gunn having the largest interest at 50.17%.[2] The Bivins Ranch lease originally included 101,287.35 acres, but in 2008 it was amended to add another 14,731.72 acres.

The Bivins Ranch lease stated that its effective date was January 1, 2007, "from which date the anniversary dates of this Lease shall be computed." (Emphasis added.) The lease also provided that it would "be in force for a Primary Term of three years from the effective date of this Lease." (Emphasis added.)

The parties simultaneously executed and recorded a memorandum of lease. Parties often execute a memorandum of lease to provide record

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notice of the lease while keeping the lease details confidential. See, e.g., 2 Eugene Kuntz, A Treatise on the Law of Oil and Gas § 19.16 (Supp. 2022); 5 Nancy Saint-Paul, Summers Oil and Gas § 56.2 (rev. 3d ed. 2018). For example, in this case, the lease stated that the memorandum was executed "to give record notice of this Lease" and barred the parties from recording the lease itself without the lessors' consent.

The memorandum summarized the lease: it named the parties, described the land, listed some of the lease's provisions, and stated that "Lessors do hereby demise, lease, and let unto Lessee the lands described above upon the terms and conditions of the Lease." However, the memorandum also made clear

that the lease, not the memorandum, governed the parties' relationship. The memorandum stated that the lease was "upon the terms, for the consideration, and subject to the conditions in the Lease specified." Notably, the memorandum listed December 31, 2009, as the primary term's expiration date.

The end of the primary term did not necessarily mean the end of the lease. The Bivins Ranch lease allowed the lease to continue after the expiration of the primary term under certain conditions. Relevant here is the lease's continuous-drilling provision. To continue the lease under this provision, the lease required a producing well^[3] to be located on the land before the primary term expired. If this prerequisite was met, the lessee then had to create three equally sized blocks and to "conduct[] continuous drilling operations on each designated block" by drilling 20,000 feet in each block each year.

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Sellers and Gunn therefore could extend the lease. Before the primary term expired, they drilled a well and divided the lease into the required three blocks. (One of them-the North Block-turned out to be especially significant for this case.) That division did not initially play an important role because annual lease amendments for 2010 to 2014 permitted treating the three blocks as one. Specifically, the lease could-and for each of those years did-continue by drilling 60,000 feet in the aggregate.

During that period, in March 2011, Sellers and Gunn sold 75% of their working interest in the Bivins Area leases to Apache. This gave Apache a 73.5% working interest in those leases. [4] The four companies each executed substantively identical purchase-and-sale agreements with Apache, and two PSA provisions are particularly significant here.



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h

First, § 2.5 allowed each Seller to "back in" for up to one-third of the interests it conveyed to Apache if the leases reached "Two Hundred Percent (200%) of Project Payout."

Second, § 4.1 required Apache to provide Sellers by November 1 of each year a "written budgeted drilling commitment" for the calendar vear." "upcoming If this commitment contemplated or would result in the loss or release of any of the leases in the next year, Apache was required to offer "all of [its] interest in the affected Leases (or parts thereof) to Seller at no cost to Seller." If the seller company accepted, Apache was required to "transfer and assign the affected Leases (or parts thereof) to

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Seller." Apache had to make a good-faith effort to follow the commitment, but Apache was not liable if it was unable to fulfill the commitment's objectives despite those efforts.

Also significant is the PSAs' incorporation of a joint operating agreement (JOA) between Apache as operator and the four seller companies (Sellers and Gunn) as nonoperators for the Bivins Area leases. ^[5] In 2014, Apache bought out Gunn's interest in the leases, as well as Gunn's PSA rights.

B

This brings us to 2015. Until then, the annual amendments had allowed drilling 60,000 feet in the aggregate to extend the lease. But the Bivins family declined to again amend the lease, so the original 20,000-footper-block requirement went into effect for 2015. That requirement was not met for the North Block for that year. Apache and Sellers agree that the North Block expired. But-in what is the central question in this case-they disagree on the precise *date* it expired.

In Sellers' view, the North Block expired or was released on December 31, 2015 (or at some other unspecified time in 2015 when Apache ceased to comply with the continuous-drilling provision). Apache contends that the North Block expired one day later: January 1, 2016.

The unusual features of this case mean that this single-day discrepancy could entail a full-year consequence. As noted above, § 4.1 required Apache to offer back leases that its annual written budgeted drilling commitment anticipated losing or releasing in the next calendar

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year. For each calendar year, the deadline for submitting the written commitment was November 1 of the year before. Therefore, written commitments submitted November 1, 2014, covered leases anticipated to be lost or released between January 1, 2015, and December 31, 2015. Written commitments submitted November 1, 2015, covered leases anticipated to be lost or released between January 1, 2016, and December 31, 2016.

Sellers therefore argue that, if their expiration date of December 31, 2015, is correct, then § 4.1 of the PSAs required Apache to have offered the North Block back to Sellers on November 1, 2014-the deadline for Apache's 2015 written commitment. Apache argues that if its expiration date of January 1, 2016, is correct, then § 4.1 required Apache to have offered back the North Block on November 1, 2015-the deadline for Apache's 2016 written commitment. [6]

What difference does all this really make? Oil prices and land values plunged between 2014 and 2015, so the single-day dispute over the expiration turns out to matter a great deal. According to Apache, approximately \$180 million of potential damages rides on the answer to whether the



North Block portion of the lease expired on New Year's Eve or New Year's Day.

C

It is not as though the relationship among the parties was smooth

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sailing up until they suddenly discovered that the North Block had expired. To the contrary, Apollo and Cogent first sued Apache in April 2014 (about matters primarily related to § 2.5). SellmoCo joined them ten months later. Over time, Sellers added additional claims. Eventually, and most relevant here, Sellers alleged that Apache failed to comply with its PSA obligations (1) related to the § 2.5 backin trigger^[2] and also (2) under § 4.1.^[8]

As for § 4.1, Sellers alleged that Apache failed to provide the required annual written budget commitments, failed to offer its interests in expiring leases back to Sellers, and allowed over a hundred leases to terminate-including the North Block-without offering them back to Sellers. According to Sellers, Apache reacquired some of these leases on its own, "washing out" Sellers' interest. [9]

Apache filed four partial summaryjudgment motions regarding the issues presented to this Court pertaining to the construction of the PSAs and the Bivins Ranch lease:

(1) **Back-in trigger.** Apache asked the trial court to hold that "Two Hundred Percent (200%) of Project Payout" in § 2.5 of the PSAs meant that Apache had to reach a 2:1 return on

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investment before Sellers could exercise the back-in trigger;



that, if a 2:1 return on investment was not required. the back-in trigger was too indefinite to enforce; that the back-in trigger must be based costs and revenues attributable to the entire interest Apache received from each Seller, not just one-third of that interest; and that "Project Payout" includes all of Apache's actual costs. The trial court granted this motion "in all of its particulars."

(2) Construction of and Apache's compliance with § 4.1 of each PSA. Apache asked the trial court to hold that Apache was not liable for any of the terminated leases. Specifically, Apache argued that it provided the required annual commitments: that it had no obligation to offer back any leases until November 1, 2015, and that it complied with that obligation once it arose; and that it was not otherwise liable for any other terminated leases because of § 4.1's exculpatory clause. Alternatively, Apache asked for a holding that (1) "Leases" in § 4.1 meant only the 109 leases listed in Schedule 1.2(a) of each PSA and (2) "affected Leases" meant only the leases that would be lost or released because of each annual commitment. The trial court granted this motion as to the meaning of "affected Leases."

(3) North Block expiration date. In a traditional and noevidence summary-judgment motion, Apache asked the trial court to hold that the North Block of the Bivins Ranch lease expired on January 1, 2016, and that any damages must

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therefore be calculated as of November 1, 2015 (the deadline for Apache's 2016 commitment); that there was no evidence that Apache's 2015 commitment (due November 1, 2014) contemplated or would result in the North Block's release during 2015; and that there was no evidence of damages for Sellers' § 4.1 claims if the trial court excluded certain expert testimony. The trial court granted the motion.

(4) Former Gunn interest. Apache asked the trial court to hold that "all of Purchaser's interest" in § 4.1 of each PSA referred only to the respective interest Apache had acquired from each individual Seller-i.e., that § 4.1 contemplated offering back to a given Seller only what that Seller had sold, rather than offering each Seller all the interests in the same lease that Apache had purchased from all other sellers. Specifically, Apache argued that it was not required to offer back the former Gunn interest to Sellers. The trial court granted the motion.

Apache also filed two motions approximately a year apart to exclude the testimony of Peter Huddleston, one of Sellers' expert witnesses on damages. [10] The trial court granted the first to the extent Huddleston's testimony was based on a December 31, 2015 expiration date for the North Block. The trial court granted the second in full.



Finally, Apache brought a no-evidence motion for partial summary judgment on Sellers' claims for breach of contract, negligence, gross negligence, common-law fraud, promissory fraud, fraud by nondisclosure,

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statutory fraud, and conversion. Apache argued that Sellers had no evidence of damages and could not prevail on their claims. The trial court granted the motion. It also rendered final judgment for Apache.

The court of appeals reversed in part and affirmed in part. 631 S.W.3d 502 (Tex. App.-Eastland 2021). Relevant here, the court of appeals held that:

- (1)a fact issue exists as to the date the North Block expired or was released, *id.* at 531;
- (2) § 4.1 of the PSAs required Apache to offer back all its interest in any affected lease, including the former Gunn interest, to Sellers, *id.* at 519-22;
- (3) Apache failed to demonstrate that it was entitled to its requested declarations on § 2.5 of the PSAs, *id.* at 524-26;
- (4) the trial court should have allowed Huddleston's testimony, *id.* at 541; and
- (5) except for Sellers' conversion claim, ind the trial court should not have granted Apache's noevidence summary-judgment motion on damages, id. at 545.

D

This appeal requires us to answer three key questions. First, as

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a matter of law, did the North Block expire on December 31, 2015, or January 1, 2016?[12] Second, does § 4.1 of the PSAs require Apache to offer the former Gunn interest to Sellers? Third, what does "200% of Project Payout" mean under § 2.5 of the PSAs? We must also determine whether the trial court properly excluded Huddleston's testimony properly granted Apache's no-evidence summary-judgment motion Sellers' on remaining claims. We address each issue in turn.

II

We first turn to the North Block's expiration date. During the relevant time period, the primary term had expired and Apache was operating under the continuousdrilling provision. Under the lease language then in effect, continuing the lease rested on satisfying certain requirements "each year after the expiration of the Primary Term." The North Block's expiration date under the continuous-drilling provision. therefore. turns on the primary term's end date. Based on our precedent and the language the parties used, we hold that the primary term expired on January 1, 2010, and that the North Block therefore expired on January 1, 2016.

A

Computing time periods has long been a source of confusion in a variety of contexts. A difficult case in the first volume of the Texas

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Reports struggled with this question. See O'Connor v. Towns, 1 Tex. 107, 109-17 (1846). Each subsequent century has brought a host of new cases. See, e.g., Hazlewood v. Rogan, 67 S.W. 80, 83-84 (Tex. 1902); Nesbit v. State, 227 S.W.3d 64, 67-69 (Tex. Crim. App. 2007). The particular context of today's case-

calculating a time period "from" or "after" a particular date-has been especially recurring.

As we describe in some detail below, this Court has recognized a common-law rule that operates to alleviate the apparent confusion and to provide predictability to parties who choose to measure dates by using language of that kind. The rule provides that the measuring date-the date "from" or "after" a period is to be measured-is excluded in calculating time periods. For periods of years, therefore, the period ends on the anniversary of the measuring date, not the day before the anniversary. See Home Ins., 255 S.W.2d at 862. Thus, under this principle, a period measured in years "from" or "after" June 30 (the measuring date) will end on a future June 30, not a future June 29.

Adopting this frequently used formulation, as the parties did in this lease, must be taken as signaling their intent to embrace the common-law rule. Significant benefits attend this choice because using language for which the courts have recognized definite meaning bestows certainty regarding how courts will interpret and enforce that language in the event of a dispute. But like other common-law rules that provide for the construction of contractual text, this well-settled default rule in no way prevents parties from choosing their own terms. See, e.g., Perthuis v. Baylor Miraca Genetics Lab'ys, LLC, 645 S.W.3d 228, 234 (Tex. 2022).

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Parties can displace the default rule by adopting text that requires some other result. If they do, our courts will enforce any lawful agreement regarding the calculation of time without requiring any particular formulation or magic language. For example, the parties here could have said in the lease, as they did in the memorandum, that the primary term ended on a date certain. Parties can choose from a myriad of other ways to clearly



measure time; they may devise their own bespoke methods, too.

The law has no real interest in which method parties select to measure time periods. But it is of exceptional importance that the law provide maximum interpretive clarity to those who enter into agreements, to third parties who may later enter into a contractual relationship governed by an existing contract, and to those who may make important decisions in reliance on such a contract's meaning. The clearer the law is to parties when they draft legal instruments, the more likely it is that their agreed text will reflect, and the courts in turn will enforce, their actual intent. See id. at 236. Reliable rules of construction achieve this result by eliminating-or at least greatly reducingambiguity. In the aggregate, the clarity of legal rules like this one provides substantial hidden savings by preventing wasteful and costly litigation.

The rule applicable to this case is a stable one that we have articulated since the earliest years of Texas statehood. For example, in addressing a statute imposing a deadline for perfecting an appeal to this Court, we put it this way:

It is a well-settled rule respecting the computation of time that where it is to be computed from or after a certain day from an act done, the day on which the act is done is to be

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excluded in the computation unless it appear[s] that a different computation was intended.

Burr v. Lewis, 6 Tex. 76, 81 (1851). In other words, by 1851, it was already clear that both parts of the rule-the default presumption and

the parties' freedom to displace it-were "well-settled."

We have since repeatedly observed that the "weight of authority" is that "in construing a lease" or other legal text with a time period "which is to run 'from' a day for a certain number of days, months, or years, ordinarily the day from which it is to run is to be excluded." Hazlewood, 67 S.W. at 83. We have applied this principle in multiple contexts, including determining a promissory note's maturity date, Young v. Van Benthuysen, 30 Tex. 762, 768 (1868); calculating time from the rendition of a judgment, Lubbock v. Cook, 49 Tex. 96, 100-01 (1878); establishing the time frame for filing suit after the rejection of a claim against an estate, Hunter v. Lanius, 18 S.W. 201, 202-03 (Tex. 1892); and in calculating a grace period for payment of a life insurance policy, Aetna Life Ins. Co. v. Wimberly, 112 S.W. 1038, 1039 (Tex. 1908).[13]

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We reiterated and added further clarity to the default rule in Home Insurance. That case concerned a crop-insurance policy that took effect to various degrees depending on the length of time "after the crop was up and showed a stand." 255 S.W.2d at 862. Echoing our decision in Burr from almost exactly a century earlier, we noted that "when time is to be computed from or after a certain day or date, the designated day is to be excluded and the last day of the period is to be included unless a contrary intent is clearly manifested by the contract." Id. (emphasis added). Nothing in the policy "manifest[ed] an intention to include the first day in the computation of the period," id. at 863, so the default rule had not been displaced.

Since *Home Insurance*, Texas courts have continued to apply this rule even in contexts that extend well beyond ordinary contracts. [14] Indeed, the principle is sufficiently well embedded in our law that,



even without explicitly referencing the default rule, we have treated oil-and-gas leases that measure their primary terms (or other time periods) in terms of years "from" a certain date as expiring on their anniversary

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date. Such cases are both old and recent.^[15] And the underlying principle is not merely part of the common law but has been adopted in at least some statutes.^[16]

B

The Bivins Ranch lease used the word "from" to calculate the expiration date of the primary term, so the common-law rule applies. An ending date of January 1 may initially generate some cognitive dissonance. January 1 is New Year's Day-the first day of the year and rarely the last day of anything. But there is no special rule for New Year's Day. The selection of other dates-as in our June 30 example, or in many of the cases cited above-do not seem particularly startling. The rule is objective and easily applied, and if it applies here, the conclusion is inescapable: the primary term of the lease ended on January 1, 2010. The only question remaining-at least as to the construction of the lease itself-is whether the Bivins Ranch lease clearly manifests any intent to depart from that rule. We conclude that it does not.

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Because it is so important, we again emphasize that the lease *could* have manifested such an intent. Departing from the default rule "requires no magic language." *Perthuis*, 645 S.W.3d at 237. But the lease's text must include *something* that either expressly describes how the date will be calculated or that, at minimum, is clearly incompatible with the default rule, amounting to displacement by necessary implication. [12] *See Home Ins.*, 255 S.W.2d at 862-63. Requiring such clarity "precludes *post hoc*

efforts to rewrite contracts . . . under the guise of ambiguity." *Perthuis*, 645 S.W.3d at 235.

This principle follows from our duty to determine a contract's meaning by looking to the parties' intent as expressed within the text. Endeavor Energy Res., L.P. v. Discovery Operating, Inc., 554 S.W.3d 586, 595 (Tex. 2018). "A contract's plain language controls, not what one side or the other alleges they intended to say but did not." Great Am. Ins. Co. v. Primo, 512 S.W.3d 890, 893 (Tex. 2017) (internal quotations omitted). Otherwise, meaning could never confidently predicted and litigation could never be avoided, destroying all the benefits that flow from having interpretive principles that apply neutrally and equally. We start with the two lease provisions directly relevant to the expiration of the primary term. The lease's introduction states:

THIS AGREEMENT, effective the 1st day of January, 2007 (the "Effective Date"), *from which date* the anniversary dates of this Lease shall be computed . . .

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(Emphasis added.) The lease's primary term provision, in turn, states:

Subject to the other provisions hereof, this Lease, which is a "Paid-up" Lease requiring no rentals, shall be in force for a Primary Term of three years from the effective date of this Lease.

(Emphasis added.)

Nothing in these provisions clearly entails a departure from the default rule. If anything, the reference to "anniversary dates" in the introduction to the lease indicates that



the parties intended to *use* the default rule. We see no other role or purpose for the "anniversary dates" language in the lease, [18] and neither Sellers nor Apache has suggested one. Regardless, at minimum, this language means there is no clear intent to displace the rule, which is reason enough to reject Sellers' position. Accordingly, the lease unambiguously imposes a January 1 expiration date for the primary term.

Sellers advance several forceful arguments for reading the Bivins Ranch lease as departing from the default rule. The possibilities include: (1) the effective date; (2) the 2010-2014 amendments; and (3) the memorandum of lease. At minimum, Sellers argue that these features

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generate sufficient ambiguity as to leave a fact question about the parties' intent, thus foreclosing summary judgment on this point. We cannot agree, however, because we are not prepared to undermine the stability that comes from over 170 years of our case law. None of Sellers' arguments-either individually or collectively-demonstrate the requisite textual intent to depart from the default rule. We address each of them in turn.

1

Sellers argue that the lease's effective date indicates that the parties to the lease intended a December 31 expiration date. According to Sellers, because the lease was effective January 1, 2007, concluding that the primary term expired on January 1, 2010, would result in a primary term of three years and a day, not three years. For the proposition that the use of an effective date negates the default common-law rule, they point to *Home Insurance* and cases from other courts. We think that this argument would subvert rather than apply the rule.

Sellers note that Home Insurance distinguished a court of appeals case-Acme Life Insurance Co. v. White-that involved a two-year clause limiting coverage for suicide in a life-insurance policy. In Acme, the policy's effective date was January 17, 1933, but the policyholder committed suicide on January 17, 1935. 99 S.W.2d 1059, 1060-61 (Tex. App.-Eastland 1936, writ dism'd). The Acme court held that this two-year period ended on January 16, 1935, not January 17, 1935, and therefore did not protect the insurance company. See id. at 1061. Acme, however, is not a precedent of this Court, and it involved a confluence of factors unique to the context of suicide-liability limitations that are

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absent here. [19] Home Insurance certainly did not endorse a broad exception that would swallow the very rule that it was confirming. We cannot do so either. [20]

Though perhaps technically accurate to say that ending the period on the anniversary date creates a primary term of "three years and a day," we fail to see why that matters. Parties are not confined to round numbers. Their contractual relationships generally can endure however long-and for precisely as long-as the parties wish. If the parties so desired, they easily could have drafted the lease using language that clearly included the effective date in the calculation. They could have said that the primary term was to last for three years and no longer. They also, of course, could have expressly included a December

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31 end date. But the construction "from" an effective date, without more, does not clearly communicate any such intent, [21] especially since parties do sometimes create time periods that both contain one extra day and end on the day after the anniversary. [22] Time



periods add "and a day" in all sorts of circumstances, legal and nonlegal. The old common-law rule was that if a victim died more than a year and a day after the alleged crime, it could not be homicide. [23] "A year and a day" criminal sentences remain common; in some systems, including under federal law, punishments of a year as opposed to "a year and a day" demarcate the line between a felony and a misdemeanor. See 18 U.S.C. § 3559(a); United States v. Graham, 169 F.3d 787, 792 (3d Cir. 1999). Shahrazad

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spent not one thousand nights telling her stories but, as the eponymous title of Burton's translation recounts, a "thousand nights and a night."

All of this is to say that the courts typically have no interest in the parties' choice of a term's length. Add a day, subtract a day-the parties may do what they like. But courts do value having a predictable rule that will provide certainty to contracting parties and treat all of them the same. See Smith v. Dickey, 11 S.W. 1049, 1050 (Tex. 1889) (noting, in the context of calculating time, the benefit of precedential "uniformity" and of "establish[ing] a certain rule, by which parties may in future be guided").

Sellers, however, also point to a Court of Criminal Appeals case holding that a ten-year probation term that started on April 29, 1994, ended on April 28, 2004, not April 29, 2004. See Nesbit v. State, 227 S.W.3d 64, 65 (Tex. Crim. App. 2007). That case distinguished time periods during which "one must perform some act" from time periods during which "one may exercise a particular right (or must suffer a particular penalty)." Id. at 67. Sellers argue that the Bivins Ranch lease falls into the latter category and the effective date must therefore be included in the calculation. Whatever the merit of the Nesbit categories in the criminal context, such a fine distinction is bound to generate wasteful litigation in this context.^[24] That likelihood is heightened for contracts like the Bivins Ranch lease, in which the primary term functioned *both* as a period during which the lessee could exercise a

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particular right (leasing the property) and during which the lessee had to perform some act (meeting the requirements to perpetuate the lease).

In short, we reaffirm that the mere use of an effective date within a contract is not enough to depart from the default rule.

2

Sellers also allude to the 2010-2014 amendments. To the extent that Sellers read these amendments to inform the analysis, [25] we conclude that the amendments would support reading the lease to adhere to the default rule.

As described earlier, the amendments allowed the lease to continue under the continuous-drilling provision if 60,000 feet in the aggregate were drilled each year as opposed to 20,000 feet on each block. More important for our purposes, however, is *how* the amendments addressed timing. Start with the following language from the original lease:

By "continuous drilling operations on each designated block" is meant the commencement of a well on each block and the actual drilling by Lessee of 20,000 feet in one or more wells on each block each year after the expiration of the Primary Term.

(Emphasis added.) Each amendment replaced the italicized language in two important ways:



(1) the amendments used "during" instead of "after" and (2) the amendments either referred to the "calendar year" or to a defined time period with a December 31 end date (although two were later extended to April 1).

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The amendments' use of markedly different durational language ("during" instead of "after" or "from") and imposition of specific dates not necessarily connected to the start and end dates of the primary term show a textually demonstrable intent to differ from the primary term in the method of measuring time. And, moreover, they show that the parties were perfectly capable of using ordinary language to depart from the default rule when they wished to do so. Indeed, the amendments confirm the point we have made-that it is easy to accomplish such a departure.

The 2010 amendment-"executed to be effective as of January 1, 2010"-stated that "the Lease is *currently* in full force and effect beyond its Primary Term." (Emphasis added.) Arguably, this indicates an understanding that the primary term had *already* expired as of January 1, 2010. Regardless of whether the lease and this statement should be construed together, however, [26] this statement does not amend the primary-term provision (although the parties certainly *could* have done so) or otherwise provide the clarity necessary to displace the default rule.

3

Having determined that the lease's date provisions and the 2010- 2014 amendments do not clearly indicate a departure from the rule. we next address memorandum of lease. The court of appeals held that a fact issue existed regarding the term's expiration date largely primary because its conclusion that memorandum should be construed together with the lease, not treated as extrinsic

evidence. See 631 S.W.3d at 530-31. We must again respectfully disagree with the

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court of appeals' conclusion.

The memorandum states that the primary term expires on December 31, 2009:

Subject to other provisions of the Lease, the Primary Term thereof expires on the 31st day of December, 2009. The Lease contains other provisions with respect to lease continuation, operations, royalties, notice by Lessee to Lessors, assignments, and provisions relating to the protection of the surface owners' rights and estates.

And as noted above, the memorandum also stated that the transaction was "upon the terms, for the consideration, and subject to the conditions in the Lease specified."

At least for argument's sake, we can agree that this memorandum indicates the parties' actual intent that the primary term would end on December 31, 2009. If such an explicit end date had been included in the lease itself, of course, that would have sufficed to depart from the default rule. The statement's placement in the memorandum, however, presents two potential issues. First, should the memorandum be construed together with the lease? And second, regardless of the answer to that first question, does the memorandum's important caveat (i.e., that it is "subject to the conditions in the Lease specified") mean that the lease's date provision prevails over the memorandum's December 31 date?

We need not resolve the first question. Again, at least for argument's sake, we can accept Sellers' contention that we should read the memorandum along with the lease.



Indeed, we commonly read "multiple separate contracts, documents, and agreements" together as "part of a single, unified instrument." *Rieder v. Woods*, 603 S.W.3d 86, 94 (Tex. 2020) (internal quotations omitted); *see also Burlington Res. Oil &*

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Gas Co. LP v. Tex. Crude Energy, LLC, 573 S.W.3d 198, 208 (Tex. 2019). Whether those principles apply here is immaterial, however, because the second question-concerning the memorandum's caveat-is dispositive.

The memorandum expressly subjugates itself to the lease, so it does not matter whether we treat the memorandum as extrinsic evidence or as a document to be read with the lease. Both routes lead to the January 1, 2010 end date. If the memorandum is extrinsic evidence, it may only be considered if the lease is ambiguous, but it cannot be used to create ambiguity. See TRO-X, L.P. v. Anadarko Petroleum Corp., 548 S.W.3d 458, 466 (Tex. 2018). And if the two documents are construed together, as we assume they should be, we must stop when the memorandum's own text prioritizes the lease's terms, proclaiming that the lease controls whenever the two are in conflict. See Antonin Scalia & Bryan A. Garner, Reading Law: The Interpretation of Legal Texts 126 (2012) ("Subordinating language (signaled by subject to) . . . merely shows which provision prevails in the event of a clash[.]").

As we have concluded above, the lease unambiguously imposes a January 1 expiration date. The memorandum itself requires the lease's January 1 expiration date to prevail over the memorandum's own December 31 date. [22]

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Sellers also argue that, because the memorandum was *recorded*, its December 31 end date binds Apache. They cite our

statement that "[i]t is well settled that a purchaser is bound by every recital, reference and reservation contained in or fairly disclosed by any instrument which forms an essential link in the chain of title under which he claims." Westland Oil Dev. Corp. v. Gulf Oil Corp., 637 S.W.2d 903, 908 (Tex. 1982) (internal quotations omitted). Westland Oil, however, undermines Sellers' contention. In that case, we noted that purchasers are generally responsible for following the paper trail of documents referenced in recorded instruments. See id. at 907-08. The recorded memorandum in this case took pains to make manifest that the terms of the unrecorded full-length lease control over memorandum, thus putting interested parties on notice of the need to consult the lease before in reliance the acting on memorandum. Apache therefore correctly relies on the lease itself.

C

Finally, Sellers argue that the North Block actually terminated on December 31, 2015, or at some point during 2015 when Apache ceased to comply with the continuous-drilling provision. In Sellers' view, the time Apache ceased to comply (and the lease automatically terminated), based on when Apache stopped continuous-drilling operations, is a fact issue that Apache had to conclusively prove to be

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entitled to summary judgment.

We disagree. The lease states that the continuous-drilling requirements must be met "each year after the expiration of the Primary Term." (Emphasis added.) Therefore, we agree with Apache that, under the text of the lease, the lessees only ceased to comply after each January 1 passed without having satisfied the necessary drilling obligations. In this case, it is undisputed that, as of January



1, 2016, the continuous-drilling requirements had not been fulfilled for the North Block.

However, Sellers also point to a release Apache executed for the North Block. The release was dated March 2016 and signed by Apache in August 2016, but it stated that it was effective as of December 31, 2015. Sellers correctly note that the release is extrinsic evidence that we may not use to determine the lease's meaning. *See TRO-X*, 548 S.W.3d at 466. However, Sellers argue that the release constitutes evidence of when Apache ceased to comply with the continuous-drilling provision.

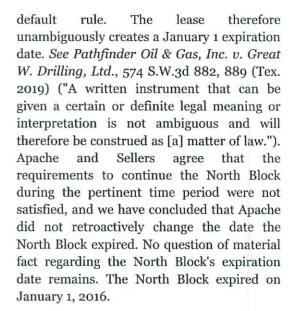
Since we have concluded that the primary term expired January 1, 2010-and therefore that the North Block expired January 1, 2016-the question becomes whether Apache retroactively released the North Block early. The continuous-drilling provision requires the lessee to release the applicable block once the lessee ceases to comply with the requirements to maintain the lease. The lease also contemplates early releases.

To determine whether a signed release could retroactively change the termination date, we examine the lease's terms. Cf. Tittizer v. Union Gas Corp., 171 S.W.3d 857, 861 (Tex. 2005) (addressing whether the oiland-gas lease at issue authorized units to be pooled with a retroactive effective date). Even assuming that the lease authorized retroactive

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releases, however, the release itself does not purport to retroactively *change* the date of a termination that had *already occurred*. Whatever the release may have said, it did not change what matters here: the historical fact that the North Block terminated on January 1, 2016.

To summarize: We conclude that the Bivins Ranch lease does not depart from the



The duty of the courts is to accurately discern the intent expressed in the lease. See, e.g., Matagorda Cnty. Hosp. Dist. v. Burwell, 189 S.W.3d 738, 740 (Tex. 2006). The duty of contracting parties is to ensure that their actual intent is reflected in the legal documents they use to memorialize their agreements. "[I]t is not the actual intent of the parties that governs, but the actual intent of the parties as expressed in the instrument as a whole[.]" Luckel v. White, 819 S.W.2d 459, 462 (Tex. 1991). Holding fast to legal principles is especially important in contextslike the computation of time-that are naturally susceptible to confusion. The parties to the Bivins Ranch lease could have easily

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departed from the default rule. They simply needed to say so clearly within the four corners of the lease. *Cf. Gilbert Tex. Constr., L.P. v. Underwriters at Lloyd's London,* 327 S.W.3d 118, 127 (Tex. 2010) ("[H]ad [the exclusion] been intended to be so narrow . . . it would have been simple to have said so."). They did not do so here.

III



We next address two arguments that arise under the PSAs.

A

Sellers argue that § 4.1 of each PSA required Apache to offer back to each Seller all of Apache's interest in the North Block. They contend that this includes the interests Apache purchased from other sellers, and specifically the former Gunn interest, not merely the respective interest that Apache purchased from each individual Seller. Section 4.1 states in relevant part:

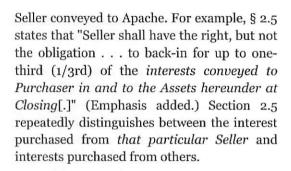
Purchaser hereby covenants to make a good faith effort to follow the Commitment in order to perpetuate the Leases, but if any Commitment contemplates or will result in the loss or release of one or more of the Leases (or parts thereof), then Purchaser shall concurrently offer all of Purchaser's interest in the affected Leases (or parts thereof) to Seller at no cost to and Seller upon Seller's acceptance of such Leases. Purchaser shall transfer and assign the affected Leases (or parts thereof) to Seller.

(Emphasis added.) Sellers make three main points in support of their position. We will sketch those points and then address them together. First, Sellers note that § 4.1's text refers to "all" of Apache's interest in the leases at issue. In Sellers' view, "all" means just that-all-and therefore encompasses the former Gunn interest.

Second, Sellers argue that § 4.1 should be read in light of § 2.5,

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which-unlike § 4.1-specifically limits the "interest" involved to the interest that each



Third, Sellers point to § 4.1's purpose statement. If § 4.1 were to be triggered, no Seller had any obligation to accept the affected Leases, but § 4.1 also explains that

[t]he purpose and intent of, and Purchaser's agreement pursuant to, this provision is to provide Seller the option and ability to perpetuate all the Leases so offered to Purchaser through a drilling program with one drilling rig, and this provision shall be interpreted to afford Seller that option and ability.

In Sellers' view, unless offered interests purchased from other Sellers, a minority Seller-such as SellmoCo, with only a 1% working interest in the Bivins Area leases prior to the PSAs-would have difficulty perpetuating the lease on its own, contravening that purpose clause.

Sellers argue that these textual indicators compel their reading of § 4.1. But they cannot overcome one glaring problem. As Apache notes, § 4.1 expressly refers to the singular "Seller," not the plural "Sellers." And each Seller had its own PSA. Therefore, if Apache was required under one PSA to offer back to each individual Seller the interests it purchased from all others, it would owe the same interests to each other individual Seller. The obvious difficulty is that if Sellers' interpretation is correct, then multiple parties would each simultaneously





have the right to the exact same interests.

Two parties can own part of the same interest, but two parties cannot each separately own 100% of it. Would the first party to accept get everything? Would Apache have the right to prioritize the order in which it approached each Seller, or to allocate the interests as it saw fit, or to serve its own interests? Must the new allocation be tethered to the old allocation? Could a consortium of the Sellers develop a new entity to accept the interests jointly? What if some of them chose not to participate? Would Apache be liable if it chose one of these methods and some or all of the Sellers challenged it? Would Apache be liable if the Sellers later fought over who was entitled to what share?

If § 4.1 expected Apache to make the offer that Sellers claim, it is clear that the parties' agreements would have explained how the process of distributing these interests would work. Though § 4.1 provides no such direction, both the Bivins Area and Tascosa Dome JOAs provide guidance as to how to distribute interests in different situations. For example, under the JOAs, when one party wants to surrender a lease, that party is required to give notice to "all parties." If "all parties" do not consent, the surrendering party "shall assign . . . all of its interest in such Lease, or portion thereof, . . . to the parties not consenting to such surrender." "If the assignment or lease is in favor of more than one party, the interest shall be shared by such parties in the proportions that the interest of each bears to the total interest of all such parties."

A similar but not identical mechanism applies when a party abandons an already-producing well. The JOAs also establish a proportionate-allocation system when a party renews or replaces a lease

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subject to the JOAs. In addition, the area-of-mutual-interest (AMI) provision requires any party who acquires an interest in lands within the AMI to offer each other party "the opportunity to acquire its proportionate share of the AMI Acquired Interest[.]"

Particularly given the detailed distribution mechanisms in other provisions, the lack of one in § 4.1 indicates that Apache only had to offer each Seller the interest acquired from that particular Seller. [28] If the parties intended some other procedure to apply, it was their responsibility to include it in the text. [29]

If any doubts remained, they would be dispelled by our obligation to preserve rather than remake a contract's text. Imposing the duty on Apache that Sellers demand would amount to drafting language-like the language in other provisions that described procedures for reallocating interests-and adding it to § 4.1. Our interpretation, by contrast, is consistent with the language as written; it requires us to neither add

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nor subtract text in describing what Apache must do. Indeed, the word "all" in § 4.1 is equally understandable if read juxtaposition to § 2.5's back-in trigger: in contrast to § 2.5, in which each Seller receives only one-third of the interest it sold to Apache, under § 4.1, each Seller receives all the interest that it sold to Apache. Sellers argue that § 4.1's purpose provision supports their argument, but they have not explained why its purpose could not be achieved through some other means, such as any interested Sellers buying out the remaining interests. They could achieve that goal together by each agreeing to accept its own interest and then transferring or selling it to others at whatever rate was desirable. Placing burden on Apache, though, impermissible absent a textual warrant to do

Sellers contend that it was possible for Apache to perform under the contract. They cite an October 29, 2015 letter from Apache as evidence. This joint letter to Sellers included Apache's 2016 commitment and offered Sellers collectively all of Apache's interest in leases that the commitment anticipated losing or releasing. The letter requested that Sellers inform Apache "whether each Seller accepts this offer, and, if so, the interest in the affected Leases that each Seller accepts." Apache counters that (1) the letter clarifies that it is not intended to waive any arguments for litigation and (2) the letter does not actually satisfy § 4.1 because it interest to offered Apache's Sellers collectively instead of individually.

We agree that this letter, though perhaps a workable and sensible solution, does not actually conform to § 4.1's text. Apache's onetime willingness to try only underscores that there was no way for Apache or

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any party to really *know* how to do it. The parties may well have intended a proportionate-allocation system similar to those in the JOAs. Or perhaps they intended for Apache to take the approach in its letter. But they did not say either, much less which, and we decline to import such a mechanism into the text. We therefore conclude that Apache was not required to offer the former Gunn interest back under § 4.1.^[30]

B

We next turn to § 2.5 of each PSA, which provides "the right, but not the obligation," to "back-in for up to one-third (1/3rd) of the interests conveyed to Purchaser in and to the Assets hereunder at Closing." This right is "exercisable at Two Hundred Percent (200%) of Project Payout (the 'Back-In Trigger')." In turn, "Project Payout" is defined as follows:

"Project Payout" means the first day of the next calendar month following that point in time when the sum of the cumulative Production Income and/or Other Revenues, equals the sum of the Preliminary Purchase Price . . ., the Drilling Credit, the actual costs borne by Purchaser to explore, drill and complete all the wells (whether productive or dry hole) on the Leases (to the extent such costs are attributable to interests which Purchaser acquired in and to the Leases hereunder, but excluding any and all costs associated with other interests which Purchaser may acquire in the Leases), and the actual Operating Costs borne by Purchaser for operation of the Leases and all wells located thereon.

Section 2.5 also defines "Production Income," "Other Revenues," and "Operating Costs."

Apache argues that "Two Hundred Percent (200%) of Project

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Payout" refers to the point when the specified revenues *double* specified expenses. While Sellers' argument is a bit unclear, Sellers seem to argue that it refers to when specified revenues *equal* specified expenses.

We agree with Apache that § 2.5 requires a 2:1 ratio for specified revenues versus specified expenses. True, Apache's reading results in a rather awkward linguistic construction in which the "Back-In Trigger" would be literally read (if the definition is ported into the text) as "200% of the first day of the next calendar month following that point in time when" specified revenues equal



specified expenses. Only Apache's reading, however, explains the presence of the 200% language. [31]

The court of appeals also held that there is a fact issue as to whether Apache's costs should all be included in the Project Payout calculation. See 631 S.W.3d at 525. Sellers assert that the court of appeals properly decided this issue, and Apache argues that it is irrelevant. We therefore do not address it here.

IV

We next consider whether the trial court properly excluded the testimony of Peter Huddleston, one of Sellers' expert witnesses. Huddleston opined on the fair market value of the leases at issue.

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Apache filed two motions to exclude his testimony. The first, filed in February 2018, was based both on his methodology and the fact that his damages calculations for the North Block rested on a December 31, 2015 expiration date. The trial court granted this motion in part, excluding Huddleston's testimony to the extent it was based on an expiration date for the North Block other than January 1, 2016.

Just over a year later, Apache filed a second motion to exclude Huddleston's testimony, this time because Huddleston had not updated his calculations to account for the trial court's rulings regarding the North Block's expiration date and the former Gunn interest. The trial court granted the motion in full.

Because the court of appeals reversed the trial court's summary-judgment orders regarding the expiration date of the North Block and how to account for the former Gunn interest, it also reversed the trial court's exclusion of Huddleston. See id. at 541.

However, as discussed above, we conclude that the North Block expired on January 1, 2016, and that Apache was not required to offer Sellers the former Gunn interest. The trial court therefore properly excluded Huddleston's testimony. [32]

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\mathbf{v}

Finally-finally-Apache argues that, if the trial court properly excluded Huddleston's testimony, we should affirm the trial court's order granting Apache's no-evidence summary-judgment motion on the remaining claims. Without Huddleston's testimony, Apache argues, Sellers have no evidence of damages, a necessary element of each of their claims.

The court of appeals reversed the noevidence summary-judgment order on the basis that Huddleston's opinions should have been admitted. See id. at 544. This basis for reversing the order was improper because of our holding that at least parts of Huddleston's testimony were properly excluded. However, given its disposition, the court of appeals had no need to address whether Sellers otherwise produced evidence sufficient to demonstrate damages for the claims still at issue. We think it prudent to remand to the court of appeals to address this issue in the first instance and then to render judgment or remand to the trial court as appropriate.

VI

We reverse the judgment of the court of appeals as to those issues that the parties presented for our review. We remand to that court for further proceedings.

Notes:

[1] Respondents are Apollo Exploration, LLC;



Cogent Exploration, Ltd., Co.; and SellmoCo, LLC.

^[2] Gunn was followed by Cogent (31.17%), Apollo (15.67%), and SellmoCo (1%). Other companies not involved in the transactions between Apache and Sellers (and not in this lawsuit) owned the other 2%.

[3] A shut-in gas well or a "well for which drilling operations have commenced" also satisfied this requirement.

[4] Gunn and Cogent also sold Apache 75% of their working interest in certain leases in an area called the "Tascosa Dome," giving Apache a 60.6% interest in those leases. Together, the Bivins Area and Tascosa Dome leases constitute the 109 leases at issue in this case.

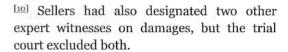
[5] The PSAs also incorporated a separate JOA for the Tascosa Dome area.

[6] Apache does not necessarily agree that Sellers' theory of calculating damages is correct-it simply points out that *if* it is correct, then the one-day difference in expiration dates would have a one-year difference regarding when the relevant calculation would be made.

[7] Sellers alleged that Apache failed to provide required written payout statements (required by § 4.2 of each PSA) for 2012 and 2013 showing the progress toward Project Payout and the back-in trigger; overcalculated buyout balances (the amount for each Seller to pay the difference necessary to exercise the back-in trigger) once it did provide a payout statement; and failed to respond in a timely manner to Sellers' audit exceptions.

[8] Claims regarding the North Block were added in March 2016.

[9] Sellers also alleged that Apache failed to provide them the opportunity to acquire their proportionate share of after-acquired acreage as required by the JOAs.



claims are for breach of contract, negligence and gross negligence, common-law fraud, promissory fraud, fraud by nondisclosure, and statutory fraud. Sellers nonsuited their claims for an accounting, declaratory judgment, and trespass to try title. The court of appeals affirmed the summary-judgment orders on Sellers' claims for breach of express trust, breach of fiduciary duty, misapplication of fiduciary property, and conversion. *See* 631 S.W.3d at 533, 544-45. Sellers do not ask us to review these issues.

^[12] Under this case's procedural posture, the parties have not asked us to resolve whether Apache breached § 4.1 by not offering the North Block back to Sellers. We accordingly take no position on that question. Instead, we address only the date the North Block expired, which is relevant to determining damages to the extent Apache did breach § 4.1.

[13] It is usually clear when parties depart from the default rule, but we have also had occasion to elaborate on the kind of circumstances that constitute sufficient indicia of objective intent to do so. For example, McGee v. Corbin, 70 S.W. 79 (Tex. 1902), concerned the state's distribution of land parcels to raise money for the commonschool fund. The commissioner of the general land office had executed the two leases at issue "for a term of two years from the 26th day of August, 1899." Id. The leases had to have expired before new applications for those properties could be effective. Id. at 80. The parties disputed whether the leases expired at midnight on August 25 or 26, 1901. We repeated the default rule, id., but held that the leases departed from the rule in that unique context. The commissioner had treated at least one of the leases as expiring on August 25, and we applied a presumption



that the land commissioner, a government official, had acted properly and treated all parties alike. See id. We further presumed that this was the customary practice of the land commissioner that he applied uniformly to all such leases, therefore resulting in an established meaning in that singular context. See id. at 80-81. The fact that the exact same form was used for all affected leases, and the need to ensure the stability of a vast number of land titles in the area (and perhaps with beyond), combined the unusual governmental context, led us to deem the default rule adequately displaced as a matter of law in this narrow and almost sui generis context. See id.

III See, e.g., Hinojosa v. Longoria, 381 S.W.2d 140, 140-41 (Tex. Civ. App.-San Antonio 1964, writ dism'd) (per curiam) (time period for contesting election); Villarreal v. Brooks County, 470 S.W.2d 60, 61-62 (Tex. Civ. App.- San Antonio 1971, no writ) (county commissioners' court redistricting orders); In re Neutral Posture, Inc., 135 S.W.3d 725, 729 (Tex. App.-Houston [1st Dist.] 2003, no pet.) (expiration of arbitration clause in a settlement agreement). We express no opinion about the correctness of any of these decisions but note them only for illustration.

[15] See Freeman v. Magnolia Petroleum Co., 171 S.W.2d 339, 340-42 (Tex. 1943) (primary term in oil-and-gas lease dated April 7, 1930, and which stated that it would "remain in force for a term of ten years from this date" ended April 7, 1940); Gulf Oil Corp. v. Southland Royalty Co., 496 S.W.2d 547, 548, 552 (Tex. 1973) (oil-and-gas lease executed on July 14, 1925, terminated on July 14, 1975, when it stated that it "shall not remain in force longer than fifty (50) years from this date"); cf. ConocoPhillips Co. v. Koopmann, 547 S.W.3d 858, 863, 865-66 (Tex. 2018) (non-participating royalty interest that was "reserved for the limited term of 15 years from the date of a December 27, 1996 deed had a default end date of December 27, 2011).

[16] Notably, the legislature has adopted this principle for statutory computations of days and months. *See* Tex. Gov't Code § 311.014(a), (c).

[12] For example, we have noted that such clear intent is present when necessary to ensure stability for land titles in unique governmental contexts, *see supra* note 13 (discussing *McGee*, 70 S.W. at 80-81), or to "preserve rights, prevent forfeitures and favor parties, where penal consequences are sought to be enforced," *O'Connor*, 1 Tex. at 116.

[18] In oil-and-gas leases, "anniversary date" language is often used to denote "[t]he date on which payment of delay rental or shut-in gas well royalty must be made in order to keep a lease effective" under a lease's delayrental clause or shut-in gas well clause. 8 Patrick H. Martin & Bruce M. Kramer, Williams & Meyers, Oil and Gas Law 51 (LexisNexis Matthew Bender 2022). But the Bivins Ranch lease is a paid-up lease, which is a lease "under which all delay rentals bargained for are paid in advance, and this single payment maintains the lease during the primary term." ConocoPhillips, 547 S.W.3d at 874. Delay-rental payments due on the lease's anniversary date were therefore unnecessary. And the lease's shut-in royalty clause measures time based on the anniversary of the date the well is shut in, not the anniversary date of the lease itself.

as an example of reading a period of years to end the day before the anniversary date. See Home Benefit Ass'n v. Robbins, 34 S.W.2d 329, 331 (Tex. Civ. App.-Waco 1930, no writ). We express no view about Robbins beyond observing that nothing in that case is inconsistent with our conclusion today. The disability-benefits certificate at issue had to have been "in force for a period of one (1) year prior to sustaining said accident," id. at 330 (emphasis added), not "in force for a period of one year from the effective date."



[20] The proposition that an effective date should be included when calculating a time period is far from a consensus principle of law. Compare, e.g., Ratcliff v. La. Indus. Life Ins. Co., 169 So. 572, 573 (La. 1936) (including the first day a life insurance policy was in force to compute time when the relevant policy language was "if death occur one year thereafter" the relevant date), with, e.g., Winn v. Nilsen, 670 P.2d 588, 589-91 (Okla. 1983) (holding that a five-year primary term expired on its anniversary date and noting that, though a lease (unless it states otherwise) takes effect on the day it is executed, "[w]hen . . . the time is used in the context to effect a simple identification of a particular time period, an anniversary-toanniversary period is indicated," id. at 590), and E. Oil Co. v. Coulehan, 64 S.E. 836, 838-39 (W.Va. 1909) (holding that a five-year term in an oil-and-gas lease ended on the anniversary date notwithstanding the effective date).

[21] There is no indication of any settled meaning requiring an effective date in the primary term of an oil-and-gas lease to be included in the calculation of time. Compare Hardin-Simmons Univ. v. Hunt Cimmaron Ltd. P'ship, No. 07-15-00303-CV, 2017 WL 3197920, at *7 (Tex. App.-Amarillo 2017, pet. denied) (noting that the parties did not dispute that a lease with a five-year primary term starting August 1, 2006, had a default end date of July 31, 2011), with Clayton Williams Energy, Inc. v. BMT O & G TX, L.P., 473 S.W.3d 341, 344-46 (Tex. App.-El Paso 2015, pet. denied) (noting that "[t]he Bass Lease's primary term began June 1, 2008 and was slated to end three years later on June 1, 2011 per the habendum clause," id. at 346, when the lease stated that it would "remain in force for three (3) years from the Effective Date hereof," id. at 344). At least in practice, in other words, simply having an effective date does not clearly communicate an intent to depart from the default rule.

[22] See, e.g., Silo Rest. Inc. v. Allied Prop. & Cas. Ins. Co., 420 F.Supp.3d 562, 573, 577-80 (W.D. Tex. 2019) (applying Texas law to hold that an insurance policy's limitations period of "within 2 years and one day from the date the cause of action first accrues" ended the day after the anniversary).

Parliament did not abrogate that common-law rule until 1996. See Law Reform (Year and a Day Rule) Act 1996, c. 19. The Tennessee Supreme Court abolished that doctrine using its common-law authority, leading to a U.S. Supreme Court case about the consequences of that abolition. See Rogers v. Tennessee, 532 U.S. 451 (2001).

[24] Notably, the conclusion in *Nesbit* is consistent with our observation in *O'Connor v. Towns* that time should be computed to "favor parties, *where penal consequences* are sought to be enforced." 1 Tex. at 116 (emphasis added); *see also Smith*, 11 S.W. at 1050. That thumb on the scale, of course, does not exist with respect to freely and mutually agreed contracts among equals.

express December 31 end dates in their briefing's description of the record-that is, in their statement of facts-rather than in their formal argument section regarding the end date of the primary term. We address the amendments in the interest of completeness.

[26] This statement was within the parties' agreement to amend the lease but was not added to the text of the lease itself.

[27] Scalia and Garner soundly advise drafters that "[s]ubject to should never introduce a provision that completely contradicts the provision that the subject to phrase modifies." Scalia & Garner, supra, at 126. If a text insisted on pointlessly doing so, of course, the superior authority would still prevail over the subordinate one. A statute that "completely contradicts" a constitutional provision, after all, would unquestionably remain "subject to," and must yield to, whatever the



Constitution said. But, though we do read the lease to institute a January 1 expiration date, we also do not read the memorandum to violate this sound drafting principle. In any event, the "subject to" phrase does not directly repudiate the lease, which does not bluntly say "January 1." At the same time, the lease can unambiguously compel that result despite not expressly stating it-that is the whole point of the default rule discussed in Part II.A, *supra*. The memorandum may well have expected December 31 to be the final date, but its language clearly (and we must assume purposefully) leaves the ultimate determination to the lease itself.

[28] Sellers argue that after-acquired title provisions in the JOAs- specifically the AMI provision-required Apache to offer Sellers a proportionate share of applicable lease interests, such as the former Gunn interest, that Apache acquired after executing the PSAs. Sellers contend that we should read § 4.1 in light of this requirement. However, as noted above, the fact that the AMI provisionin contrast to § 4.1-includes a proportionatedistribution mechanism undermines rather than helps Sellers' argument. And even if Sellers are correct that the AMI provision required Apache to offer Sellers proportionate share of the former Gunn interest-a question on which we take no position-that speaks only to whether Apache violated the AMI provision, not whether it violated § 4.1. The two are separate questions.

^[29] The parties used a model-form agreement for the JOAs. They went line-by-line through the model form, crossing out provisions that they decided not to apply, including certain provisions related to maintaining uniformity of interests in the contract area. The parties' use of the model form confirms that they carefully addressed circumstances in which reallocation might be necessary.

[30] Because we conclude that § 4.1 did not require Apache to offer back interests Apache purchased from other parties, we do not

address whether such a requirement would amount to a forfeiture or violate the rule against perpetuities.

[31] The court of appeals reversed the trial court's judgment on this issue because the court of appeals read Apache's § 2.5 summary-judgment motion to use the term "investment" to replace the contractually defined term "Project Payout." See 631 S.W.3d at 524. We agree with Apache, however, that its use of "return on investment" was a shorthand way of referring to the more detailed "Project Payout" definition. Nothing in our interpretation alters "Project Payout" as a defined term. Because we conclude that the back-in trigger is reached when the specified revenues double the specified expenses, we need not reach Apache's alternative argument that § 2.5 would otherwise be too indefinite to enforce.

[32] Sellers also argue that the trial court abused its discretion in excluding Huddleston's testimony because, according to Sellers, no rule requires an expert to change or modify his opinion after the trial court grants partial summary judgments. It can hardly be an abuse of discretion to exclude expert testimony that is based on legal conclusions already rejected by the trial court. However, Sellers further contend that the trial court erred by excluding Huddleston's opinions in full because his opinions also contained information not based on the North Block's expiration date or on how to account for the former Gunn interest. Apache, in contrast, argues that Sellers waived this issue. We express no view on the merits of this dispute or whether it was preserved for the court of appeals' review; that court may address these matters in the first instance on remand.



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EX PARTE LUCAS VIEIRA, Appellant

No. PD-0690-22

Court of Criminal Appeals of Texas

September 27, 2023

ON APPELLANT'S PETITION FOR DISCRETIONARY REVIEW FROM THE FIRST COURT OF APPEALS HARRIS **COUNTY**

KELLER, P.J., delivered the opinion of the Court in which HERVEY, RICHARDSON. YEARY, NEWELL, WALKER, SLAUGHTER and MCCLURE, JJ., joined. KEEL, J., concurred.

OPINION

Was an indictment returned on July 9, 2021, for an aggravated assault committed on July 7, 2019, brought within the applicable two-year statute of limitations? We find that it was not and reverse the judgments of the courts below.

I. BACKGROUND

A. Trial Court

On July 9, 2021, Appellant was indicted for aggravated assault by threat while acting as a

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public servant.[1] The indictment alleged that the offense occurred on or about July 7, 2019.

Appellant filed a pretrial application for writ of habeas corpus, claiming the indictment is time-barred because it was filed more than two years after the date of the offense. The trial court denied Appellant's habeas application, and Appellant timely appealed.



B. Court of Appeals

Appellant argued on direct appeal that under Code of Criminal Procedure Article 12.04, the last day of the two-year limitations period for an offense occurring on July 7, 2019, is July 7, 2021, and that an indictment filed on July 9, 2021, is two days late.[2] The court of appeals disagreed:

> alleged offense Here, the occurred on July 7, 2019. Pursuant to article 12.04, July 7, 2019 is excluded from the computation of the limitations period, and the first day of the period was July 8, 2019. See Tex. Code Crim. Proc. Ann. art. 12.04 ("The day on which the offense was committed . . . shall excluded from the be computation of time."). Applying the plain language of statute, two-vear the the limitations period aggravated assault ended on July 8, 2021. See Tex. Code Crim. Proc. Ann. art. 12.02(a), 12.03. However, as appellant acknowledges, taking account the language of article 12.04, we must not "count[] the day of the indictment," and therefore, an indictment dated July 9, 2021 would be "filed on the last day." See Tex. Code Crim. Proc. Ann. art. 12.04 ("... the day on which the indictment or information is presented shall be excluded from the computation of time."). Accordingly, we conclude that the indictment, dated July 9, 2021, was returned within the limitations period. See Tex. Code Crim. Proc. Ann. art. 12.02(a), 12.04.[3]

Justice Goodman dissented from the denial of en banc reconsideration. [4] He would have held that

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the statute of limitations was violated.[5]

We granted Appellant's petition for discretionary review to determine whether the court of appeals's analysis correctly applied Article 12.04 to the two-year statute of limitations.

II. ANALYSIS

A. Cognizability

Before we address the merits of Appellant's claim, we must decide whether it is cognizable in a pretrial habeas writ. Pretrial habeas, followed by an interlocutory appeal, is an extraordinary remedy. [6] Neither the parties nor the court of appeals addressed cognizability, but it must be addressed. [7]

Generally, a pretrial writ of habeas corpus is not available to test the sufficiency of an indictment. One historical exception to the rule is when the face of the indictment "shows that the offense charged is barred by limitations. In *Ex parte Edwards*, we clarified that this exception does not apply if the record suggests the indictment can be amended to cure the defect or if a statute provides that the applicable limitations period may turn on a question of fact. [10]

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Here, Appellant was charged with a first degree felony. [11] The statute of limitations for the offense is, however, the same as that for "the primary crime." [12] The primary crime here is misdemeanor assault by threat, [13] which has a two-year statute of limitations. [14] The parties agree that the statute of limitations for aggravated assault by threat

while acting as a public servant is also two years. [15]

Nothing in the relevant statutes suggests that the applicable statute of limitations might turn on a fact issue. [16] Neither the indictment nor the record include any facts that would otherwise toll or extend the limitations period, and the State does not claim that they do. Appellant's claim is cognizable because there is nothing to consider beyond the face of the indictment, and resolution in his favor would render the indictment irreparable. [17]

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B. Merits

1. Rules of Construction

We review questions regarding the interpretation of statutes de novo.[18] When interpreting statutory language, we focus first on the literal text of the statute because it provides the best means to determine the "fair, objective meaning of that text at the time of its enactment."[19] When interpreting a statute, we presume that every word and sentence should be given effect.[20] We construe words and phrases according to the rules of grammar and common usage.[21] And we consider other relevant statutory provisions to harmonize and avoid conflicts.[22]

We may consider extra-textual factors, such as the object sought by the Legislature and the consequences of a particular construction, [23] only if the statutory language is ambiguous or the plain meaning would lead to absurd results that the Legislature could not possibly have intended. [24] A statute is ambiguous when "it may be understood by reasonably well-informed persons in two or

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more different senses."[25]



As previously noted, the statute of limitations for aggravated assault by threat while acting as a public servant is two years.[26] The parties agree that the alleged offense took place on July 7, 2019, and that the indictment was returned on July 9, 2021. At issue in this case are two provisions used to compute periods of time: Article 12.04 of the Code of Criminal Procedure and Section 311.014(c) of the Government Code. The State seeks to use both together to arrive at the conclusion that the indictment was filed on time. As we shall see later, if either of these statutes is used alone, the indictment was untimely. The State's claim of timeliness depends on these two provisions working in tandem in a certain way. To understand why the State's claim fails, we look at how each provision would work alone, why each provision works the way it does, and why the provisions cannot work in tandem in the way the State suggests.

2. Article 12.04 Alone

Article 12.04 says, "The day on which the offense was committed and the day on which the indictment or information is presented shall be excluded from the computation of time." [27] Applying the plain language of the statute, we eliminate July 7, 2019, and July 9, 2021. This leaves us with a period that starts on and includes July 8, 2019, and that ends on and includes July 8, 2021. The court of appeals reached this same result, but found that this period is within the two-year statute of limitations. We disagree. As we shall explain, this period of time exceeds two years under any accepted definition of "year."

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A calendar year has 365 days, unless the year is a leap year, in which case there are 366 days. Texas Government Code § 311.005(12) defines a "Year" as "12 consecutive months." [28] Twelve consecutive calendar months have 365 days unless they encompass the month of February in a leap year, in which

case there are 366 days. Two regular years is 730 days. 2020 was a leap year, so the calculation is a little more complicated, but not significantly so. Because 2020 was a leap year, there was an extra day in the two-year period in this case, meaning the two-year period was 731 days instead of the usual 730.

From and including July 8, 2019, to and including July 8, 2021, is 732 days, which exceeds the two-year period by one day. For a period that does not include a leap year, two years would end 730 days after the date of the offense. But regardless of whether there is a leap year, when the limitation period is two years, Article 12.04's plain language dictates that the last day on which an indictment may be filed for an offense committed on July 7th is July 8th two years later. Under this scheme of computation, the indictment returned on July 9, 2021 was one day too late.

3. Texas Government Code Alone

The State argues that calculating the end date this way-under Article 12.04 alone-runs afoul of the Code Construction Act (Chapter 311 of the Government Code). [29] As explained earlier, Texas Government Code § 311.005(12) defines a "Year" as "12 consecutive months."[30] So, the argument goes, a two-year limitations period is twenty-four consecutive months. The State then

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refers us to the Texas Government Code provision that computes time for "months"-\$ 311.014(c)-which says:

If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding



month, in which case the period ends on the last day of that month.^[31]

If we rely solely on the plain language of the Government Code provisions, the State's indictment is untimely. Texas Code of Criminal Procedure Article 12.02(b) says that an indictment "may be presented within two years from the date of the commission of the offense, and not afterward."[32] Section 311.014(c) says that, when calculating a period of months "from a particular day," we end on the same day of the month "from which the computation is begun."[33] Here, the "particular day" from which the calculation begins is the date of the offense-July 7, 2019. And because the computation begins on July 7, 2019, under Section 311.014(c), the computation must end on the same day of the month-July 7, 2021. The indictment filed on July 9, 2021, falls outside this time period.

4. Combining the Statutes Does Not Work

The State argues that Article 12.04 and Section 311.014(c) work in tandem to, essentially, give the State an additional day beyond the two-year limitations period. The State claims that Article 12.04 excludes July 7, 2019-the date of the offense-from the time period. The State then

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contends that the time period runs under Section 311.014(c) from July 8, 2019 to July 8, 2021. The State finally contends that Article 12.04 then excludes the next day-July 9, 2021-from the calculations, allowing the indictment to be returned on July 9, 2021. We disagree for several reasons.

First, the State's construction ignores the plain language of Section 311.014(c) and Code of Criminal Procedure Article 12.02. As we explained earlier, Section 311.014(c) says that,

when calculating a period of months "from a particular day," we end on the same day of the month "from which the computation is begun."[34] And we have explained that Article 12.02(b) says that an indictment "may be presented within two years from the date of the commission of the offense."[35]Under a plain reading of these statutes, all of these instances of the word "from" are referring to the same date. The day the offense was committed, the day from which the period of months is calculated, and the day from which the computation begins are all the same date. That means, under Section 311.014(c), if July 7th is the date of the offense, then that same July 7th must be the date from which the monthly computation begins, consequently, a later July 7th must be the date on which the monthly computation ends.

Article 12.04 does not change that. That statute says that "[t]he day on which the offense was committed . . . shall be excluded from the computation of time." [36] That does not mean, though, that the next day becomes the day from which the computation *begins*. Article 12.04 does not say that. In fact, the day from which a computation begins is typically also excluded from the computation.

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For example, Government Code Section 311.014(a) says, "In computing a period of days, the first day is excluded and the last day is included."[37] The "first day" is the day from which the computation begins but it is also excluded from the computed period. So Article 12.04 does not enable Section 311.014(c) to work from the day after the day of the offense. By its plain language, the time period in Section 311.014(c) can run only from the day the computation period beginseven though that day is excluded-and the day the computation begins for limitations purposes is, under the plain language of Article 12.02, the day of the offense. So if the offense is committed on a July 7th, the monthly computation period under Section



311.014(c), when applied to a two-year period, *must* end on a July 7th.

A second problem with the State's argument is that it is unclear whether Section 311.014(c) even applies. Code of Criminal Procedure Article 101.002 says that the Code Construction Act applies "except as otherwise expressly provided by this title."[38] Section "months" 311.014(c)'s provision computational scheme, and notably, it appears in a statute setting forth a comprehensive computational scheme. As we explained earlier, Section 311.014 also includes subsection (a), which directs how a period of "days" will be computed.[39] Subsection (a) calls for excluding the first day and including the last day. [40] As we shall explain later, Subsection (c) also excludes the first day and includes the last day when measuring a period by months. Article 12.04 also sets forth a computational scheme, saying what days are excluded from the computation, and

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it is at least arguable that it overrides the more general scheme in the Government Code.

Even if that were not so, there is a third problem with the State's argument: It conflicts with the obvious purposes of both Article 12.04 and Section 311.014(c), as can be ascertained by looking at their texts. On its face, it seems unlikely the Legislature intended to combine Article 12.04 and Section 311.014(c) to reach a result that would not be possible under the plain language of either provision individually-and which clearly exceeds two years. More importantly, an examination of the clear purposes of these computational directives reveals the State's position to be simply untenable.

In *Nesbit v. State*, we acknowledged that Section 311.014(c) rests on the rule now codified in Section 311.014(a), that "when

time is to be computed from or after a designated day, the designated day will be excluded while the last day of the period is to be included."[41] In other words, the "months" rule in Subsection (c) is simply an application of Subsection (a)'s "day" rule to months. In running the time period from one numerical day of the starting month to the same numerical day of the concluding the month, the computation is necessarily excluding that first numerical day while including the last numerical day. If one looks at a calendar, a month consists of the first day through the last day of the month. That is because all the days of the month are included in determining the calendar month. If the first day of the month were excluded, then the logical day "a month from now" would be the first day of the next month-which would be the same numerical day. In other

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words, the legislative scheme involves no double counting of the first and last days. [42] Otherwise, the period would always be a month and a day, or in this case, twenty-four months and a day. [43]

The Legislature decided to go a step further with Article 12.04. It is unlikely that an offense occurs at the very beginning of a calendar day, and an indictment cannot be returned at the very end of a calendar day. These two days are necessarily partial days. The Government Code scheme is based on the notion that, if we exclude the first day and include the last day, then the time essentially balances out. But Article 12.04 goes a step further by excluding all partial days to ensure the State always has the benefit of the full limitations period-i.e., when the limitations period is two years, the State gets a period of full days that equals two years. But the State's construction would give the State an additional full day, which, in every instance, would violate Article 12.02(b)'s requirement that an indictment be returned "within two



years from the date of the commission of the offense, and not afterward."[44]

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When we compare Article 12.04 and Section 311.014(c), we can see that both provisions exclude the first day. Article 12.04 does it by excluding the day of the offense. Section 311.014(c) does it by excluding the day in that first month that the period is computed from, which, in a criminal case, is the day of the offense. Those first-day exclusions are concurrent exclusions-both statutes exclude the same first day. The State does not get to exclude the first day under Article 12.04, designate the next day as the new first day, and exclude that new first day under Section 311.014(c). Doing what the State wants would violate the clear meaning of the text of all the statutes we have discussed.

III. CONCLUSION

We hold that the indictment filed on July 9, 2021, for an assault committed on July 7, 2019, is time-barred because it was not brought within the two-year statute of limitations. We reverse the judgments of the courts below and dismiss the indictment.

Notes:

- 1 TEX. PENAL CODE § 22.02(A)(2) ("A person commits an offense if the person commits assault as defined in § 22.01 and the person: . . . (2) uses or exhibits a deadly weapon during the commission of the assault."), (b)(2)(A) (". . . the offense is committed . . . by a public servant acting under color of the servant's office or employment").
- [2] Ex parte Vieira, No. 01-21-00464-CR, 2022 WL 3363935, at *4 (Tex. App.--Houston [1st Dist.] Aug. 16, 2020).

- [3] *Id.* at *5 (alteration in original).
- [4] Id. at *6 (Goodman, J., dissenting to denial of en banc reconsideration).
- [5] *Id*.
- [6] Ex parte Ingram, 533 S.W.3d 887, 891 (Tex. Crim. App. 2017).
- [7] Ex parte Ellis, 309 S.W.3d 71, 79 (Tex. Crim. App. 2010).
- [8] Ex parte Doster, 303 S.W.3d 720, 724 (Tex. Crim. App. 2010).
- [9] Ex parte Weise, 55 S.W.3d 617, 620 (Tex. Crim. App. 2001).
- [10] See Ex parte Edwards, 663 S.W.3d 614, 617-18 (Tex. Crim. App. 2022) (discussing tolling and factually-based statutes of limitation).
- [11] Id. § 22.02(b)(2)(A) ("An offense under this section...is a felony of the first degree if...the offense is committed: (A) by a public servant acting under color of the servant's office or employment[.]").
- TEX. CODE CRIM. PROC. ART. 12.03(D) ("Except as otherwise provided by this chapter, any offense that bears the title 'aggravated' shall carry the same limitation period as the primary crime.").
- [13] TEX. PENAL CODE § 22.01(A)(2) ("A person commits an offense if the person: . . . (2) intentionally or knowingly threatens another with imminent bodily injury...[.]"); id. § 22.01(c) ("An offense under Subsection (a)(2) or (3) is a Class C misdemeanor[.]").
- [14] TEX. CODE CRIM. PROC. ART 12.02(B) ("A complaint or information for any Class C misdemeanor may be presented within two vears from the date of the commission of the offense, and not afterward.").
- [15] See State v. Schunior, 506 S.W.3d 29, 37 (Tex. Crim. App. 2016) ("Article 12.03(d)



yields a two-year limitation period if the primary crime is misdemeanor assault.").

- [16] See Tex. Code Crim. Proc. art 12.02(b).
- [17] See Edwards, 663 S.W.3d at 617-18. See, e.g., Ex parte Tamez, 38 S.W.3d 159, 161 (Tex. Crim. App. 2001) (affirming court of appeals's jurisdiction to resolve statute of limitations claim where the only question was whether the indictment was issued within two years of the date of the offense as alleged in the indictment).
- [18] See Martinez v. State, 348 S.W.3d 919, 923 (Tex. Crim. App. 2011) (pure questions of law are reviewed de novo).
- [19] Clinton v. State, 354 S.W.3d 795, 800 (Tex. Crim. App. 2011) (quoting Boykin v. State, 818 S.W.2d 782, 785 (Tex. Crim. App. 1991)).
- [20] Watkins v. State, 619 S.W.3d 265, 272 (Tex. Crim. App. 2021).
- [21] Lopez v. State, 253 S.W.3d 680, 685 (Tex. Crim. App. 2008).
- [22] Watkins, 619 S.W.3d at 272.
- [23] See id. (listing extra-textual factors).
- [24] Boukin, 818 S.W.2d at 785.
- [25] Bryant v. State, 391 S.W.3d 86, 92 (Tex. Crim. App. 2012).
- [26] See supra at nn. 12-15 and accompanying
- [27] TEX. CODE CRIM. PROC. art 12.04.
- [28] TEX. GOV'T CODE § 311.005(12).
- [29] See TEX. GOV'T CODE § 311.001 ("This chapter may be cited as the Code Construction Act.").
- [30] TEX. GOV'T CODE § 311.005(12).
- [31] Id. § 311.014(c).



- [32] *Id.* art. 12.02(b) (emphasis added).
- [33] TEX. GOV'T CODE § 311.014(c) (emphasis added).
- [34] See supra at n.33 and accompanying text (emphasis added).
- [35] See supra at n.32 and accompanying text (emphasis added).
- [36] See supra at n.27 and accompanying text.
- [37] TEX. GOV'T CODE § 311.014(a).
- [38] TEX. CODE CRIM. PROC. art. 101.002 (emphasis added).
- [39] See supra at n.37 and accompanying text.
- [40] *Id*.
- [41] Nesbit v. State, 227 S.W.3d 64, 68 (Tex. Crim. App. 2007) (quoting McGaughy v. City of Richardson, 599 S.W.2d 113, 115 (Tex. App.-Dallas 1980, writ ref'd n.r.e.)); see also Tex. Gov't Code § 311.014(a) ("In computing a period of days, the first day is excluded and the last day is included.").
- [42] Nesbit, supra.
- [43] See id.
- [44] See TEX. CODE CRIM PROC. art. 12.02(b) (emphasis added). The State contends that Appellant has not preserved his arguments regarding the Code Construction Act because he claimed at trial that limitations was governed solely by Articles 12.02 and 12.04. The State contends that Appellant is making a new argument by claiming that the Code Construction Act rendered Article 12.04 redundant by excluding the offense date. The State concedes, however, that Appellant has consistently argued that the indictment is barred by limitations. And Appellant's position from trial, to direct appeal, to discretionary review has consistently been that the indictment is barred by limitations

under the language of Articles 12.02 and 12.04-a position with which we agree. It is the State that has been relying upon the Code Construction Act to amend how Article 12.04 works in order to support a contrary conclusion. The trial court had all the relevant statutory provisions before it and was in a position to determine, as we have done, that the State's reliance on the Code Construction Act was misplaced. Moreover, Appellant has consistently claimed that the State's reliance on the Code Construction Act is misplaced, saying at trial, "You do not add the two [provisions] together." Given Appellant's express raising of the issue of limitations and his correct reliance on Articles 12.02 and 12.04, we find that Appellant preserved his claim.

