



TEXAS ASSOCIATION OF REALTORS®
NEW RESIDENTIAL CONDOMINIUM CONTRACT
(Completed Construction)

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1. **PARTIES:** Las Velas SPI, LLC (Seller)
 agrees to sell and convey to _____
 (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. **PROPERTY AND CONDOMINIUM INFORMATION STATEMENT:**

A. "Property" means the Condominium Unit _____, in Building _____,
 of _____, a condominium project located at
Las Velas Village, 6101 Padre Blvd. 78597 (Address/Zip Code),
 City of South Padre Island, Cameron County, Texas
 described in the Condominium Declaration and Plat and any amendments thereto of record in said
 County, together with:

- (1) the improvements, fixtures, and all other real property located thereon;
- (2) the following described related accessories (non-fixtures), if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, controls for satellite dish systems, controls for garage door openers, entry gate controls, door keys, mailbox keys and artificial fireplace logs; and
- (3) such Unit's undivided interest in the Common Elements designated by the Declaration, including those areas reserved as Limited Common Elements appurtenant to the Unit and such other rights to use the Common Elements which have been specifically assigned to the Unit in any other manner.

There are _____ parking areas assigned to the Property which are described as: There are two parking places per unit of which one is assigned. See Sight Plan.

B. "Condominium Information Statement" means the information defined by §82.153, Texas Property Code and if the Property is a conversion building the additional information required by §82.154, Texas Property Code. (Check one box only.)

- (1) Buyer has received a copy of the Condominium Information Statement. Buyer is advised to read the Condominium Information Statement before signing this contract.
- (2) Buyer has not received a copy of the Condominium Information Statement. Seller shall deliver the Condominium Information Statement to Buyer within _____ days after the effective date of this contract. Buyer may cancel this contract before the 6th day after Buyer receives the Condominium Information Statement by hand-delivering or mailing written notice of cancellation to Seller by certified United States mail, return receipt requested.

C. Seller is required under §82.153(c), Texas Property Code, to amend the Condominium Information Statement to reflect a material and substantial change in its contents. If the change may adversely affect Buyer:

- (1) Seller shall furnish a copy of the amendment to Buyer before closing; and
- (2) Buyer may cancel this contract by providing written notice to Seller before the 6th day after Buyer receives the amendment or before closing, whichever is earlier.

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D. If the Condominium Information Statement reveals that the Property is subject to a right of refusal under which the condominium owners association (the Association) or a member of the Association may purchase the Property, the effective date shall be amended to the date that Buyer receives a copy of the Association's certification that: (i) Seller has complied with the requirements under the right of refusal; and (ii) all persons who may exercise the right of refusal have not exercised or have waived the right to buy the Property. If Buyer does not receive the Association's certification within _____ days after the effective date or if the right of refusal is exercised, this contract shall terminate and the earnest money shall be refunded to Buyer.

3. SALES PRICE:

A. Cash portion of Sales Price payable by Buyer at closing. \$ _____

B. Sum of all financing described in the attached: (Check applicable boxes below) \$ _____

Third Party Financing Addendum

Seller Financing Addendum

C. Sales Price (Sum of A and B) \$ _____

4. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as trustee or of which the license holder or the license holder's spouse parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. The National Association of REALTORS® Code of Ethics may also require additional disclosures. Disclose if applicable: _____

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$ **2,500.00** as earnest money with Rio Grande Valley Abstract, as escrow agent, at **5800 Padre Blvd., Suite 115, South Padre Island, TX 78597** (address). Buyer shall deposit additional earnest money of \$ _____ with escrow agent within _____ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY:

A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Rio Grande Valley Abstract

(Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (1) restrictive covenants common to the platted subdivision in which the Property is located;
- (2) the standard printed exception for standby fees, taxes and assessments;
- (3) liens created as part of the financing described in Paragraph 3;
- (4) terms and provisions of the Condominium Information Statement including the assessments and platted easements;
- (5) reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing;
- (6) the standard printed exception as to marital rights;
- (7) the standard printed exception as to waters, tidelands, beaches, streams, and related matters; and
- (8) the standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.

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B. COMMITMENT:

- (1) Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer:
 - (a) a commitment for title insurance (Commitment); and
 - (b) at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions.
- (2) Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If, due to factors beyond Seller's control, the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. OBJECTIONS:

- (1) Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed in the Commitment other than items 6A(1) through 6A(8) above; or which prohibit the following use or activity: _____.
- (2) Buyer must object not later than 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.
- (3) Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15-day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

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.
- (2) **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 of the 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 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.
- (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 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.
- (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 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

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provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.

- (6) 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.
- (7) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by the Texas Real Estate Commission (TREC) or required by the parties should be used.
- (8) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS, AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller shall pay for turning on existing utilities for inspections.

B. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7B(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.)

C. WARRANTIES: Except as expressly set forth in this contract a separate writing, or provided by law, Seller makes no other express warranties. Seller agrees to assign to Buyer at closing all assignable manufacturer warranties.

D. INSULATION: As required by Federal Trade Commission Regulations, the information relating to the insulation installed or to be installed in the Property is as follows: (Check one box only.)

- (1) as shown in the attached specifications.
- (2) as follows:
 - (a) Exterior walls of improved living areas: insulated with Batt insulation to a thickness of 2" inches, which yields an R-Value of R-13.
 - (b) Walls in other areas of the Property: insulated with N/A insulation to a thickness of N/A inches, which yields an R-Value of N/A.

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- (c) Ceilings in improved living areas: insulated with Batt insulation to a thickness of 8" inches, which yields an R-Value of R-30.
- (d) Floors of improved living areas not applied to a slab foundation: insulated with N/A insulation to a thickness of N/A inches, which yields an R-Value of N/A.
- (e) Other insulated areas: insulated with N/A insulation to a thickness of _____ inches, which yields an R-Value of _____.

All stated R-Values are based on information provided by the manufacturer of the insulation.

- E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs and 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 exceed 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- F. COMPLETION OF REPAIRS, TREATMENTS, AND IMPROVEMENTS: Unless otherwise agreed by the parties in writing, Seller shall complete all agreed repairs, treatments, and improvements (Work) prior to the Closing Date. All required permits must be obtained and all Work must be performed by persons who are licensed to provide such Work or, if no license is required by law, are commercially engaged in the trade of providing such Work. At Buyer's election, any transferable warranties received by Seller with respect to the Work will be transferred to Buyer at Buyer's expense. If Seller fails to complete any Work 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 Work.
- G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes of other environmental hazards or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.
- H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ _____. 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.**
- I. CONVERSIONS: The Property is is not a conversion building as defined by §82.003, Property Code. If the Property is a conversion building, the Condominium Conversion Addendum is attached.

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

9. **CLOSING:**

- A. The closing of the sale will be on or before _____, _____ or within 7 days after objections under Paragraph 6C have been cured, whichever date is later (Closing Date). If either party fails to close this sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:
 - (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and shall 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; and

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(3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.

D. All covenants, representations, and warranties in this contract survive closing.

10. POSSESSION:

A. Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted:

(1) upon closing and funding.

(2) according to a temporary residential lease form promulgated by TREC or other written lease required by the parties.

B. 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 or 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.*

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale.)

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing as follows:

(1) Expenses payable by Seller (Seller's Expenses):

(a) releases of existing liens, including prepayment penalties and recording fees; lender, FHA, or VA completion requirements; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract; and

(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 Veteran's Housing Assistance Program, or other governmental loan programs, and then to other Buyer's Expenses.

(2) Expenses payable by Buyer (Buyer's Expenses):

(a) loan origination, discount, buy-down, and commitment fees (Loan Fees);

(b) expenses incident to any loan, such as: appraisal fees, loan application fees, credit report fees, fees to prepare loan documents, interest on the notes from date of disbursement to one month prior to date of first monthly payments, recording fees for any lender required documents, mortgagee title policy with lender-required endorsements, loan-related inspection fees, fees for lender-required photos, fees for amortization schedules, all prepaid items (required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments), final compliance inspection fees, courier fees, repair inspection fees, warehouse fees, underwriting fees, wire transfer fees, EPA endorsement fees, and tax deletion fees;

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- (c) one-half of escrow fee;
- (d) recording fees for the deed and any deed of trust;
- (e) fees for copies of easements and restrictions; and
- (f) other expenses payable by Buyer under this contract.

(3) Except as provided by 12(A)(4) below, Buyer shall pay any and all Association fees or other charges resulting from the transfer of the Property not to exceed \$ _____ and Seller shall pay any excess.

(4) Buyer shall pay any deposits for reserves required at closing by the Association.

- B. Buyer shall pay any Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.
- C. If any expense exceeds an amount 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 Housing Assistance Program Loan, or other governmental loan program regulations.

13. PRORATIONS:

- A. PRORATIONS: Taxes for the current year, maintenance fees, regular condominium assessments, dues, and rents will be prorated through the Closing Date. The prorations may be calculated taking into consideration any change 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 the 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. Cash reserves from regular condominium assessments for deferred maintenance or capital improvements established by the condominium owners' association will not be credited to Seller. Any special assessment due and unpaid at closing will be the obligation of Seller.
- B. ROLLBACK TAXES: If the construction of the Property or Seller's change in use of the Property or the Property's common elements before closing results in the assessment of additional taxes, penalties, or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS:

- A. Except as provided by Paragraph 14B, if any part of the Property is damaged or destroyed by fire or other casualty, 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:
 - (1) terminate this contract and the earnest money will be refunded to Buyer;
 - (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
 - (3) 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.
- B. If any part of the Common Elements or the Property's Limited Common Elements 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 condominium owners' 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 required by Buyer and written confirmation is not

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delivered to Buyer as required above, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

- C. Seller's obligations under this Paragraph 14 are independent of any other obligations of Seller under this contract.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer will be in default, and Seller may:
- (1) enforce specific performance, seek such other relief as may be provided by law, or both; or
 - (2) terminate this contract and receive earnest money as liquidated damages, thereby releasing both parties from this contract.
- B. If, due to factors beyond Seller's control, Seller fails, within the time allowed, to make any non-casualty repairs or deliver the Commitment, Buyer may:
- (1) extend time for performance up to 15 days and the Closing Date will be extended as necessary; or
 - (2) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.
- C. If Seller fails to comply with this contract for a reason other than a reason stated in Paragraph 15B, Seller will be in default and Buyer may:
- (1) enforce specific performance, seek such other relief as may be provided by law, or both; or
 - (2) 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. A party is not precluded from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: The prevailing party in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.

18. ESCROW:

- A. The escrow agent is not:
- (1) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract;
 - (2) liable for interest on the earnest money; and
 - (3) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. 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.
- C. Upon termination of this contract, the party entitled to the earnest money may request the other party to execute a release of earnest money and deliver it to the party entitled to the earnest money. Upon receipt of the release, the escrow agent shall disburse the earnest money in accordance with the release.
- D. If the party who is not entitled to the earnest money refuses or fails to execute the release (as provided by Paragraph 18C) within 7 days after receiving the request for the release, the party entitled to the earnest money may make written demand for the earnest money to the escrow agent. The escrow agent shall send a copy of the demand to the other party. If the escrow agent does not receive written

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objection to the demand from the other party within 15 days after sending a copy of the demand to the other party, the escrow agent may disburse the earnest money to the party making the demand. Notice of any objection will be deemed effective upon receipt by the escrow agent. Escrow agent's notice to a party under this Paragraph 18 is effective when sent in compliance with Paragraph 21.

E. If the party entitled to the earnest money brings an action in a court of law to recover the earnest money, after the party entitled to the earnest money has attempted to obtain a release under Paragraphs 18C and 18D, and a court finds that the other party wrongfully failed or refused to execute a release, the party entitled to the earnest money shall be entitled to recover from the other party:

- (1) the earnest money;
- (2) damage; and
- (3) reasonable attorney's fees and costs necessary to bring the action.

F. Any disbursement of the earnest money shall be reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the escrow agent may pay such amount to the creditors.

G. If the escrow agent complies with the provisions of this Paragraph 18, each party hereby releases the escrow agent from all adverse claims related to the disbursement of the earnest money.

19. REPRESENTATIONS: Seller represents: (i) that as of the Closing Date there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds; and (ii) Seller has no knowledge of any misrepresentation or errors in the Condominium Information Statement or any material changes in the information contained therein. If any representation in this contract is untrue on the Closing Date, Seller will be in default.

20. FEDERAL TAX REQUIREMENT: If Seller is a "foreign person", as defined by applicable law, or if Seller fails to deliver an affidavit 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 such amount 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:

Phone: _____
Fax: _____
Email: _____

To Seller at:
Troy Giles Realty & Management
5813 Padre Boulevard
South Padre Island, TX 78597

Phone: **(956)761-2040**
Fax: **(956)761-6080**
Email: **Troy@Troygilesrealty.com**

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

- (1) Third Party Financing Addendum;
- (2) Seller Financing Addendum;
- (3) Condominium Information Statement;
- (4) Condominium Conversion Addendum;
- (5) Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards;
- (6) Environmental Assessment, Threatened or Endangered Species, or Wetlands Addendum;
- (7) Buyer's Temporary Residential Lease;
- (8) Addendum for Sale of Other Property by Buyer;
- (9) Addendum for "Back-Up" Contract;

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- (10) Addendum for Coastal Area Property;
- (11) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; and
- (12) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addendum which are promulgated by TREC or published by TAR are appropriate for use with this form.)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$ _____ (Option Fee) within 3 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within _____ days after the effective date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee 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 specified, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY: Real estate license holders cannot give legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult your attorney BEFORE signing.

Buyer's
Attorney is: _____

Seller's
Attorney is: Michele Sanchez

Phone: _____
Fax: _____
Email: _____

Phone: (956)541-7211
Fax: (956)541-4294
Email: Michele@msanchezpc.com

**EXECUTED the _____ day of _____, _____ (THE EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from the performance of this contract. If you have a complaint concerning a construction defect arising from the performance of this contract and that defect has not been corrected through normal warranty service, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

Buyer

Buyer

Seller **Las Velas SPI, LLC**

Seller

BROKER INFORMATION AND RATIFICATION OF FEE

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

Listing Broker has agreed to pay Other Broker _____ of the total sales price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

Troy Giles Realty and Management

558083

Other Broker Firm _____ License No. _____
 represents Seller as Listing Broker's subagent
 Buyer only as Buyer's agent

Listing Broker Firm _____ License No. _____
 represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Troy Giles

Associate's Name _____ License No. _____

Listing Associate's Name _____ License No. _____

Licensed Supervisor of Associate _____ License No. _____

Licensed Supervisor of Listing Associate _____ License No. _____

5813 Padre Boulevard

(956)761-6080

Other Broker's Address _____ Fax _____

Listing Broker's Office Address _____ Fax _____

South Padre Island

TX

78597

City _____ State _____ Zip _____

City _____ State _____ Zip _____

Troy@TroyGilesRealty.com

Associate's Email Address _____ Phone _____

Listing Associate's Email Address _____ Phone _____

Selling Associate's Name _____ License No. _____

Licensed Supervisor of Selling Associate _____ License No. _____

Selling Associate's Office Address _____ Fax _____

City _____ State _____ Zip _____

Selling Associate's Email Address _____ Phone _____

CONTRACT AND EARNEST MONEY RECEIPT

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

Escrow Agent: _____ Date: _____

By: _____ Email _____

Address: _____ Phone: _____

City, State, Zip: _____ Fax: _____

OPTION FEE RECEIPT

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

Seller or Listing Broker _____ Date _____



**ADDENDUM FOR
COASTAL AREA PROPERTY**
(SECTION 33.135, TEXAS NATURAL RESOURCES CODE)
TO CONTRACT CONCERNING THE PROPERTY AT

Las Velas Village, 6101 Padre Blvd., South Padre Island, TX 78597
(Address of Property)

NOTICE REGARDING COASTAL AREA PROPERTY

1. The real property described in and subject to this contract adjoins and shares a common boundary with the tidally influenced submerged lands of the state. The boundary is subject to change and can be determined accurately only by a survey on the ground made by a licensed state land surveyor in accordance with the original grant from the sovereign. The owner of the property described in this contract may gain or lose portions of the tract because of changes in the boundary.
2. The seller, transferor, or grantor has no knowledge of any prior fill as it relates to the property described in and subject to this contract except: _____

3. State law prohibits the use, encumbrance, construction, or placing of any structure in, on, or over state-owned submerged lands below the applicable tide line, without proper permission.
4. The purchaser or grantee is hereby advised to seek the advice of an attorney or other qualified person as to the legal nature and effect of the facts set forth in this notice on the property described in and subject to this contract. Information regarding the location of the applicable tide line as to the property described in and subject to this contract may be obtained from the surveying division of the General Land Office in Austin.

Buyer

Seller **Las Velas SPI, LLC**

Buyer

Seller

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC No. 33-2 This form replaces TREC No. 33-1.



**ADDENDUM FOR
PROPERTY LOCATED SEAWARD OF THE
GULF INTRACOASTAL WATERWAY
(SECTION 61.025, TEXAS NATURAL RESOURCES CODE)
TO CONTRACT CONCERNING THE PROPERTY AT**

Las Velas Village, 6101 Padre Blvd., South Padre Island, TX 78597

(Address of Property)

**DISCLOSURE NOTICE CONCERNING LEGAL AND ECONOMIC RISKS OF PURCHASING
COASTAL REAL PROPERTY NEAR A BEACH**

WARNING: THE FOLLOWING NOTICE OF POTENTIAL RISKS OF ECONOMIC LOSS TO YOU AS THE PURCHASER OF COASTAL REAL PROPERTY IS REQUIRED BY STATE LAW.

- READ THIS NOTICE CAREFULLY. DO NOT SIGN THIS CONTRACT UNTIL YOU FULLY UNDERSTAND THE RISKS YOU ARE ASSUMING.
- BY PURCHASING THIS PROPERTY, YOU MAY BE ASSUMING ECONOMIC RISKS OVER AND ABOVE THE RISKS INVOLVED IN PURCHASING INLAND REAL PROPERTY.
- IF YOU OWN A STRUCTURE LOCATED ON COASTAL REAL PROPERTY NEAR A GULF COAST BEACH, IT MAY COME TO BE LOCATED ON THE PUBLIC BEACH BECAUSE OF COASTAL EROSION AND STORM EVENTS.
- AS THE OWNER OF A STRUCTURE LOCATED ON THE PUBLIC BEACH, YOU COULD BE SUED BY THE STATE OF TEXAS AND ORDERED TO REMOVE THE STRUCTURE.
- THE COSTS OF REMOVING A STRUCTURE FROM THE PUBLIC BEACH AND ANY OTHER ECONOMIC LOSS INCURRED BECAUSE OF A REMOVAL ORDER WOULD BE SOLELY YOUR RESPONSIBILITY.

The real property described in this contract is located seaward of the Gulf Intracoastal Waterway to its southernmost point and then seaward of the longitudinal line also known as 97 degrees, 12', 19" which runs southerly to the international boundary from the intersection of the centerline of the Gulf Intracoastal Waterway and the Brownsville Ship Channel. If the property is in close proximity to a beach fronting the Gulf of Mexico, the purchaser is hereby advised that the public has acquired a right of use or easement to or over the area of any public beach by prescription, dedication, or presumption, or has retained a right by virtue of continuous right in the public since time immemorial, as recognized in law and custom.

The extreme seaward boundary of natural vegetation that spreads continuously inland customarily marks the landward boundary of the public easement. If there is no clearly marked natural vegetation line, the landward boundary of the easement is as provided by Sections 61.016 and 61.017, Natural Resources Code.

Much of the Gulf of Mexico coastline is eroding at rates of more than five feet per year. Erosion rates for all Texas Gulf property subject to the open beaches act are available from the Texas General Land Office.

State law prohibits any obstruction, barrier, restraint, or interference with the use of the public easement, including the placement of structures seaward of the landward boundary of the easement. OWNERS OF STRUCTURES ERECTED SEAWARD OF THE VEGETATION LINE (OR OTHER APPLICABLE EASEMENT BOUNDARY) OR THAT BECOME SEAWARD OF THE VEGETATION LINE AS A RESULT OF PROCESSES SUCH AS SHORELINE EROSION ARE SUBJECT TO A LAWSUIT BY THE STATE OF TEXAS TO REMOVE THE STRUCTURES.

The purchaser is hereby notified that the purchaser should: (1) determine the rate of shoreline erosion in the vicinity of the real property; and (2) seek the advice of an attorney or other qualified person before executing this contract or instrument of conveyance as to the relevance of these statutes and facts to the value of the property the purchaser is hereby purchasing or contracting to purchase.

Buyer

Seller **Las Velas SPI, LLC**

Buyer

Seller

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NOTICE TO PURCHASERS

The real property, described below, which you are about to purchase, is located in the Laguna Madre Water District. The district has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the district on real property located in the district is \$ 0.045016 on each \$100.00 of assessed valuation. If the district has not yet levied taxes, the most recent projected rate of Tax, as of this date is \$ 0.045016 on each \$100.00 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion 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 and which have been or may, at this date be issued is \$16,835,000.00, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$16,835,000.00.

The district has the authority to adopt and impose a standby fee on property in the district that has water, sanitary sewer, or drainage facilities and services available, but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. This district may exercise the authority without holding an election on the matter. As of this date, the amount of the standby fee is \$-0-. 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.

The district is located in whole or in part within the corporate boundaries of the Town of South Padre Island, the City of Port Isabel and the Town of Laguna vista. The taxpayers of the district are subject to the taxes imposed by the municipality and by the district until the district is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the district. The legal description of the property, which you are acquiring, is as follows:

SELLERS:

DATE: _____

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

BUYERS:

DATE: _____