

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:

CHRIS PETTIT & ASSOCIATES, P.C.

CHRISTOPHER JOHN PETTIT

Jointly Administered Debtors.¹

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CASE NO. 22-50591-CAG

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CHAPTER 11 PROCEEDINGS

(Jointly Administered Under

Case No. 22-50591-CAG)

TRUSTEE’S MOTION FOR (I) AN ORDER AUTHORIZING AND APPROVING (A) BID PROCEDURES, INCLUDING APPROVAL OF STALKING HORSE BIDDER, (B) NOTICE OF AUCTION AND SALE HEARING, AND (C) RELATED RELIEF; AND (II) AN ORDER AUTHORIZING AND APPROVING (A) THE SALE OF REAL ESTATE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363(B), (F), AND (M), AND 503, AND (B) GRANTING RELATED RELIEF

TO THE HONORABLE U.S. BANKRUPTCY JUDGE CRAIG A. GARGOTTA:

COMES NOW Eric Terry, chapter 11 trustee (“Mr. Terry” or the “Trustee”) for the estates (the “Estates”) of Christopher John Pettit (“Pettit”) and Chris Pettit & Associates, P.C. (“CPA,” and together with Pettit, the “Debtors”) in the above captioned chapter 11 cases (the “Cases”) and files this *Trustee’s Motion for (I) an Order Authorizing and Approving (A) Bid Procedures, Including Approval of Stalking Horse Bidder, (B) Notice of Auction and Sale Hearing, and (C) Related Relief; And (II) an Order Authorizing and Approving (A) the Sale of Real Estate Free and Clear of All Liens, Claims, Encumbrances, and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(B), (F), and (M), and 503, and (B) Granting Related Relief* (the “Motion”),

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

TRUSTEE’S MOTION FOR (I) AN ORDER AUTHORIZING AND APPROVING (A) BID PROCEDURES, INCLUDING APPROVAL OF STALKING HORSE BIDDER, (B) NOTICE OF AUCTION AND SALE HEARING, AND (C) RELATED RELIEF; AND (II) AN ORDER AUTHORIZING AND APPROVING (A) THE SALE OF REAL ESTATE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363(B), (F), AND (M), AND 503, AND (B) GRANTING RELATED RELIEF

seeking entry of the Bid Procedures Order for the sale of the Property, as such terms as defined and set forth below. In support of this Motion, the Trustee respectfully states as follows:

I.
JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the local rules of the Court. This is a core proceeding as defined by 28 U.S.C. § 157(b)(2). The Court has authority to enter a final order granting relief pursuant to 28 U.S.C. § 157(b)(1). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 105(a), 363, 541, 1107(a) and 1108 of Title 11 of the United States Code (the “Bankruptcy Code”); and rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); L. Rules 2002, 6004, 9013 & 9014 of the Bankruptcy Local Rules for the Western District of Texas (the “Bankruptcy Local Rules”).

II.
SUMMARY OVERVIEW

3. The Trustee is seeking authority to sell real property owned by the Estates, known locally as 11 Champions Run, San Antonio, Texas 78258 (the “Property”). The stalking horse bid is at a price that the Trustee, in consultation with the Broker (as defined below), believes is fair market value. Trustee hopes the approval of this Motion and the undertaking of a sales process with the stalking horse bidder will result in higher offers.

III.
RELIEF REQUESTED

4. The Trustee is seeking to establish a sales procedure regarding the Property. Pursuant to sections 105 and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the

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Bankruptcy Rules, the Trustee hereby moves the Court for the entry of an order (the “Bid Procedures Order”), substantially in the form attached hereto as **Exhibit A**, (i) approving the bid procedures (the “Bid Procedures,” substantially in the form attached to the Bid Procedures Order as **Exhibit 1**) for the sale of the Property, including the approval of a stalking horse bidder and bid protections; (ii) establishing a date for an auction (the “Auction”) and a final hearing (the “Sale Hearing”) to approve the sale of the Property, as more fully defined herein (the “Sale Transaction”); and (iii) approving the form and manner of notice of the Auction and Sale Hearing.

5. The Trustee also hereby moves the Court, pursuant to Bankruptcy Code sections 105 and 363 and Bankruptcy Rules 2002 and 6004, for the entry of an order (the “Sale Order”), substantially in the form attached hereto as **Exhibit B**, approving the sale of the Property free and clear of all liens, claims, encumbrances, and other interests, and (ii) granting related relief.

IV. PROCEDURAL AND FACTUAL BACKGROUND

A. General Background

6. On June 1, 2022, (the “Petition Date”), the Debtors filed their voluntary petition in this Court for reorganization relief under chapter 11 of the Bankruptcy Code.

7. On June 13, 2022, the Court entered its Orders [ECF No. 36 in the Pettit case and ECF No. 39 in the CP&A case] directing the appointment of a chapter 11 trustee in the Debtors’ Cases and providing that the United States Trustee appoint such chapter 11 trustee. On June 16, 2022, the United States Trustee filed its Notice of Appointment of Chapter 11 Trustee [ECF No. 49], providing for the appointment of Mr. Terry as Trustee. On June 22, 2022, the Court entered its Order Approving United States Trustee’s Application for Order Approving Appointment of

Eric Terry as Chapter 11 Trustee [ECF No. 83], approving the United States Trustee's selection and appointment of Mr. Terry as Trustee.

8. On December 20, 2022, the Trustee filed his *Third Application for Approval of the Employment and Retention of Compass RE Texas, LLC, Corie Property Group, and Fred Hutt as Real Estate Broker Pursuant to 11 U.S.C. § 327(a) and 328(a)* [ECF No. 746] (the "Broker Application"), seeking to expand the employment of Compass RE Texas, LLC, as sponsoring broker, Corie Property Group, as associate broker, and Fred Hutt (together, "Compass" or "Broker") with respect to the marketing and sale of the Property. On January 13, 2023, the Court entered its order approving the Broker Application [ECF No. 787].

9. On August 28, 2023, Source Capital Funding, Inc. ("Source Capital") initiated an adversary proceeding (Adv. No. 23-05078-cag) against the Trustee to determine the extent, validity, and priority of its liens, including an asserted lien on the Property.

10. Bexar County asserts a claim for ad valorem taxes for the years 2021, 2022, and 2023 on the Property, all of which appear to be unpaid. For the year 2021, Bexar County asserts it is owed \$61,466.22. For the year 2022, Bexar County asserts it is owed \$60,850.86. For the year 2023, Bexar County asserts it is owed \$42,825.05, which will be prorated upon the closing of the Sales Transaction with approximately \$39,256.30 to be paid by the Debtors' estates and approximately \$3,568.75 to be paid by the Purchaser (as defined below).

B. The Property and Previous Marketing Efforts

11. By this Motion, the Trustee seeks authority to sell the Property. The Trustee believes that a competitive sales process should realize the highest and best value for the Property.

12. As more fully set forth in the Broker Application, Compass marketed the Property on multiple listing services (“MLS”), email blasts, real estate publications, and direct outreach beginning on January 19, 2023 at a listing price of \$1,600,000.00. On August 28, 2023, in consultation with the Trustee and his professionals, Compass lowered the listing price to \$1,500,000.00. In total, the Property has had fifty-seven (57) showings with prospective buyers, with forty-three (43) of them occurring within the last six months.

13. To date, the Evo Contract (as defined below) is one of two credible offers the Trustee has received on the Property. However, in light of the lengthy marketing efforts that have been undertaken and the current status of the market, after consultation with Broker and his counsel, the Trustee believes the Evo Contract provides the Estates the highest and best current value for the Property and therefore should be designated as the stalking horse bid for the Property.

C. Stalking Horse Bidder and Sale Procedures.

14. The Trustee has entered into that certain One to Four Family Residential Contract Promulgated by the Texas Real Estate Commission (the “Evo Contract”) with Evo Tech, LLC, or its assigns (“Evo”), pursuant to which they would serve as stalking horse bidder (the “Stalking Horse Bidder”) for the Property. A copy of the Evo Contract is attached hereto as **Exhibit C**. The Evo Contract provides for a purchase price of \$1,400,000.00 and closing on or before December 15, 2023. However, Evo has requested to close earlier and the Trustee supports completing the Sale Hearing on or before November 15, 2023.

15. The Trustee proposes the approval of the Evo Contract as the stalking horse bid (the “Stalking Horse Bid”) for the Property and that the Trustee be authorized to establish a procedure for the sale of the Property on an as-is basis, with the successful bidder (the “Purchaser”)

to assume specific closing costs, including the costs associated with any title policy, and that the closing occur on the earlier of (i) November 30, 2023 or (ii) when the Sale Order becomes a Final Order (as defined in the Stalking Horse Addendum).

16. The Evo Contract will be provided to all prospective competing bidders (each, a “Potential Bidder”) in connection with the marketing process of the Property. Potential Bidders will be required to submit to the Broker or Trustee an executed sales contract (a “Modified Sales Contract”) in the same form as, and redlined against, the Evo Contract, reflecting the terms upon which the Potential Bidder would seek to affect a purchase of the Property, by no later than November 9, 2023 (the “Bid Deadline”).

17. In the event the Trustee obtains Qualified Bids (as defined below) in addition to the Stalking Horse Bid, the Trustee proposes an Auction of the Property to be conducted in conjunction with the Sale Hearing, with such Auction to be conducted in open Court. The Trustee proposes to conduct the Sale Hearing with any Qualified Bidders (as defined below) allowed to participate, with the highest bidder(s) being determined by the Trustee in consultation with the Broker and his counsel. If no other Qualified Bids are received, the Trustee will request that the Court approve the Sale Transaction to the Stalking Horse Bidder on the terms in the Evo Contract.

**V.
THE BID PROCEDURES**

18. By this Motion, the Trustee requests entry of the Bid Procedures Order, which will, among other things, establish the following timeline:

Proposed Sale Timeline	
Granting of Bid Procedures Motion and Approval of Stalking Horse	On or before October 30, 2023.

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Deadline to Serve Sale Notice and Form Sales Contract	One (1) business day following the entry of an order approving bidding procedures.
Competing Bid Deadline	November 9, 2023 at 5:00 p.m. CST.
Notice of Qualified Bidder with Notice to Stalking Horse Bidder	November 10, 2023.
Sale Objection Deadline	November 10, 2023 at 5:00 p.m. CST.
Auction (if required)/Selection of Final Bid and Sale Hearing	November 15, 2023 [time TBD]
Consummation of Sale	November 30, 2023

19. The Bid Procedures are designed to maximize value for the Estates while ensuring an orderly sale process. The Bid Procedures describe, among other things, the manner in which Potential Bidders and bids become “Qualified,” the procedures for receipt and negotiation of bids received, the conduct of any auction, the selection and approval of any untimely successful bidder, and related deadlines (the “Bidding Process”). The Bidding Process affords the Trustee a sufficient opportunity to pursue a sales process that will maximize the value of the Property for the benefit of the Estates under the circumstances.

20. Certain key terms of the Bid Procedures are highlighted below:

- (a) **Diligence**: Potential Bidders will each be provided a copy of the Evo Contract and current title commitment for the Property (and any updates thereto). Potential Bidders may conduct additional, non-destructive diligence at their own option and expense, including tours of the Property and the engagement of customary engineers and contractors. Potential Bidders shall indemnify the Trustee against all losses, damages, expenses, and claims that may arise by reason of any entry by a Potential Bidder or any agent, employee, or contractor of the Potential Bidder into and upon the Property for testing of the Property and shall repair any damage to the Property caused by such entry.
- (b) **Bid Deadline**: Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined in the Bid Procedures) on or before 5:00 p.m. (prevailing Central Time) on November 9, 2023, to

attorneys for the Trustee, Wick Phillips Gould & Martin, LLP, Attn: Scott Lawrence, 3131 McKinney Ave., Suite 500, Dallas, TX 75204, scott.lawrence@wickphillips.com.

- (c) **Auction Qualification Process**: To be eligible to participate in the Auction, each Potential Bidder must be determined by the Trustee, in his sole and absolute business judgment, to satisfy each of the conditions set forth below:
- i. **Bids in Writing for the Property and Purchase Price**: Each Potential Bidder must submit a bid in writing that must be a bid to purchase the Property for cash at closing. All bidders must complete their due diligence prior to the Bid Deadline. There shall be no other provision for the completion of due diligence after the Bid Deadline.
 - ii. **Identification of Bidder**: Each Potential Bidder must fully disclose the legal identity of each entity that will be bidding or otherwise participating in connection with such bid, and must also disclose any connection or agreements with the Debtors or Trustee, any other known Potential Bidder or Qualified Bidder, and/or any officer or director of the foregoing.
 - iii. **Modified Agreement**: Each Potential Bidder must submit an irrevocable offer in the form of a Modified Sales Contract, including all exhibits and schedules contemplated thereby and a marked copy of the Modified Sales Contract reflecting the differences between the submitted Modified Sales Contract and the Evo Contract.
 - iv. **Proof of Financial Ability to Perform**: Each Potential Bidder must demonstrate to the Trustee in his sole and absolute business judgment that it is financially capable of consummating the transaction contemplated by (i) the Modified Sales Contract and (ii) any additional bids, overbids, or modifications to the Modified Sales Contract such Potential Bidder may make during the Auction. The Potential Bidder must detail the source(s) of funds that will be used to consummate the transaction and include satisfactory evidence of committed financing or other financial ability to consummate the transactions in a timely manner. Each Potential Bidder must expressly acknowledge and represent that the Potential Bidder (i) has had an

opportunity to conduct any and all due diligence relating to the Property prior to making its bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of the Property in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guarantees whatsoever, whether express or implied, by operation of law, or otherwise, regarding the Property, except as expressly stated in the representations and warranties contained in the Modified Sales Contract ultimately accepted and executed by the Trustee. Bids must include evidence of authorization and approval from the bidder's board of directors (or comparable governing body), if applicable, with respect to the submission, execution, delivery and closing of the Modified Sales Contract and may not contain any condition to closing of the transaction on the receipt of any third party approvals (excluding required Court approval and any required governmental and/or regulatory approval, if any) or any financing contingencies of any kind.

- v. Ability to Close: Each Potential Bidder must be able to close the transaction by December 15, 2023.
 - vi. Good Faith Deposit: Each Potential Bidder must provide a good faith deposit ("Good Faith Deposit") in the form of a certified or bank check (or other form acceptable to the Trustee in his sole and absolute discretion) deposited with the title company in an amount equal to \$14,000.00. All Good Faith Deposits shall be held in a segregated account by the title company until no later than ten (10) days after the Sale Hearing and thereafter returned to the respective Potential Bidders in accordance with the Bid Procedures, unless the Potential Bidder has been selected as the Back-Up Bidder (as defined below).
- (d) Stalking Horse Bid: The Trustee has selected the Stalking Horse Bidder and the Stalking Horse Bid, as discussed above.
- i. Any objections to the approval of the Stalking Horse Bidder and the Stalking Horse Bid must be filed no later than two (2) business days prior to the hearing to approve this Motion (the "Bid Procedures Hearing").

- (e) **Auction, Auction Procedures, and Overbids:** In the event that the Trustee receives one or more timely Qualified Bids, the Trustee shall conduct an Auction. The Auction, if required, will be held in the courtroom and supervised by the Court. The Trustee may adjourn or cancel the Auction at or prior to the Auction if no Qualified Bids are received.
- i. The Qualified Bidders shall appear in person or via Webex at the Auction or through a duly authorized representative. Only Qualified Bidders shall be entitled to make any subsequent bids at the Auction. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale.
 - ii. Bidding for the Property shall commence at the amount of the Stalking Horse Bid plus twenty-five thousand dollars (\$25,00.00) (the “Initial Topping Bid”). Qualified Bidders may then submit successive bids higher than the previous bid, based on and increased from the Initial Topping Bid, in increments of at least \$25,000.00.
 - iii. All Qualified Bidders shall have the right to submit additional bids and make additional modifications to their respective Modified Sales Contracts, as applicable, at the Auction to improve such bids, subject to the Trustee’s review and business judgment. The Auction may include negotiations with the Qualified Bidders and open bidding in the presence of all other Qualified Bidders.
 - iv. The Sale Order shall include a copy of the Successful Bid, and the identity of any Purchaser and Back-Up Bidder.
 - v. The Trustee shall request at the Sale Hearing that the Court authorize the Trustee to consummate the Sale Transaction with the Purchaser. All Qualified Bidders at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction.
- (f) **Back-Up Bidder:** If an Auction is conducted, the Qualified Bidder(s) with the next highest or otherwise best Qualified Bid(s) for the Property at the Auction (the “Back-Up Bid”) shall be required to serve as the back-up bidder (the “Back-Up Bidder”) for the Property. The Back-Up Bid shall remain open and irrevocable until the first to occur of (i) ninety (90) days after the completion of the Auction, (ii) consummation of the Sale

Transaction with the Purchaser, or (iii) the Back-Up Bidder's receipt of notice from the Trustee of the release by the Trustee of the Back-Up Bidder's obligations. Following the Sale Hearing, if the Purchaser fails to consummate an approved Sale Transaction because of a breach or failure to perform on the part of such Purchaser or otherwise, the Trustee will be authorized, but not required, to consummate the sale with the Back-Up Bidder without further order of the Court.

- (g) **Return of Good Faith Deposits:** Good Faith Deposits shall be returned without interest to each bidder not selected by the Trustee as the Purchaser or the Back-Up Bidder by no later than the tenth (10th) business day following the conclusion of the Auction. The Good Faith Deposit of the Back-Up Bidder shall be held by the Trustee until ten (10) business days after the closing of the Sale Transaction with the Purchaser or termination of the Back-Up Bid, as provided above.
- (h) **Alteration of Procedures:** The Trustee reserves the right to request Court authority to alter the Bid Procedures. The Trustee may terminate discussions with any and all prospective acquirers at any time without specifying the reasons therefore, but only to the extent not materially inconsistent with the Bid Procedures.

VI. **SALE NOTICE PROCEDURES**

21. Within one (1) business day after the entry of the Bid Procedures Order, the Trustee (or his agents) shall provide notice (substantially in the form of the Sale Notice attached to the Bid Procedures Order as **Exhibit 2**) of the Bid Procedures Order, the Motion, the Auction, the Sale Objection Deadline, and the Sale Hearing by first-class mail or electronic mail upon (i) the Office of the United States Trustee for the Western District of Texas; (ii) all entities known by the Trustee to have asserted any lien, claim, encumbrance, or other interest in the Property (for whom identifying information and addresses are available to the Trustee); (iii) any Governmental Authority known to have a claim in the Cases; (iv) all parties who have requested notice in the Cases pursuant to Bankruptcy Rule 2002; (v) all of the Debtors' known creditors; and (vi) all other persons known to the Trustee that have expressed an interest in purchasing the Property and as

directed by the Court (for whom identifying information and addresses are available to the Trustee) (collectively, the “Sale Notice Parties”).

22. The Trustee submits that the proposed Sale Notice and providing notice of this Motion, the Auction, and the Sale Hearing as described herein, complies fully with Bankruptcy Rule 2002 and the Local Rules and constitutes good and adequate notice of the Sale Transaction and the proceedings with respect thereto. Therefore, the Trustee respectfully requests that this Court approve the form of the Sale Notice and the notice procedures proposed above.

23. Any and all objections, if any, to any Sale Transaction, including objections to the Auction and the selection of any Purchaser must be filed by 5:00 p.m. (prevailing Central Time) on November 10, 2023 (the “Sale Objection Deadline”).

24. Any party that fails to timely file an objection to the Sale Transaction shall be forever barred from objecting and shall be deemed to have consented to the Sale Transaction, including the transfer of the Estates’ right, title, and interest in, to and under the Property free and clear of any and all liens, claims, encumbrances, and other interests in accordance with a definitive agreement for the Sale Transaction.

VII.
LEGAL BASIS FOR THE RELIEF REQUESTED

A. Approval of the Sale and Bid Procedures is Warranted Under Section 363 of the Bankruptcy Code

25. Section 363 of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 105 provides, in relevant part, that “[t]he Court may issue

any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

26. The sale of a debtor’s assets is authorized under section 363 of the Bankruptcy Code if there is a business justification for the sale. *Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986); *see also Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *Fulton State Bank v. Schipper (In re Schipper)*), 933 F.2d 513, 515 (7th Cir. 1991)); *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986). Among the factors in determining whether there is sufficient business justification for the sale, the bankruptcy court:

should consider all salient factors pertaining to the proceeding and, accordingly, act to further diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the asset to the estate as a whole, the amount of elapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-à-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasing or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

In re Cont’l Air Lines, Inc., 780 F.2d at 1226 (quoting *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*), 722 F.2d 1063, 1071 (2d Cir. 1983)). “Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litig. v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). When a valid business justification exists, the law vests the debtor’s or

trustee's decision to use property out of the ordinary course of business with a strong presumption that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *In re Integrated Res.*, 147 B.R. at 656 (quoting *Smith v. Van Gorkom*, 488 A. 2d 858, 872 (Del. 1985)). Therefore, parties objecting to the Trustee's proposed sale must make a showing of "bad faith, self-interest, or gross negligence." *Integrated Res.*, 147 B.R. at 656.

27. Moreover, the Court has authority under section 105(a) of the Bankruptcy Code to approve non-ordinary course transactions under section 363(b) of the Bankruptcy Code. The Fifth Circuit has acknowledged that section 105 confers broad powers on bankruptcy courts:

[Section] 105 [is] an omnibus provision phrased in such general terms as to be the basis for a broad exercise of power in the administration of a bankruptcy case. The basic purpose of § 105 is to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.

See Davis v. Davis (In re Davis), 170 F.3d 475, 492 (5th Cir 1999) (citation omitted).

28. The Trustee has proposed the sale of the Property after thorough consideration of all viable alternatives and has concluded that the Sale Transaction is supported by a number of sound business reasons. As the Court is well aware, successful completion of these Cases requires the monetization of the Debtors' assets in order to satisfy claims. To date, the Trustee and his professionals have successfully obtained court approval for the sale of substantially all of the Estates' real property, including (1) 772 Lakebreeze Dr., Canyon Lake, Texas 78133-4020 [ECF No. 572]; (2) 488 East Olmos Dr., San Antonio, Texas 78212 [ECF No. 612]; (3) 4118 Honeycomb St., San Antonio, Texas 78230-1402 [ECF No. 570]; (4) 15715 Deercrest, San Antonio, Texas 78248-1327 [ECF No. 571]; (5) 10285 Summer Meadow Way, Golden Oak, Florida 32836 [ECF

No. 732]; (6) 11923 Rustic Lane, San Antonio, Texas 78230 [ECF No. 802]; (7) 6649 Seacomber Dr., Unit 201, Port Aransas, Texas 78373 [ECF No. 853]; (8) 13111 Huebner Road, San Antonio, Texas 78230 [ECF No. 861]; and (9) 11902 Rustic Lane, San Antonio, Texas 78230 [ECF No. 952 and ECF No. 1007]. The Property is one of two remaining of the Estates' real properties pending sale.

29. Based on the foregoing, the sale of the Property is justified by sound business reasons and is in the best interest of the Estates. Accordingly, pursuant to section 363(b) of the Bankruptcy Code, the Trustee requests approval of the sale to the Purchaser as set forth herein.

30. This Court should approve the Bid Procedures, as set forth in **Exhibit A-1**, because such procedures will ensure the Property yields the highest possible value. The proposed Bid Procedures will allow the Trustee to conduct the sale process and Auction, if necessary, in a controlled, fair, and open fashion that will encourage participation by financially capable bidders that demonstrate the ability to close a transaction. The Trustee believes that the Bid Procedures are (a) sufficient to encourage competitive bidding for the Assets; (b) consistent with other procedures previously approved by bankruptcy courts; and (c) appropriate under relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings.

31. Once there is a proposed business justification for proposed bid procedures, an auction, and sale, its justification is evaluated according to the business judgment rule, which is “a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.” *In re S.N.A. Nut Co.*, 186 B.R. 98 (Bankr. N.D. II. 1995); *see also In re Broughton Ltd. P'ship*, 474 B.R. 206, 218 (Bankr. N.D. Tex. 2012) (citing *In re Cont'l Air Lines, Inc.*, 780 F.2d 1223,

1226 (5th Cir. 1986)) (“[T]he court relies on an estate representative’s sound business judgment in approving acts outside the ordinary course of business.”); *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615-16 (Bankr. S.D. N.Y. 1986) (“A presumption of reasonableness attaches to a Debtors’ management decisions.”).

32. The paramount goal in any proposed auction of property of the estate is to maximize the proceeds received by the estate. *See, e.g., In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the estate at hand”); *In re Atlanta Packaging Prods., Inc.*, 99 B.R. 124, 130 (Bankr. N.D. Ga. 1988) (“It is a well-established principle of bankruptcy law that the trustee’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”).

33. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., Integrated Res.*, 147 B.R. at 659 (such procedures “encourage bidding and to maximize the value of the debtor’s assets”); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991), (“court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

34. Courts have made clear that business judgment is entitled to substantial deference with respect to the procedures to be used in selling assets of the estate. *See, e.g., In re Redwine Res.*, 2010 WL 5209287 at *2 (Bankr. N.D. Tex., June 24, 2010) (approving bid procedures where debtors “have exercised sound business judgment and presented sound business reasons for approval of the [b]id [p]rocedures.”); *Integrated Res.*, 147 B.R. at 656-57 (noting that overbid

procedures and break-up fee arrangements are to be reviewed according to the deferential “business judgment” standard, under which such procedures and arrangements are “presumptively valid”); *In re 995 Fifth Ave. Assocs.*, L.P., 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (same).

35. The Trustee has sound business justifications for seeking approval of the Motion at this juncture. The Trustee believes it is in the best interests of the Estate, and the creditors thereof, to commence a bidding procedure immediately. In the Trustee’s business judgment, the proposed Bid Procedures provide the best option for maximizing value for the estates and their creditors.

36. The proposed Bid Procedures contain terms typical for a process through which a sale of this nature is consummated and will increase the likelihood that the Estates will receive the greatest possible consideration because they will ensure a competitive and fair bidding process. As additional support, § 105(a) of the Bankruptcy Code provides that the Court “may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). As described above, approval of the Bid Procedures will greatly assist the Trustee in maximizing the value that may be obtained for the Estate’s creditors. Consequently, the Trustee respectfully submits that granting the requested relief is necessary and appropriate under the circumstances.

B. The Sale of Assets Free and Clear of Liens, Claims and Encumbrances is Authorized Under Section 363(f) of the Bankruptcy Code.

37. The Trustee also requests that the Court authorize the Sale of the Property free and clear of any and all liens, claims, charges, encumbrances, and interests (collectively, the “Interests”), which may be asserted or otherwise exist, with any such Interests to attach to the proceeds of the Sale of the Property, subject to the rights and defenses of the Trustee, if any, with

respect thereto. Section 363(f) of the Bankruptcy Code authorizes a sale of assets free and clear of liens, claims, interests, and encumbrances in property of an entity other than the estate if:

- (1) applicable nonbankruptcy law permits a sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

See 11 U.S.C. § 363(f).

38. While the term “any interest,” as used in section 363(f), is not defined in the Bankruptcy Code, courts have held that the scope of section 363(f) of the Bankruptcy Code is not limited to *in rem* interests. *In re Leckie Smokeless Coal Co.*, 99 F.3d 573, 581-82 (4th Cir. 1996); *Folger Adam Sec. v. DeMatteis/MacGregor, JV*, 209 F.3d 252, 258 (3d Cir. 2000) (citing 3 COLLIER ON BANKRUPTCY 363.06[1]). Thus, a debtor can “sell its assets under § 363(f) free and clear of successor liability that otherwise would have arisen under federal statute.” *Folger Adam*, 209 F.3d at 258.

39. Because section 363(f) of the Bankruptcy Code is drafted “in the disjunctive,” satisfaction of any one of its five (5) requirements will suffice to permit the sale of the company “free and clear” of liens and interests. *In re Nature Leisure Times, LLC*, 06-41357, 2007 WL 4554276, at *3 (Bankr. E.D. Tex. Dec. 19, 2007); see also *Michigan Employment Sec. Comm’n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (stating that Bankruptcy Code section 363(f) is written in the disjunctive; holding that the court

may approve the sale “free and clear” provided at least one of the subsections of Bankruptcy Code section 363(f) is met); *In re Dundee Equity Corp.*, No. 89-B-10233, 1992 WL 53743, at *4 (Bankr. S.D. N.Y. Mar. 6, 1992) (“[S]ection 363(f) is in the disjunctive, such that the sale free of the interest concerned may occur if any one of the conditions of § 363(f) have been met.”); *In re Bygaph, Inc.*, 56 B.R. 596, 606 n.8 (Bankr. S.D. N.Y. 1986). The Court also may authorize the sale of estate assets free and clear of any liens pursuant to section 105 of the Bankruptcy Code, even if section 363(f) did not apply. See *Matter of Selby Farms*, 15 B.R. 372, 375 (Bankr. S.D. Miss. 1981) (“The power of the Bankruptcy Court to sell property free and clear of liens has long been recognized.” (citing *Van Huffel v. Harkelrode*, 284 U.S. 225, 227-28 (1931))); *In re Trans World Airlines, Inc.*, No. 01-0056, 2001 WL 1820325, at *3 (Bankr. D. Del. Mar. 27, 2001) (“Bankruptcy courts have long had the authority to authorize the sale of estate assets free and clear even in the absence of § 363(f).”); see also *Volvo White Truck Corp. v. Chambersberg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987) (“Authority to conduct such sales [free and clear of liens] is within the court’s equitable powers when necessary to carry out the provisions of Title 11.”).

40. The Trustee believes that the proposed Sale satisfied at least one of the five conditions in section 363(f) of the Bankruptcy Code. In particular, the proposed Sale Order will provide for all Interests to attach to the proceeds from the Sale of the Property in the order of their priority and with the same validity, priority, force, and effect which such Interests now have against the Property, subject to the rights, claims, defenses, and other objections, if any, of the Trustee and parties in interest with respect to such Interests. The Trustee accordingly requests authority to convey the Property pursuant to the requested Sale Procedures, free and clear of all such Interests.

41. At the Sale Hearing, the Trustee will provide evidence that the sale price for the Property is fair and reasonable by showing that the Purchaser offered the highest or best purchase offer for the Property. Moreover, the Bid Procedures are designed to encourage as many bidders as possible to put forth their best offers, thus increasing the likelihood that the Property will be sold for the highest or best purchase price possible.

42. Accordingly, the Trustee requests that the Court approve the proposed Sale Transaction as set forth herein.

C. The Purchaser Is Entitled to Protections as a Good-Faith Purchaser

43. Bankruptcy Code § 363(m) states, in relevant part:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

44. A purchase agreement under section 363 “negotiated, proposed, and entered into ... in good faith, without collusion ... [resulting from] arm’s-length bargaining with ... parties represented by independent counsel” is entitled to good faith purchaser protections. *In re TriDimension Energy, L.P.*, 2010 Bankr. LEXIS 4838, *13 (Bankr. N.D. Tex. Nov. 19, 2010). A sale to a good-faith purchaser cannot be avoided under § 363(m), unless the sale authorization was stayed pending appeal. *See* 11 U.S.C. § 363(m) (“The reversal or modification of an authorization under subsection (b) of this section of a sale ... does not affect the validity of [the] sale ... to an entity that purchased ... the property in good faith....”). However, “[t]he trustee may avoid a sale ... if the sale price was controlled by an agreement among potential bidders....” *Id.* § 363(n). Additionally, for the sale to be considered in good-faith, consideration must: (1) be fair and

reasonable; (2) be the highest and best offer for the property, and (3) constitute reasonably equivalent value, fair value, and fair consideration. *In re TriDimension Energy, L.P.*, 2010 Bankr. LEXIS 4838, at *13.

45. The Trustee will show at the Sale Hearing that it negotiated with the purchaser at arm's-length, in good faith, and in an effort to achieve the best offer for the Estates' assets. The Trustee will show that the purchaser is entitled to the protections of a good-faith purchaser under section 363(m) of the Bankruptcy Code, and the sale of the Estate's assets does not constitute an avoidable transaction pursuant to section 363(n).

46. Further, any additional prospective purchaser will have, by definition, participated in a good faith manner if such prospective purchaser complies with the Bid Procedures and submits a Qualified Bid (as defined in **Exhibit B**). An Auction conducted in accordance with the Bid Procedures will further ensure that a sale of the assets will be the result of arm's length, good faith negotiations between the Trustee and each party submitting a Qualified Bid, including but not limited to the eventual purchaser. The Bid Procedures and the prospect of an open Auction preclude any conduct that would cause or permit the Sale to be set aside under section 363(n) of the Bankruptcy Code.

47. Finally, the Trustee reiterates that any agreement executed with or related to the sale of the Estate's assets will provide substantial, essential value to the Estate and creditors because it will facilitate an efficient and valuable disposition of the Property for fair and reasonable consideration. See *In re TriDimension Energy, L.P.*, 2010 Bankr. LEXIS 4838, at *9 (finding that reasonably equivalent value existed under the Bankruptcy Code); *Mellon Bank, NA. v. Metro Communications, Inc.*, 945 F.2d 635 (3d Cir. 1991) (same), cert. denied, 503 U.S. 937 (1992); see

also *Mellon Bank, N.A. v. Official Comm. of Unsecured Creditors (In re R.M.I., Inc.)*, 92 F.3d 139 (3d Cir. 1996); *Salisbury v. Texas Commerce Bank-Houston, N.A. (In re WCC Holding Corp.)*, 171 B.R. 972, 984 (Bankr. N.D. Tex. 1994) (reasonably equivalent value under Texas law) (citing *Besing v. Hawthorne (In re Besing)*, 981 F.2d 1488, 1495 (5th Cir.), cert. denied. 510 U.S. 821 (1993) and *Southmark Corp. v. Riddle (In re Southmark Corp.)*, 138 B.R. 820, 829 (Bankr. N.D. Tex. 1992)); *In re China Resource Prod. Ltd. v. Favda Intern., Inc.*, 856 F. Supp. 856, 866 (D. Del. 1994) (citing *Geyer v. Ingersoll Publications Co.*, 621 A.2d 784, 792 (Del. Ch. 1992)). Through the sale process, the Trustee will conduct an open process, subject to review by the Court, that recognizes the rights of all parties-in-interest while providing the Estate with reasonably equivalent value in exchange for its assets. The Trustee believes that the ultimate purchaser is therefore a “good faith” purchaser within the meaning of Bankruptcy Code section 363(m), and, entitled to the full protections afforded by section 363(m).

D. Relief from Bankruptcy Rule 6004(h) is Appropriate.

48. Under Bankruptcy Rule 6004(h), unless the court orders otherwise, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for fourteen (14) days after entry of the order. Fed. R. Bankr. P. 6004(h). The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before the order is implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h).

49. To preserve the value of the Estates and limit the costs of administering and preserving the Property, it is critical that the Trustee close the sale of the Property as soon as possible after all closing conditions have been met or waived. Accordingly, the Trustee hereby requests that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h).

WHEREFORE, the Trustee respectfully requests that this Court grant the relief requested herein and all such other related relief as may be necessary and warranted under the circumstances.

Dated: October 25, 2023

/s/ Scott D. Lawrence

Jason M. Rudd, Tex. Bar No. 24028786
Scott D. Lawrence, Tex. Bar No. 24087896
Catherine A. Curtis, Tex. Bar No. 24095708
Mallory A. Davis, Tex. Bar No. 24133121
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, TX 75204
Phone: (214) 692-6200
Fax: (214) 692-6255
Email: jason.rudd@wickphillips.com
scott.lawrence@wickphillips.com
catherine.curtis@wickphillips.com
mallory.davis@wickphillips.com

**COUNSEL FOR ERIC TERRY,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I certify that by October 25, 2023, a copy of the Motion will have been served electronically on all parties registered to receive notice through the Court's ECF service, which parties are listed on the attached ECF Service List, and on the following members of the Creditors' Committee by pdf email to the email addresses listed below and by first class mail on certain other parties on the addresses listed below. Further, the Broker for the Trustee will send the Motion via electronic mail to all parties who expressed an interest in the Property.

Frank and Emma Persyn Family Limited
Partnership Contact: Loretta Persyn
10018 Tezel Rd.
San Antonio, TX 78254
Email: lorettapersyn@yahoo.com

Christopher Pettit
Karnes City Detention Facility
810 Commerce Street
Karnes City, TX 78118
Inmate ID: WD20498510

Bruce Bengel
5502 Pioneer Creek
San Antonio, TX 78245
Email: bbengel@swbell.net

Bexar County Tax Assessor
Attn: Albert Uresti
P.O. Box 839950
San Antonio, TX 78283

Richard Mylnar
796 S. Highway 16
Jourdanton, TX 78026
Email: rmylnar@yahoo.com

/s/ Scott D. Lawrence

Scott D. Lawrence

TRUSTEE'S MOTION FOR (I) AN ORDER AUTHORIZING AND APPROVING (A) BID PROCEDURES, INCLUDING APPROVAL OF STALKING HORSE BIDDER, (B) NOTICE OF AUCTION AND SALE HEARING, AND (C) RELATED RELIEF; AND (II) AN ORDER AUTHORIZING AND APPROVING (A) THE SALE OF REAL ESTATE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363(B), (F), AND (M), AND 503, AND (B) GRANTING RELATED RELIEF

ECF SERVICE LIST

Leslie M. Luttrell
Luttrell + Carmody Law Group
100 NE Loop 410, Suite 615
San Antonio, TX 78216
luttrell@lclawgroup.net

Bill Kingman
Law Offices of William B. Kingman,
P.C. 3511 Broadway
San Antonio, TX 78209
bkingman@kingmanlaw.com

Caroline Newman Small
Davis & Santos, PLLC
719 S. Flores Street
San Antonio, TX 78204
csmall@dslawpc.com

Michael C. Sanders
Sanders LLP
P.O. Box 27932
Houston, TX 77227
mcs@sandersfirm.law

Don Stecker
Linebarger Goggan Blair & Sampson
112 E. Pecan, Suite 2200
San Antonio, TX 78205
don.stecker@lgbs.com

David S. Gragg
Langley & Banack, Inc.
745 East Mulberry Ave., Suite 700
San Antonio, TX 78212
dgragg@langleybanack.com

Carl J. Kolb
Carl J. Kolp, P.C.
926 Chulie Dr.
San Antonio, TX 78216
service@carlkolblaw.com

William P Germany
Bayne, Snell & Krause
1250 N.E. Loop 410, Suite 725
San Antonio, TX 7820
wgermany@bsklaw.com

Elizabeth G. Smith
Law Offices of Elizabeth G. Smith
6655 First Park Ten, Suite 240
San Antonio, TX 78213
beth@egsmithlaw.com

Elliott S. Cappuccio
Pulman, Cappuccio & Pullen, LLP
2161 NW Military Hwy, Ste 400
San Antonio, TX 78213
ecappuccio@pulmanlaw.com

Anna K. MacFarlane
Pulman, Cappuccio & Pullen, LLP
2161 NW Military Hwy, Ste 400
San Antonio, TX 78213
amacfarlane@pulmanlaw.com

Lee Gordon
McCreary, Veselka, Bragg & Allen, P.C.
P.O. Box 1269
Round Rock, TX 78680
bankruptcy@mvbalaw.com

David A. Jones
DJ Law
110 E. Houston Street, 8th Floor
San Antonio, TX 78205
david@djlawpartners.com

Gerrit Schulze
Shumway Van
13750 San Pedro, Suite 810
San Antonio, TX 78232
Gerrit@shumwayvan.com

Alexander Wyatt Wright
Wayne Wright LLP
5707 W Interstate 10
San Antonio, TX 78201
wyatt@waynewright.com

Randall A. Pulman
Pulman Cappuccio & Pullen LLP
2161 NW Military Hwy, Suite
400 San Antonio, TX 78213
rpulman@pulmanlaw.com

Duane J. Brescia
Clark Hill Strasburger
720 Brazos Street, Ste. 700
Austin, TX 78701
dbrescia@clarkhill.com

Martin Seidler
Law Offices of Martin Seidler
11107 Wurzbach, Suite 504
San Antonio, TX 78230
marty@seidlerlaw.com

Christopher Adams
Okin Adams LLP
1113 Vine St, Suite 240
Houston, TX 77002
cadams@okinadams.com

Jarrod Martin/ Reagan "Tres" Gibbs III
Chamberlain Hrdlicka
1200 Smith Street, Suite 1400
Houston, TX 77002
jarrod.martin@chamberlainlaw.com
tres.gibbs@chamberlainlaw.com

Dean William Greer Dean W. Greer
2929 Mossrock, Suite 204 San
Antonio, TX 78230-5141
dean@dwgreerlaw.com

Patrick H. Autry/ Clint Buck
Branscomb PLLC
4630 N Loop 1604 W, Ste 206
San Antonio, TX 78249
pautry@branscomblaw.com
cbuck@branscomblaw.com

Albert M Gutierrez
Person, Mohrer, Morales, Boddy,
Garcia & Gutierrez, PLLC
8610 Broadway, Ste 440
San Antonio, TX 78217
amg@pmbglaw.com

Patrick Joost/ Gregory Brewer
Fidelity National Law Group
Legacy Town Center II
6900 Dallas Parkway, Suite 610
Plano, TX 75024
Patrick.Joost@fnf.com
Gregory.Brewer@fnf.com

ECF SERVICE LIST

Lisa C. Fancher
Fritz, Byrne, Head & Gilstrap
221 W Sixth Street, Ste 960
Austin, TX 78701
lfancher@fbhg.law

Brenda A Likavec
Codilis & Moody, P.C.
400 N. Sam Houston Pkwy E. Ste 900a
Houston, TX 77060
brenda.likavec@il.cslegal.com

David C. Alford
Pakis, Giotes, Page & Burleson
400 Austin Ave., Ste. 400
P. O. Box 58
Waco, TX 76703-0058
alford@pakislaw.com

David N. Deaconson
Pakis, Giotes, Page & Burleson
P. O. Box 58
Waco, TX 76703-0058
deaconson@pakislaw.com

James Samuel Wilkins
James S. Wilkins, PC
1100 NW Loop 410, Suite 700 San
Antonio, TX 78213
jwilkins@stic.net

Mark W. Steirer
Law Office of Mark Steirer
10330 White Rock Place
Dallas, TX 75238
marksteirer@sbcglobal.net

Matthew Mark Cowart
Law Offices of Matthew M. Cowart
6609 Blanco Road, #235
San Antonio, TX 78216
mcowartlaw@yahoo.com

Raymond W. Battaglia
Law Offices of Ray Battaglia, PLLC
66 Granburg Circle
San Antonio, TX 78218
rbattaglia@outlook.com

United States Trustee –
SA12 US Trustee's Office
615 E Houston, Suite 533
San Antonio, TX 78295-1539
USTPRegion07.SN.ECF@usdoj.gov

Stephen W. Sather
Barron & Newburger, P.C.
7320 N. MoPac Expwy., Ste 400
Austin, TX 78731
ssather@bn-lawyers.com

Abbey U. Dreher
Barrett Daffin Frappier Turner & Engel
4004 Belt Line Rd., Ste. 100
Addison, TX 75001
WDECF@BDFGROUP.COM

Julia W. Mann
Jackson Walker LLP
112 E Pecan St, Suite 2400
San Antonio, TX 78205
jmann@jw.com; laguilar@jw.com

William H. Oliver
Oliver Law Firm
7898 Broadway, Suite 120
San Antonio, TX 78209
wholiver@oliverlawfirm.com

J. Scott Rose
Jackson Walker, LLP
112 E Pecan St, Suite 2400
San Antonio, TX 78205
srose@jw.com; kgradney@jw.com

John F. Carroll
111 West Olmos Drive
San Antonio, TX 78212
jcarrollsatx@gmail.com

Eric Terry
Eric Terry Law, PLLC
3511 Broadway
San Antonio, TX 78209
eric@ericterrylaw.com

Aubrey L. Thomas
Office of the US Trustee, Region 7
615 E. Houston St., Suite 533
San Antonio, TX 78205
aubrey.thomas@usdoj.gov

Mercedes-Benz Financial Services USA
c/o Ed Gezel, Agent/ BK Servicing
P.O. Box 131265
Roseville, MN 55113-0011
notices@bksservicing.com

Jennifer Francine Wertz
Jackson Walker LLP
100 Congress Avenue, Suite 1100
Austin, TX 78701
kgradney@jw.com;
jwertz@jw.com;
dtrevino@jw.com

Brian Dennis
Lang Law Firm P.C.
10500 Heritage Blvd., Suite 200
San Antonio, TX 78216
brian@langfirm.com;
evangelina@langfirm.com

Vincent P. Slusher/ Kristen L. Perry
Faegre Drinker Biddle & Reath LLP
1717 Main Street, Suite 5400
Dallas, TX 75201
vince.slusher@faegredrinker.com
kristen.perry@faegredrinker.com

ECF SERVICE LIST

Julie Parsons
McCreary Veselka Bragg & Allen PC
PO Box 1269
Round Rock, TX 78680
jparsons@mvbalaw.com

Blake Rasner
Haley & Olson, PC
100 N. Ritchie Road, Suite 200
Waco, TX 76712
brasner@haleyolson.com

Joseph Little
The Little Law Firm PC
440 Louisiana Street, Suite 900
Houston, TX 77002
jrl@littlslawtexas.com

H. Anthony Hervol
Law Office of H. Anthony Hervol
4414 Centerview Drive, Suite 207
San Antonio, TX 78228
hervol@sbcbglobal.net

Kathryn N. Dahlin
Codilis & Moody, P.C.
400 N. Sam Houston Pkwy E., Ste 900 A
Houston, TX 77060
TX.bkpleadingsWEST@tx.cslegal.com

Morris E. "Trey" White III
Villa & White, LLP
1100 NW Loop 410 #802
San Antonio, TX 78213
trewhite@villawhite.com

Guillermo A. Flores, Jr.
Law Offices of G.A. Flores, Jr.
630 Broadway
San Antonio, TX 78215
gafloreslaw@yahoo.com

Diane W. Sanders
Linebarger Goggan Blair & Sampson
P.O. Box 17428
Austin, TX 78760-7428
austin.bankruptcy@lgbs.com

Michael J. Black
Burns & Black, PLLC
750 Rittiman Road
San Antonio, TX 78209-5500
mblack@burnsandblack.com

Charlie Shelton
Hayward PLLC
901 MoPac Expressway S., Bldg. 1, # 300
Austin, TX 78746
CShelton@HaywardFirm.com

Jay H. Ong
Munsch Hardt Kopf & Harr, P.C.
1717 West 6th Street, Suite 250
Austin, TX 78703
jong@munsch.com

Melissa S. Hayward
Hayward PLLC
10501 N. Central Expy, Ste. 106
Dallas, TX 75231
MHayward@HaywardFirm.com

Mark B. French
Law Office of Mark B. French
1901 Central Drive, Suite 704
Bedford, TX 76021
mark@markfrenchlaw.com

Tara L. LeDay
Chamberlain, Hrdlicka
1200 Smith Street, Suite 1400
Houston, TX 77002
tara.leday@chamberlainlaw.com

David McQuade Liebowitz
Law Offices of David Leibowitz
517 Soledad Street
San Antonio, TX 78205
service@leibowitzlaw.com

Thomas M. Farrell
McGuireWoods LLP
845 Texas Avenue, Suite 2400
Houston, TX 77002
tfarrell@mcguirewoods.com

John Thomas Oldham
Okin Adams LLP
1113 Vine St, Suite 240
Houston, TX 77002
joldham@okinadams.com

Michael Flume
Flume Law Firm, LLP
1020 N.E. Loop 410, Suite 530
San Antonio, TX 78209
mflume@flumelaw.net

John W. Hodges, Jr.
Hendley and Hodges Law PLLC
29710 US Hwy 281 N, Ste 300
Bulverde, Texas 78163
john@hhtx.law

Steven E. Seward
Assistant U.S. Attorney
601 N.W. Loop 410, Suite 600
San Antonio, TX 78216
Steven.Seward@usdoj.gov

Ronald J. Smeberg
The Smeberg Law Firm, PLLC
4 Imperial Oaks
San Antonio, TX 78248
ron@smeberg.com

Trey A. Monsour
Fox Rothschild LLP
2501 N. Harwood Street, # 1800
Dallas, TX 75201-0889
tmonsour@foxrothschild.com

Kayla Britton/ Elizabeth Little
Faegre Drinker Biddle & Reath LLP
600 E. 96th Street, Suite 600
Minneapolis, MN 55402
kayla.britton@faegredrinker.com
elizabeth.little@faegredrinker.com

Courtney J. Hull/ Asst Atty General
Attorney General's Office
Bankruptcy & Collections Division
P.O. Box 12548
Austin, TX 78711-2548
sherri.simpson@oag.texas.gov

Lawrence Morales II
The Morales Firm, P.C.
6243 W. Interstate 10, Suite 132
San Antonio, TX 78201
lawrence@themoralesfirm.com

Robert Barrows
Langley & Banack, Inc.
745 East Mulberry Ave., Suite 700
San Antonio, TX 78212
rbarrows@langleybanack.com

Mitchell Buchman
Barrett Daffin Frappier Turner & Engel
1900 St. James Place, Suite 500
Houston, TX 77056
sdecf@bdfgroup.com

ECF SERVICE LIST

Clint Buck
Branscomb, PLLC
4630 N. Loop 1604 West, Ste
206
San Antonio, TX 78249
cbuck@branscomblaw.com

Jason Rudd & Scott Lawrence
Wick Phillips Gould & Martin, LLP
3131 McKinney Ave., Suite 500
Dallas, TX 75204
Jason.rudd@wickphillips.com
Scott.lawrence@wickphillips.com

Wells Fargo Bank, NA
Jarrod D. Shaw/Alexander Madrid
McGuireWoods, LLP
260 Forbes Avenue, Suite 1800
Pittsburgh, PA 1522
jshaw@mcguirewoods.com
amadrid@mcguirewoods.com

John F. Carroll
111 West Olmos Drive
San Antonio, TX 78212
jcarrollsatx@gmail.com

Exhibit A

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

IN RE:

CHRIS PETTIT & ASSOCIATES, P.C.

CHRISTOPHER JOHN PETTIT

Jointly Administered Debtors.¹

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CASE NO. 22-50591-CAG

CASE NO. 22-50592-CAG

**CHAPTER 11 PROCEEDINGS
(Jointly Administered Under
Case No. 22-50591-CAG)**

**ORDER AUTHORIZING AND APPROVING (A) BID PROCEDURES,
INCLUDING APPROVAL OF STALKING HORSE BIDDER, (B) NOTICE OF
AUCTION AND SALE HEARING, AND (C) RELATED RELIEF**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

Came on for consideration the motion (the “Motion”)² of Eric Terry, chapter 11 trustee (the “Trustee”) in the above-captioned bankruptcy cases (“Cases”) for an order pursuant to Sections 105 and 363 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Rules of the United States Bankruptcy Court for the Western District of Texas (the “Local Rules”) (i) authorizing and approving bid procedures (the “Bid Procedures,” attached hereto as **Exhibit 1**) for the sale of certain real estate as set forth in the Evo Contract (the “Property”) owned by Trustee (“Seller”), including approval of stalking horse bidder, (ii) establishing a date for an auction if the Trustee receives one or more timely and acceptable Qualified Bids (the “Auction”) and a final hearing (the “Sale Hearing”) to approve the sale of the Property (the “Sale Transaction”), (iii) approving the form and manner of notice of the Auction and Sale Hearing, and (iv) related relief, and the Court having determined that notice of the Motion was adequate and sufficient; and all parties having been afforded due process and an opportunity to be heard with respect to the Motion and all the relief requested therein; and the Court having reviewed and considered: (i) the Motion; (ii) the objections and responsive pleadings filed in connection with the Motion, if any; and (iii) the representations of counsel made and the evidence proffered at the hearing to approve the Motion (the “Bid Procedures Hearing”); and the Bid Procedures Hearing having been held, and after due deliberation and sufficient case appearing therefore, hereby finds and determines that:

A. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and that venue is proper under 28 U.S.C. §§ 1408 and 1409.

² All Capitalized terms not otherwise defined herein shall have the same meanings ascribed in the Motion and its exhibits.

B. The statutory predicates for relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006.

C. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. The entry of this Order is in the best interest of the Debtors, their estates and creditors, and other parties in interest.

D. The notice of the Motion, the Bid Procedures Hearing, and the proposed entry of this Order was adequate and sufficient under the circumstances of these Cases, and such notice complied with all applicable requirements of the Bankruptcy Code, Bankruptcy Rules, and the Local Rules. Accordingly, no further notice of the Motion, the Bid Procedures Hearing, or this Order is necessary or required.

E. The Trustee has articulated good and sufficient reasons for the Court to (i) approve the Bid Procedures for the sale of the Property, (ii) approve Evo Tech, LLC or its assigns (collectively, “Evo” or the “Stalking Horse Bidder”) as the stalking horse bidder for the Property, (iii) establish a date for the Auction and the Sale Hearing, (v) approve the form and manner of notice of the Auction and Sale Hearing, and (vi) grant related relief. Such good and sufficient reasons were set forth in the Motion and on the record at the Bid Procedures Hearing, are incorporated by reference herein and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

F. The proposed *Notice of Auction and Sale Hearing* (the “Sale Notice”), substantially in the form attached hereto as Exhibit 2, is calculated to provide adequate notice concerning the proposed sale of the Property and will provide due and adequate notice of the relief sought in the Motion.

G. The Trustee has demonstrated that the Bid Procedures are fair, reasonable, and appropriate and are designed to maximize the value of the Debtors' estates.

H. The findings of fact and conclusions of law herein constitute the Court's findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** to the extent set forth herein.
2. All objections to the relief requested in the Motion, if any, that have not been withdrawn, waived, settled or ruled upon as announced to the Court as the Bid Procedures Hearing are denied and overruled in their entirety except as otherwise set forth herein.
3. The Bid Procedures, attached hereto as **Exhibit 1**, are hereby approved in their entirety. The Bid Procedures are incorporated herein by reference as if fully set forth herein. The failure to specifically include or reference a particular provision of the Bid Procedures in this Order shall not diminish or impair the effectiveness of such provision. Notwithstanding the foregoing, the consummation of the sale of the Property shall remain subject to the entry of a Sale Order.
4. The Trustee may proceed with the Sale Transaction in accordance with the Bid Procedures and is hereby granted the power and authority to take all steps necessary or appropriate to carry out the provisions of this Order and the Bid Procedures. Furthermore, the Trustee, in his sole and absolute discretion, may elect to remove the Property from the market.
5. The process for submitting Qualified Bids (as defined in the Bid Procedures) is fair, reasonable, and appropriate and is designed to maximize recoveries for the benefit of the Debtors'

estates, their creditors, and other parties in interest. Any disputes as to the selection of a Qualified Bid, an Initial Topping Bid, and/or a Successful Bid (all as defined in the Bid Procedures) shall be resolved by this Court.

6. All objections to the relief requested in the Bid Procedures Motion that have not been withdrawn, waived, or settled as announced to the Court at the Bid Procedures Hearing are overruled except as otherwise set forth herein.

7. Evo and the Evo Contract are each approved as the Stalking Horse Bidder and the Stalking Horse Bid, respectively, for the Property.

8. The form of the Sale Notice attached hereto as **Exhibit 2** is hereby approved.

9. Within three (3) business days after the Court enters this Order, the Trustee (or his agents) shall serve the Sale Notice by electronic mail where available or else by first class mail on (i) the Office of the United States Trustee for the Western District of Texas; (ii) all entities known by the Trustee to have asserted any lien, claim, encumbrance, or other interest in the Property (for whom identifiable information and addresses are available to the Trustee); (iii) any Governmental Authority known to have a claim in the bankruptcy cases; (iv) all parties who have requested notice in these Cases pursuant to Bankruptcy Rule 2002; (v) all of the Debtors' known creditors; (vi) all other persons known to the Trustee that have expressed an interest in purchasing the Property; and (vii) as directed by the Court (for whom identifiable information and addresses are available to the Trustee) (collectively, the "Sale Notice Parties").

10. Service of the Sale Notice as approved and set forth herein shall be deemed proper, due, timely, good, and sufficient notice of, among other things, the entry of this Order, the Bid Procedures, the Auction, the Sale Hearing, the deadline to object to the Motion, and the proposed Sale Transaction, including the transfer of the Seller's rights, title and interest in, to and under the

Property free and clear of any and all liens, claims, encumbrances, and other interests, and no other or further notice is necessary.

11. Any and all objections, if any, to any Sale Transaction, including objections to the Auction and the selection of any Successful Bidder(s), must be filed with the Court by 5:00 p.m. (prevailing Central Time) on November 10, 2023 (the “Sale Objection Deadline”) and must be served on attorneys for the Trustee, Wick Phillips Gould & Martin LLP, Attn: Scott Lawrence, 3131 McKinney Avenue, Suite 500, Dallas, Texas 75204, scott.lawrence@wickphillips.com.

12. Any party failing to timely file an objection to any Sale Transaction shall be forever barred from objecting and shall be deemed to have consented to any Sale Transaction, including the transfer of the Seller’s rights, title and interest in, to and under the Property free and clear of any and all liens, claims, encumbrances, and other interests in accordance with a definitive agreement for a Sale Transaction.

13. Any party desiring to submit a bid for the Seller’s rights, title and interest in, to and under the Property must comply with the Bid Procedures.

14. To the extent that one or more timely and acceptable Qualified Bid(s) is received, an auction shall be conducted in open Court and via Webex³ at us-courts.webex.com/meet/Gargotta on November 15, 2023 at **TIME** (prevailing Central Time), presided over by Judge Gargotta. The Trustee may adjourn or cancel the Auction at or prior to the Auction in the event no Qualified Bids are received.

³ Additional instructions and information on using Webex may be found on the Court’s website at: <https://www.txwb.uscourts.gov/sites/txwb/files/BankruptcyCourtroomGuidelinesForWebex-WDTX-rev20231002.pdf>. Parties wishing to examine witnesses or offer evidence at the Sale Hearing must appear in-person at 615 East Houston Street, Room 597, San Antonio, Texas 78205.

15. The Trustee may request Court authority to alter the Bid Procedures, including changes to modify deposit amounts and to modify or eliminate the requirements with respect to Back-Up Bidders. The Trustee may terminate discussions with any and all prospective acquirers at any time and without specifying the reasons therefore, but only to the extent not materially inconsistent with the Bid Procedures.

16. The Sale Hearing shall be held on November 15, 2023 at [TIME] via Webex at us-courts.webex.com/meet/Gargotta (see fn. 3).

17. Notwithstanding Bankruptcy Rule 6004 or otherwise, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. To the extent applicable, the stays described in Bankruptcy Rule 6004(h) are hereby waived.

18. The terms of this Order shall control to the extent of any conflict with the Motion.

19. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

END OF ORDER

PREPARED AND SUBMITTED BY

Jason M. Rudd, Tex. Bar No. 24028786
Scott D. Lawrence, Tex. Bar No. 24087896
Catherine A. Curtis, Tex. Bar No. 24095708
Mallory A. Davis, Tex. Bar No. 24133121
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, TX 75204
Phone: (214) 692-6200
Fax: (214) 692-6255
Email: jason.rudd@wickphillips.com
scott.lawrence@wickphillips.com
catherine.curtis@wickphillips.com
mallory.davis@wickphillips.com

COUNSEL FOR ERIC TERRY, CHAPTER 11 TRUSTEE

Exhibit 1

(Bid Procedures)

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

IN RE: CHRIS PETTIT & ASSOCIATES, P.C. CHRISTOPHER JOHN PETTIT Jointly Administered Debtors.¹	§ § § § § § § § § § §	CASE NO. 22-50591-CAG CASE NO. 22-50592-CAG CHAPTER 11 PROCEEDINGS (Jointly Administered Under Case No. 22-50591-CAG)
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BID PROCEDURES FOR THE SALE OF THE PROPERTY

Eric Terry, chapter 11 trustee in the above-captioned bankruptcy cases (the “Trustee”), sets forth the following bid procedures (the “Bid Procedures”) to be employed in connection with an auction, if the Trustee receives one or more timely Qualified Bids (the “Auction”), for the sale of certain real estate set forth in the Contract (the “Property”) owned by the estates of the Debtors (the “Seller”). At a hearing to approve the sale of the Property (the “Sale Hearing”), the Trustee will seek the entry of an order (the “Sale Order”) from the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Court”) authorizing and approving the sale of the Property among the Seller and the Qualified Bidder(s) (as defined herein) that the Trustee determines to have made the highest or otherwise best bid (a “Successful Bidder(s)”). These Bid Procedures have been approved and authorized pursuant to the Order Approving (A) Bid Procedures, Including Approval of Stalking Horse Bidder, (B) Notice of Auction and Sale Hearing, and (C) Related Relief (the “Bid Procedures Order”) entered by the Court on [DATE], 2023².

1. Approvals:

The proposed sale shall in all respects be subject to approval by the Court and in compliance with (i) the applicable provisions of chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”); (ii) the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and (iii) other applicable rules and law, including, without limitation, the Local Rules of Bankruptcy Practice and Procedure of the Court (the “Local Rules”) and orders of the Court.

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bid Procedures Order.

2. **Assets to be Sold:**

The Property, including all furniture, fixtures, and other assets located on the Property, will be sold to the highest bidder. The Successful Bidder must take all assets located at the Property.

3. **Preliminary Diligence:**

Any prospective competing bidder (each, a “Potential Bidder”) identified by the Trustee or the Broker as reasonably likely to be a Qualified Bidder (as defined herein) shall be provided a copy of the Evo Contract and current title commitment for the Property (and any updates thereto along with any documents reflected in the title commitment). Potential Bidders may conduct additional, non-destructive diligence at their own option and expense, including tours of the Property and the engagement of customary engineers and contractors. Potential Bidders shall indemnify the Trustee against all losses, damages, expenses, and claims that may arise by reason of any entry by a Potential Bidder or any agent, employee, or contractor of the Potential Bidder into and upon the Property for testing of the Property and shall repair any damage to the Property caused by such entry.

All bidders must complete their due diligence prior to the Bid Deadline. There shall be no other provision for the completion of due diligence after the Bid Deadline.

4. **Bid Deadline:**

Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined below) on or before November 9, 2023 at 5:00 p.m. (prevailing Central Time) in writing, to attorneys for the Trustee, Wick Phillips Gould & Martin, LLP, Attn: Scott Lawrence, 3131 McKinney Ave., Suite 500, Dallas, TX 75204, scott.lawrence@wickphillips.com.

5. **Stalking Horse Bid:**

The Trustee has entered into a sales contract with Evo Tech, LLC or its assigns (“Evo” or the “Stalking Horse Bidder”). The Evo Contract provides³ for a purchase price of \$1,400,000.00 and closing on or before December 15, 2023. The Court has approved Evo as the Stalking Horse Bidder and the Evo Contract as the Stalking Horse Bid.

6. **Qualified Bids:**

To participate in the bidding process and be deemed a “Qualified Bidder,” each Potential Bidder must submit a “Qualified Bid” by the Bid Deadline. To constitute a Qualified Bid, a bid must:

- a. Be in writing;
- b. Identify the Property;

³ The summary is qualified in its entirety by the Contract.

- c. Fully disclose the legal identity of each entity that will be bidding or otherwise participating in connection with such bid;
- d. Fully disclose any connections or agreements with the Debtors or the Trustee, any other known Potential Bidder or Qualified Bidder, and/or any officer or director of the foregoing;
- e. Provide an irrevocable offer in the form of an executed copy of a Modified Sales Contract, including all exhibits and schedules contemplated thereby;
- f. Include a marked copy of the Modified Sales Contract reflecting the differences between the Modified Sales Contract and the Evo Contract;
- g. Demonstrate to the Trustee's satisfaction that such bidder is financially capable of consummating the transaction contemplated by (i) the Modified Sales Contract and (ii) any additional bids, overbids, or modifications to the Modified Sales Contract such Potential Bidder may make during the Auction, and detail the source(s) of funds that will be used to consummate the transaction;
- h. Include satisfactory evidence of committed financing or other financial ability to consummate the transactions contemplated by the Modified Sales Contract in a timely manner;
- i. Expressly acknowledge and represent that the Potential Bidder (i) has had an opportunity to conduct any and all due diligence relating to the Property prior to making its bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of the Property in making its Bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guarantees whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Property, except as expressly stated in the Modified Sales Contract ultimately accepted and executed by the Trustee;
- j. Not contain any financing conditions of any kind;
- k. Not contain any condition to closing of the transaction on the receipt of any third party approvals (excluding required Court approval and any required governmental and/or regulatory approval, if any);
- l. Include evidence of authorization and approval from the bidder's board of directors (or comparable governing body), if applicable, with respect to the submission, execution, delivery and closing of the Modified Sales Contract;
- m. Be able to close the transaction by December 15, 2023; and
- n. Include a good faith deposit (the "Good Faith Deposit") in the form of a certified or bank check (or other form acceptable to the Trustee in its sole and absolute discretion) deposited with the title company in an amount equal to \$14,000.00. All Good Faith Deposits shall be held in a segregated account by the Trustee until no

later than ten (10) days after the Sale Hearing and thereafter returned to the respective bidder in accordance with these Bid Procedures, unless the bidder has been selected as the Back-Up Bidder (as defined herein).

The Trustee shall make a determination regarding whether a bid is a Qualified Bid and shall notify bidders whether their bids have been determined to be Qualified Bids no later than November 10, 2023 at 5:00 p.m. (prevailing Central Time). The Stalking Horse Bidder will be deemed a Qualified Bidder, and the Evo Contract will constitute a Qualified Bid for all purposes.

7. **Auction, Auction Procedures, and Overbids**

In the event that the Trustee receives one or more timely Qualified Bids, the Trustee shall conduct the Auction. The Auction, if required, will be conducted in open Court and via Webex⁴ at us-courts.webex.com/meet/Gargotta on November 15, 2023 at TIME (prevailing Central Time). The Trustee has the sole right to adjourn or cancel the Auction at or prior to the Sale Hearing if no competing Qualified Bids are received.

The Auction shall be governed by the following procedures, subject to modification by the Trustee at the Auction, with the approval of the Court:

- a. The Qualified Bidders shall appear via Webex (see fn. 4) at the Auction, or through a duly authorized representative.
- b. Only the Qualified Bidders shall be entitled to make any subsequent bids at the Auction.
- c. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale.
- d. Bidding for the Property shall commence at the amount of the Stalking Horse Bid plus \$25,000.00 (the “Initial Topping Bid”).
- e. Qualified Bidders may then submit successive bids higher than the previous bid, based on and increasing from the Initial Topping Bid, in increments of at least \$25,000.00.
- f. All Qualified Bidders shall have the right to submit additional bids and make additional modifications to their respective Modified Sales Contracts, as applicable, at the Auction to improve such bids. The Auction may include negotiations with the Qualified Bidders and open bidding in the presence of all other Qualified Bidders.

⁴ Additional instructions and information on using Webex may be found on the Court’s website at: <https://www.txwb.uscourts.gov/sites/txwb/files/BankruptcyCourtroomGuidelinesForWebex-WDTX-rev20231002.pdf>. Parties wishing to examine witnesses or offer evidence at the Sale Hearing must appear in person at 615 East Houston Street, Room 597, San Antonio, Texas 78205.

- g. The Auction among Qualified Bidders shall continue according to these procedures until the Trustee determines, subject to Court approval, that the Trustee has received the Successful Bid. In making this decision, the Trustee may consider, without limitation: the amount of the purchase price, the form of consideration being offered; the likelihood of the Qualified Bidder's ability to close a given transaction, the proposed timing thereof, and rights of such Qualified Bidder and the Trustee with respect to the termination thereof; the number, type, and nature of any changes reflected in the Modified Sales Contract requested of each Qualified Bidder; and the net benefit to the Debtors' Estates. The Qualified Bidder submitting the Successful Bid(s) for the Property shall become the Successful Bidder(s) and shall have such rights and responsibilities of a purchaser, as set forth in the Modified Sales Contract or Evo Contract, as applicable.

Bids made after the close of the Auction shall not be considered by the Trustee. All Qualified Bidders at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction.

The Trustee shall cause the results of the Auction, including a copy of the Successful Bid, the identity of the Successful Bidder and Back-Up Bidder (as defined below), and the Successful Bidder's proposed form of adequate assurance of future performance, to be filed with the Court.

8. **Back-Up Bidder and Return of Good Faith Deposits**

If an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Qualified Bid for the Property at the Auction (the "Back-Up Bid") shall be required to serve as the back-up bidder (the "Back-Up Bidder") for the Property and keep such Back-Up Bid open and irrevocable until the first to occur of (i) ninety (90) days after the completion of the Auction, (ii) consummation of the transaction with the Successful Bidder, or (iii) the Back-Up Bidder's receipt of notice from the Trustee of the release of the Back-Up Bidder's obligations. Following the Sale Hearing, if the Successful Bidder fails to consummate an approved Sale Transaction because of a breach or failure to perform on the part of such Successful Bidder or otherwise, the Back-Up Bidder will be deemed to be the new Successful Bidder, and the Trustee will be authorized, but not required, to consummate the sale with the Back-Up Bidder without further order of the Court.

Except as provided herein, Good Faith Deposits shall be returned without interest to each bidder not selected by the Trustee as the Successful Bidder or the Back-Up Bidder by no later than the tenth (10th) business day following the conclusion of the Auction. The Good Faith Deposit of the Back-Up Bidder shall be held by the Trustee until ten (10) business days after the closing of the Sale Transaction with the Successful Bidder or termination of the Back-Up Bid as provided above.

9. **Reservation of Rights**

The Trustee reserves the right to request Court authority to alter the Bid Procedures. The Trustee may terminate discussions with any and all prospective acquirers at any time and without

specifying the reasons therefore, but only to the extent not materially inconsistent with the Bid Procedures.

10. **Sale Hearing**

The Successful Bid(s) will be subject to approval by the Bankruptcy Court. The Sale Hearing will take place on November 15, 2023 at [TIME]. Parties may attend via Webex video (see fn. 4 above). The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open Court on the date schedules for the Sale Hearing or on the Court's docket.

The Trustee's presentation to the Court for approval of a Successful Bid does not constitute the Trustee's acceptance of the bid. The Trustee will be deemed to have accepted a bid only when the bid has been approved by order of the Court.

Dated: October 25, 2023

Respectfully submitted,

By: /s/Scott D. Lawrence
Jason M. Rudd, Tex. Bar No. 24028786
Scott D. Lawrence, Tex. Bar No. 24087896
Catherine A. Curtis, Tex. Bar No. 24095708
Mallory A. Davis, Tex. Bar No. 24133121
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, TX 75204
Phone: (214) 692-6200
Fax: (214) 692-6255
Email: jason.rudd@wickphillips.com
scott.lawrence@wickphillips.com
catherine.curtis@wickphillips.com
mallory.davis@wickphillips.com

**COUNSEL FOR ERIC TERRY,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I certify that by October 25, 2023, a copy of the Bid Procedures will have been served electronically on all parties registered to receive notice through the Court's ECF service, which parties are listed on the attached ECF Service List, and on the following members of the Creditors' Committee by pdf email to the email addresses listed below and by first class mail on certain other parties on the addresses listed below:

Frank and Emma Persyn Family Limited Partnership Contact: Loretta Persyn 10018 Tezel Rd. San Antonio, TX 78254 Email: lorettapersyn@yahoo.com	Christopher Pettit Karnes City Detention Facility 810 Commerce Street Karnes City, TX 78118 Inmate ID: WD20498510
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Bruce Bengel 5502 Pioneer Creek San Antonio, TX 78245 Email: bbengel@swbell.net	Bexar County Tax Assessor Attn: Albert Uresti P.O. Box 839950 San Antonio, TX 78283
--	--

Richard Mylnar
796 S. Highway 16
Jourdanton, TX 78026
Email: rmylnar@yahoo.com

/s/ Scott D. Lawrence

Scott D. Lawrence

Exhibit 2

(Sale Notice)

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

IN RE: CHRIS PETTIT & ASSOCIATES, P.C. CHRISTOPHER JOHN PETTIT Jointly Administered Debtors.¹	§ § § § § § § § § § §	CASE NO. 22-50591-CAG CASE NO. 22-50592-CAG CHAPTER 11 PROCEEDINGS (Jointly Administered Under Case No. 22-50591-CAG)
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NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on June 1, 2022 (the “Petition Date”), Christopher John Pettit (“Pettit”) and Chris Pettit & Associates, P.C. (“CP&A,” collectively with Pettit, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). On June 22, 2022, the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Court”) entered an order approving the appointment of Eric Terry as chapter 11 trustee for the Debtors’ estates (the “Trustee”).

PLEASE TAKE NOTICE that on October XX, 2023, the Court entered an order (the “Bid Procedures Order”) approving the Bid Procedures requested in the *Trustee’s Motion for (i) an Order Authorizing and Approving (a) Bid Procedures, Including Approval of Stalking Horse Bidder, (b) Notice of Auction and Sale Hearing, and (c) Related Relief; and (ii) an Order Authorizing and Approving (a) the Sale of Real Estate Free and Clear of all Liens, Claims, Encumbrances, and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), and (m), and 503, and (b) Granting Related Relief* (the “Sale Motion”), filed by the Trustee. The Sale Motion and Bid Procedures Order also sought to establish (i) an auction (the “Auction”) and (ii) a final hearing (the “Sale Hearing”) to approve the sale of certain real estate as set forth in the Evo Contract (the “Property”) owned by the estates of the Debtors (the “Seller”), all as more fully described in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, the Trustee is authorized to enter into the Evo Contract with the Stalking Horse Bidder for the Property.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, if the Trustee receives one or more timely and acceptable Qualified Bids (as defined in the Bid

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

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

Procedures Order) for the Property, the Auction shall take place on **November 15, 2023 at [TIME] (prevailing Central Time)** in open Court or such other location as designated by the Trustee in a notice to all Qualified Bidders. Parties may appear via Webex³ at us-courts.webex.com/meet/Gargotta. Only parties that have submitted a Qualified Bid, as set forth in the Bid Procedures Order, by no later than **November 9, 2023 at 5:00 p.m. (prevailing Central Time)** (the “Bid Deadline”) may bid at the Auction. Any party that wishes to take part in this process and submit a bid for the Property must submit their competing bid prior to the Bid Deadline and in accordance with the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the sale of the Property to the winning bidder at the Auction, free and clear of all liens, claims, encumbrances and other interests, will be held before the Honorable Judge Gargotta on **November 15, 2023 at [TIME] (prevailing Central Time)**, or at such other time as the Court is available. Parties may appear via Webex video at us-courts.webex.com/meet/Gargotta (see fn. 3).

PLEASE TAKE FURTHER NOTICE that objections to the sale, if any, must be filed with the Court and served so as to be actually received by the attorneys for the Trustee, Wick Phillips Gould & Martin, LLP, Attn: Scott Lawrence, 3131 McKinney Ave., Suite 500, Dallas, TX 75204, scott.lawrence@wickphillips.com no later than **November 10, 2023 at 5:00 p.m. (prevailing Central Time)**.

PLEASE TAKE FURTHER NOTICE THAT UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT, AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER HEARING AND NOTICE.

PLEASE TAKE FURTHER NOTICE that this Notice of Auction and Sale Hearing is subject to the fuller terms and conditions of the Sale Motion and the Bid Procedures Order, with such Bid Procedures Order controlling in the event of any conflict, and the Trustee encourages parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Property and/or copies of any related document, including the Sale Motion, the Evo Contract filed in connection with the Sale Motion, or the Bid Procedures Order, may make a written request to Wick Phillips Gould & Martin, LLP, Attn: Scott Lawrence, 3131 McKinney Ave., Suite 500, Dallas, TX 75204, scott.lawrence@wickphillips.com. Copies of the Sale Motion, the Bid Procedures Order, and this Notice are available free of charge on the Trustee’s website at www.pettitrustee.com. In addition, copies of the Sale Motion, the Bid Procedures Order, and this Notice may be examined by interested parties on the Court’s electronic docket for the Debtors’ chapter 11 cases, which is posted on the Internet at PACER for a fee (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov).

³ Additional instructions and information on using Webex may be found on the Court’s website at: <https://www.txwb.uscourts.gov/sites/txwb/files/BankruptcyCourtroomGuidelinesForWebex-WDTX-rev20231002.pdf>. Parties wishing to examine witnesses or offer evidence at the Sale Hearing must appear in person at 615 East Houston Street, Room 597, San Antonio, Texas 78205.

Dated: October 25, 2023

Respectfully submitted,

By: /s/ Scott D. Lawrence

Jason M. Rudd, Tex. Bar No. 24028786
Scott D. Lawrence, Tex. Bar No. 24087896
Catherine A. Curtis, Tex. Bar No. 24095708
Mallory A. Davis, Tex. Bar No. 24133121
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, TX 75204
Phone: (214) 692-6200
Fax: (214) 692-6255
Email: jason.rudd@wickphillips.com
scott.lawrence@wickphillips.com
catherine.curtis@wickphillips.com
mallory.davis@wickphillips.com

**COUNSEL FOR ERIC TERRY,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I certify that by October 25, 2023, a copy of the Notice of Auction and Sale Hearing will have been served electronically on all parties registered to receive notice through the Court's ECF service, which parties are listed on the attached ECF Service List, and on the following members of the Creditors' Committee by pdf email to the email addresses listed below and by first class mail on certain other parties on the addresses listed below. Further, the Broker for the Trustee will send the Notice of Auction and Sale Hearing via electronic mail to all parties who expressed an interest in the Property.

Frank and Emma Persyn Family Limited Partnership Contact: Loretta Persyn 10018 Tezel Rd. San Antonio, TX 78254 Email: lorettapersyn@yahoo.com	Christopher Pettit Karnes City Detention Facility 810 Commerce Street Karnes City, TX 78118 Inmate ID: WD20498510
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Bruce Bengel 5502 Pioneer Creek San Antonio, TX 78245 Email: bbengel@swbell.net	Bexar County Tax Assessor Attn: Albert Uresti P.O. Box 839950 San Antonio, TX 78283
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Richard Mylnar
796 S. Highway 16
Jourdanton, TX 78026
Email: rmylnar@yahoo.com

/s/ Scott D. Lawrence

Scott D. Lawrence

Exhibit B

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

IN RE:

CHRIS PETTIT & ASSOCIATES, P.C.

CHRISTOPHER JOHN PETTIT

Jointly Administered Debtors.¹

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CASE NO. 22-50591-CAG

CASE NO. 22-50592-CAG

**CHAPTER 11 PROCEEDINGS
(Jointly Administered Under
Case No. 22-50591-CAG)**

**ORDER AUTHORIZING AND APPROVING (A) THE SALE OF REAL ESTATE
FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER
INTERESTS PURSUANT TO BANKRUPTCY CODE SECTIONS 105, 363(B), (F),
AND (M); AND (B) GRANTING RELATED RELIEF**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s Social Security Number or Federal Tax Identification Number, as applicable, are: Chris Pettit & Associates, P.C. (1267), and Christopher John Pettit (9429).

Came on for consideration the motion (the “Motion”)² of Eric Terry, chapter 11 trustee (the “Trustee”) in the above-captioned bankruptcy cases (“Cases”) for an order pursuant to Sections 105 and 363 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Rules of the United States Bankruptcy Court for the Western District of Texas (the “Local Rules”) (i) authorizing and approving (a) bid procedures for the sale of certain real estate as set forth in the Evo Contract (the “Property”) owned by Trustee (“Seller”), including approval of stalking horse bidder, (b) establishing a date for an auction if the Trustee receives one or more timely and acceptable Qualified Bids (the “Auction”) and a final hearing (the “Sale Hearing”) to approve the sale of the Property (the “Sale Transaction”), (c) approving the form and manner of notice of the Auction and Sale Hearing, and (d) related relief and an (ii) order (a) approving the sale of the Property free and clear of all liens, claims, encumbrances, and other interests pursuant to sections 105 and 363 of the Bankruptcy Code, and (b) granting related relief, all as more fully described in the Motion; and the Court having entered an order on [DATE], 2023 at ECF No. XX (the “Bid Procedures Order” and Exhibit 1 attached thereto, the “Bid Procedures”); and the Auction having been set for November 15, 2023 in accordance with the Bid Procedures Order; and only the Purchaser(s) (as defined herein) having been deemed a Qualified Bidder(s) and having submitted a Qualified Bid(s) for the Property; and [NUMBER] Qualified Bidders having submitted competing bids for the Property; and an Auction having been held on November 15, 2023; and the Trustee having determined that Purchaser represents the highest and otherwise best bid for the Property; and a final hearing (the “Sale Hearing”) to approve the sale of the Property (the “Sale

² All Capitalized terms not otherwise defined herein shall have the same meanings ascribed in the Motion and its exhibits.

Transaction”) having been held on November 15, 2023 to consider approval of the Sales Contract (as defined herein); and the Court having determined that notice of the Motion was adequate and sufficient; and all parties having been afforded due process and an opportunity to be heard with respect to the Motion and all the relief requested therein; and the Court having reviewed and considered: (i) the Motion; (ii) the objections and responsive pleadings filed in connection with the Motion, if any; and (iii) the representations of counsel made and the evidence proffered at the Sale Hearing; and the Sale Hearing having been held, and after due deliberation and sufficient case appearing therefore, hereby finds and determines that:

A. **Jurisdiction and Venue.** This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and that venue is proper under 28 U.S.C. §§ 1408 and 1409.

B. **Final Order.** This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a).

C. **Statutory Predicates.** The statutory predicates for relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004.

D. **Notice.** The notice of the Motion on the Sale Notice Parties (as defined in the Bid Procedures Order) and the Sale Notice and the proposed entry of this Order to the Sale Notice Parties was adequate and sufficient under the circumstances of these Cases, and such notice complied with all applicable requirements of the Bankruptcy Code, Bankruptcy Rules, the Local Rules, and the Bid Procedures Order. With respect to entities whose identities were not reasonably ascertainable by the Trustee, notice was sufficient and reasonably calculated under the

circumstances to reach such entities. Accordingly, no further notice of, or hearing on, the Motion, the Sale Hearing, the Sale Contract, the Sale Transaction, or this Order is necessary or required.

E. **Compliance with Bid Procedures Order.** As demonstrated by (i) evidence adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Trustee has conducted a fair and open sale process in a manner reasonably calculated to produce the highest and otherwise best offer for the Property in compliance with the Bid Procedures Order. The Bid Procedures were substantively and procedurally fair to all parties. The sale process, Bid Procedures, and Auction were non-collusive, duly noticed, and afforded a full, fair, and reasonable opportunity for any Person to make a higher and otherwise better offer to purchase the Property.

F. **Successful Bidder.** At the Auction held on November 15, 2023, the Purchaser offered and the Trustee accepted, the highest and best Qualified Bid (as defined in the Bid Procedures), which is a cash bid in the amount of [PRICE] (the “Purchase Price”), subject to adjustment as set forth in that certain Sales Contract, dated as of [DATE], 2023 (as amended, supplemented, or otherwise modified from time to time, including all Exhibits, Schedules, and Appendices thereto (the “Sales Contract,” attached hereto as **Exhibit 1**) by and among the Trustee and [PARTY] (the “Purchaser”). The Purchaser is approved as the Successful Bidder, as such term is defined in the Bid Procedures, for the Property on the terms set forth in the Sales Contract by and among the Purchaser and the Trustee.

G. **Back-Up Bidder.** [At the Auction held on November 15, 2023, [PARTY] offered the next highest or otherwise best Qualified Bid, which is a cash bid in the amount of [PRICE], subject to adjustment as set forth in the Bid Procedures Order and/or Back-Up Bidder Agreement (as defined below). [PARTY] is approved as the Back-Up Bidder, as such term is defined in the

Bid Procedures, for the Property on the terms set forth in the form of the Back-Up Bidder's Sales Contract (the "Back-Up Bidder Agreement") attached hereto as **Exhibit 2.**]

H. **Due Authority.** The Trustee has approved the Sales Contract and the consummation of the Sale Transaction, and the Trustee's sale of the Property to the Purchaser has been duly and validly authorized by all necessary corporate or other entity action. The Trustee has full power and authority to execute the Sales Contract and all other documents contemplated thereby and to consummate the Sale Transaction. No consents or approvals, other than those expressly provided for in the Sales Contract, are required for the Trustee to consummate the Sale Transaction.

I. **Business Justification.** Approval of the Sales Contract and consummation of the Sale Transaction is in the best interest of the Debtors, their estates, creditors, and other parties in interest. The Trustee has demonstrated good, sufficient, and sound business purposes and justifications for the sale to the Purchaser pursuant to section 363(b) of the Bankruptcy Code. Such business purposes and justifications include, but are not limited to, the fact that the Sales Contract and the closing thereon will present the best opportunity to realize the value of the Property and avoid decline and devaluation of the Property.

J. The consideration to be provided by the Purchaser pursuant to the Sales Contract: (i) is fair and reasonable; (ii) is the highest and otherwise best offer for the Property; (iii) will provide a greater recovery for the estates' creditors than would be provided by any other practically available alternative; and (iv) constitutes reasonably equivalent value and fair consideration. In reaching this determination, the Court has taken into account both the consideration to be realized directly by the Debtors' estates and the indirect benefits of the Sale Transaction for the Debtors' creditors. The Trustee's determination that the Sales Contract constitutes the highest and otherwise

best offer for the Property is a result of due deliberation by the Trustee and constitutes a valid and sound exercise of the Trustee's business judgment. Entry of an order approving the Sale Motion, Sales Contract, and the Sale Transaction is a necessary condition precedent to the Purchaser consummating the Sale Transaction.

K. **Arm's-Length Sale.** The Sales Contract was negotiated, proposed, and entered into by the Trustee and the Purchaser without collusion, in good faith, and was the result of arm's-length bargaining between the parties represented by independent counsel. The Back-Up Bidder Agreement was negotiated and proposed by the Trustee and [PARTY], in good faith, without collusion, and was the result of arm's-length bargaining between the parties represented by independent counsel. The Trustee and the Purchaser have not engaged in any conduct that would cause or permit the Sales Contract to be avoided under section 363(n) of the Bankruptcy Code. The Purchaser is not an "insider" or "Affiliate" of the Trustee or Debtors, as such terms are defined in the Bankruptcy Code.

L. **Good Faith Purchaser.** The Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. The Purchaser is acting in good faith within the meaning of section 363(m) in consummating the Sale Transaction. The Purchaser has proceeded in good faith in all respects in that, *inter alia*: (i) the Purchaser recognized that the Trustee was free to deal with any other party interested in acquiring the Property; (ii) the Purchaser complied with the provisions of the Bid Procedures Order; (iii) the Purchaser's bid was subjected to the competitive bid procedures set forth in the Bid Procedures Order; (iv) no common identity of directors or officers exists among the Purchaser, the Seller, and the Debtors; and (v) all payments to be made by the Purchaser and all other material

agreements or arrangements entered into by the Purchaser and the Seller in connection with the Sale Transaction have been disclosed.

M. **Legal, Valid, and Binding Transfer**. The Trustee is the sole and lawful owner of the Property, or otherwise has a valid, enforceable property interest in such, and title to the Property, within the meaning of section 541(a) of the Bankruptcy Code. The Trustee has all rights, title, and interest in the Property required to transfer and convey the Property to the Purchaser. The transfer of the Property to the Purchaser will be a legal, valid, and effective transfer of the Property and, except as provided in the Sales Contract, will vest in the Purchaser with all rights, title, and interest of the Trustee to the Property free and clear of all liens, claims, encumbrances, and other interests of any kind and every kind whatsoever (including liens, claims, encumbrances, and other interests of any Governmental Authority, as defined in the Sales Contract) other than those liens, claims, encumbrances, and other interests specifically assumed by the Purchaser pursuant to the Sales Contract. The sale of the Property shall also be free and clear of those liens, claims, encumbrances, and other interests that purport to give any party a right or option to effectuate any forfeiture, modification, or termination of the Trustee's interests in the Property, or similar rights.

N. The Sales Contract is a valid and binding contract between the Trustee and the Purchaser, which is and shall be enforceable according to its terms.

O. **Free and Clear**. The Purchaser would not have entered into the Sales Contract and would not consummate the Sale Transaction, thus adversely affecting the Debtors' estates and their creditors, if the transfer of the Property to the Purchaser was not free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, or if the Purchaser would, or in the future could, be liable for any such lien, claim, encumbrance, or other interest. A sale of the

Property other than one free and clear of any liens, claims, encumbrance, or other interests, would adversely impact the estates and would yield substantially less value for the estates.

P. Subject to the provisions of this Order and except as may be specifically provided in the Sales Contract, the Trustee may sell the Property free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, because, in each case, one or more of the standards set forth in section 363(f)(1) through (5) of the Bankruptcy Code have been satisfied. Each entity with a lien, claim, encumbrance, or other interest in the Property to be transferred on the date the Sale Transaction is consummated (the “Closing Date”): (i) has, subject to the terms and conditions of this Order, consented to the Sale Transaction or is deemed to have consented; (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such lien, claim, encumbrance, or other interest; or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code. Those holders of liens, claims, encumbrances, and other interests who did not object to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

Q. **Not a Sub Rosa Plan**. The Sales Contract and Sale Transaction do not constitute an impermissible *sub rosa* chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The Sales Contract and the Sale Transaction neither impermissibly restructure the rights of the Debtors’ creditors nor impermissibly dictate the terms of a plan for the Debtors.

R. **No Fraudulent Transfer**. The Sales Contract was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States or any state, territory, or possession thereof, or the District of Columbia. The Trustee and the Purchaser are not entering into the Sale Transaction fraudulently.

S. **No Successor Liability.** The Purchaser (i) is not, and shall not be, considered a successor in interest to the Debtors, (ii) has not, *de facto* or otherwise, merged with or into the Debtors, (iii) is not a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, and (iv) is not holding themselves out to the public as a continuation of the Debtors. Except as otherwise specifically provided in the Sales Contract, the transfer of the Property to the Purchaser does not and will not subject the Purchaser to any liability whatsoever with respect to the operation of the Debtors' business before the Closing Date or by reason of such transfer under the laws of the United States or any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of antitrust, successor, transferee, or assignee liability.

T. **Prompt Consummation.** Time is of the essence in consummating the Sale Transaction. The Trustee has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of the transaction contemplated by the Sales Contract, including, without limitation, the Sale Transaction.

U. **Good and Sufficient Cause.** There is other good and sufficient cause to grant the relief requested in the Motion and to approve the Sales Contract and the Sale Transaction.

V. **Legal and Factual Bases.** The findings of fact and conclusions of law herein constitute the Court's findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of fact are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such. The Court's findings shall also include any oral findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

General Provisions

1. The Motion is **GRANTED** to the extent set forth herein.
2. The notice of the Sale Motion and the Sale Hearing are approved as being fair, reasonable, and adequate under the circumstances, and any additional notice as may otherwise be required under state and federal law is hereby deemed satisfied.
3. All objections to the relief requested in the Motion, if any, that have not been withdrawn, waived, settled or ruled upon as announced to the Court as the Bid Procedures Hearing are denied and overruled in their entirety on the merits, with prejudice.

Approval of Free and Clear Sale of the Property

4. The Sales Contract, all exhibits and schedules thereto, and all of the terms and conditions thereof are hereby approved. The Trustee shall file final versions of the Sales Contract and all other ancillary documents with the Court upon closing the Sale Transaction.
5. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Trustee is authorized to (i) execute, deliver, and perform under, consummate, and implement the Sales Contract and the Sale Transaction together with all additional instruments and documents that are requested by the Purchaser and may be reasonably necessary or desirable to implement the Sales Contract and the Sale Transaction and (ii) take any and all actions as they deem necessary, appropriate, or advisable for the purpose of assigning, transferring, granting, conveying, and conferring to the Purchaser, or reducing to possession the Property, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Sales Contract and the Sale Transaction, including, without limitation, any and all actions reasonably requested by the Purchaser which are consistent with the Sales Contract and the Sale Transaction.

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon the Closing Date: (i) the transfer of the Property to the Purchaser pursuant to the Sales Contract shall constitute a legal, valid, and effective transfer of the Property and shall vest the Purchaser with all rights, title, and interest in and to the Property; (ii) the Property shall be transferred to the Purchaser free and clear of all liens, claims, encumbrances, and other interests of any kind and every kind whatsoever (including, but not limited to, any liens, claims, encumbrances, and other interests of any Governmental Authority, any claims or assertions based on any theory of successor or transferee liability, and any restriction on the use, transfer, receipt of income, or other exercise of any attributes of ownership of the Property) other than those liens, claims, encumbrances, and other interests specifically assumed by the Purchaser pursuant to the Sales Contract; and (iii) all Persons are forever prohibited and enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, against Purchaser with respect to any such liens, claims, encumbrances, and other interests (including, but not limited to, any liens, claims, encumbrances, and other interests of any Governmental Authority, any claims or assertions based on any theory of successor or transferee liability, and any restriction on the use, transfer, receipt of income, or other exercise of any attributes of ownership of the Property).

7. All liens, claims, encumbrances, and other interests shall attach to the net proceeds of the Sale Transaction with the same nature, validity, and priority as such liens, claims, encumbrances, or other interests encumbered by the Property prior to the proposed sale and shall only be distributed pursuant to further order of the Court.

8. The ad valorem tax lien for tax year 2023 and prior pertaining to the Property shall attach to sales proceeds and that the closing agent shall pay all ad valorem tax debt owed incident

to the subject property immediately upon closing and prior to any disbursement of proceeds to any other person or entity.

9. The ad valorem taxes for year 2023 pertaining to the Property shall be prorated in accordance with the Sales Contract, and if not paid in full at closing, shall thereafter be assumed by and the responsibility and liability of the Purchaser to pay when due, and the year 2023 ad valorem tax lien shall be retained against the Property until said taxes are paid in full.

10. Should the sale of the Property close after December 31, 2023, the ad valorem tax lien shall be retained against the Property for the year 2024 ad valorem taxes until said taxes are paid in full.

11. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Trustee's interest in the Property or a bill of sale transferring good and marketable title in the Property.

12. Pursuant to the Sales Contract and this Order, the transfer and assignment of the Property shall be effectuated on the terms set forth therein and herein, and shall not be restricted or prohibited, notwithstanding any alleged approval rights, consent rights, preferential purchase rights, rights of purchase, rights of first refusal, rights of first offer, or similar rights with respect to the Trustee's transfer, sale, vesting, assumption, and/or assignment of the Property.

13. This Order is and shall be effective as a determination that all liens, claims, encumbrances, and other interests shall be and are, without further action by any Person, unconditionally released, discharged, and terminated with respect to the Property as of the Closing Date, except as may otherwise be set forth in the Sales Contract.

14. Except as otherwise provided herein or in the Sales Contract, on the Closing Date, the Debtors' creditors are authorized and directed to execute such documents and instruments and

to take all other actions as may be reasonably necessary to document and effectuate the release of their liens, claims, encumbrances, and other interests in the Property, if any, as such liens, claims, encumbrances, and other interests may have been recorded or may otherwise exist. If any such creditor fails to execute any such documents or instruments or take any such actions, the Trustee is authorized to execute such documents and instruments and to take such actions on behalf of the creditor so as to document the release of such liens, claims, encumbrances, and other interests.

No Successor Liability

15. The Purchaser and its affiliates, successors, and assigns shall not be deemed, as a result of any action taken in connection with the transfer of the Property, to (i) be a successor to the Debtors or their estates, (ii) have, *de facto* or otherwise, merged or consolidated with or into the Debtors or their estates, or (iii) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, and the Purchaser shall have no successor, transferee, or vicarious liability of any kind or character, including, but not limited to, under any theory of foreign, federal, state, or local antitrust, environmental, successor, tax, assignee or transferee liability, labor, product liability, employment, *de facto* merger, substantial continuity, or other law, rule, or regulation, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the Closing Date, including, but not limited to, liabilities on account of any taxes or other Governmental Authority fees, contributions, or surcharges arising, accruing, or payable under, out of, in connection with, or in any way relating to, the operation of the Property prior to the Closing Date. Except as otherwise provided herein or in the Sales Contract, the transfer of the Property to the Purchaser pursuant to the Sales Contract shall not result in the Purchaser or its affiliates, members, or shareholders, or the Property, having any liability or responsibility for, or being required to satisfy in any manner, whether in law or in

equity, whether by payment, setoff or otherwise, directly or indirectly, (i) any claim against the Debtors or against any insider of the Debtors, or (ii) any lien, claim, encumbrance, or other interest.

16. Upon the Closing Date, and except as otherwise expressly provided in the Sales Contract, the Purchaser shall not be liable for any claims against, and liabilities of, the Debtors or any of the Debtors' predecessors or affiliates.

17. The Purchaser has given substantial consideration under the Sales Contract to the estates. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor or transferee liability of the Purchaser, which releases shall be deemed to have been given in favor of the Purchaser by all holders of liens, claims, encumbrances, and other interests against the Debtors or the Property.

No Fraudulent Transfer

18. The consideration provided by the Purchaser under the Sales Contract constitutes (i) reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (ii) fair consideration under the Uniform Fraudulent Conveyance Act, and (iii) reasonably equivalent value, fair consideration, and fair value under any other applicable Laws of the United States, any state, territory, or possession thereof, or the District of Columbia. The consideration provided by the Purchaser for the Property under the Sales Contract is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

Good Faith

19. The Sales Contract and the Sale Transaction are undertaken by the Purchaser without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sales Contract and the Sale Transaction shall not affect the validity of the sale of the Property to the Purchaser, unless this Order is duly stayed pending such appeal. The Purchaser

is a good faith purchaser of the Property and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code.

Additional Provisions

20. This Order is and shall be binding upon and shall govern acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of fees, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other Persons, who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments that reflect that the Purchaser is the assignee and owner of the Property free and clear of all liens, claims, encumbrances, and other interests (all such entities being referred to as “Recording Officers”). All Recording Officers are authorized and specifically directed to strike recorded Liens, claims, encumbrances, and interests against the Property recorded prior to the date of this Order unless the Sales Contract expressly provides that the Purchaser is acquiring the Property subject to such claims, Liens, and interests.

21. Following the Closing Date, no holder of any lien, claim, encumbrance, or other interest on the Property or other party in interest may interfere with the Purchaser’s use and enjoyment of the Property based on or related to such lien, claim, encumbrance, or other interest, or any actions that the Trustee or Debtors may take in their chapter 11 cases, and no party may take any action to prevent, interfere with or otherwise enjoin consummation of the Sale Transaction.

22. Except as expressly permitted or otherwise specifically provided by the Sales Contract or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade and

other creditors, holding interests of any kind or nature whatsoever against or in the Debtor or the Property (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Property, the ownership or operation of the Property prior to the closing of the sale, or the sale of the Property are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors or assigns, its property, or the Property, such persons' or entities' interests.

23. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the transactions authorized herein, including the Sales Contract and the Sale Transaction.

24. The terms and provisions of the Sales Contract, the ancillary agreements, and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Trustee, the Purchaser, and its respective affiliates, successors, and assigns, the Debtors' estates, all creditors of (whether known or unknown), and any affected third parties, notwithstanding the dismissal of the Debtors' cases or conversion of the Debtors' cases to cases under chapter 7, as to which trustee such terms and provisions likewise shall be binding and not subject to rejection or avoidance. The Sales Contract, the Sale Transaction and this Order shall be enforceable against and binding upon, and shall not be subject to rejection or avoidance by, any chapter 7 trustee appointed in the Chapter 11 Cases. Further, nothing contained in any plan confirmed in these Chapter 11 Cases or any order confirming any plan or any other order entered in these cases shall conflict with or derogate from the provisions of the Sales Contract or the terms of this Order.

25. The Sales Contract and any related agreements, documents, or other instruments may be amended by the parties in a writing signed by such parties without further order of the

Court, provided that any such amendment does not have a material adverse effect on the Debtors or the Debtors' estates.

26. The failure to include specifically any particular provision of the Sales Contract in this Order shall not diminish or impair the effectiveness of such provision, as it is the intention of the Court that the Sales Contract be authorized and approved in its entirety.

27. To the extent of any inconsistency between the provisions of this Order, the Sales Contract, and any documents executed in connection therewith, the provisions contained in this Order, the Sales Contract, and any documents executed in connection therewith shall govern, in that order.

28. Nothing in this Order, the Sales Contract or any document executed in connection with the consummation thereof shall authorize or constitute a transfer of title to property which is excluded from the property of the Debtors' estates pursuant to section 541(b)(4) of the Bankruptcy Code.

29. Notwithstanding anything to the contrary in the Bid Procedures or the Bid Procedures Order, [PARTY] shall keep its Back-Up Bid (as defined in the Bid Procedures) open and irrevocable until the first to occur of (i) ninety (90) days after the completion of the Auction, (ii) consummation of the transaction with the Successful Bidder, or (iii) the Back-Up Bidder's receipt of notice from the Trustee of the release by the Trustee of the Back-Up Bidder's obligations. If the Purchaser fails to consummate the approved Sale Transaction because of a breach or failure to perform on the part of the Purchaser or otherwise, the Trustee shall be authorized, but not required, to deem [PARTY] the Purchaser and to consummate the sale with [PARTY] without further order of this Court. In such event, [PARTY] shall be deemed the

Purchaser and the Back-Up Bidder Agreement shall be deemed the Sales Contract for purposes of this Order.

30. The provisions of this Order are non-severable and mutually dependent. Headings are included in this Order for ease of reference only.

31. The provisions of this Order authorizing the sale and assignment of the Property free and clear of all liens, claims, encumbrances, and other interests shall be self-executing, and notwithstanding the failure of the Trustee, the Purchaser, or any other party to execute, file, or obtain releases, termination statements, assignments, consents, or other instruments to effectuate, consummate and/or implement the provisions hereof, all liens, claims, encumbrances, and other interests (other than those expressly assumed by the Purchaser or permitted to survive under the Sales Contract) on or against such Property, if any, shall be deemed released, discharged, and terminated.

32. From time to time, as and when requested by any Party, each Party to the Sales Contract shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the Sale Transaction, including such actions as may be necessary to vest, perfect, or confirm, of record or otherwise, in Purchaser its right, title, and interest in and to the Property.

33. Notwithstanding the provisions of Bankruptcy Rule 6004(h) and 6006(d), this Order shall be effective and enforceable immediately and shall not be stayed. Time is of the essence in closing the Sale Transaction and the Trustee and the Purchaser intend to close the Sale Transaction as soon as practicable. Any party objecting to this Order must exercise due diligence in filing an appeal and pursuing a stay, or risk its appeal being dismissed as moot.

34. In the event this Order is subject to Appeal, and as a result of such Appeal, the Sale Transaction is thereafter unwound and title to the Property is divested from Purchaser and/or revested in the Trustee (such resulting divestiture, a “Divestiture”), Purchaser shall be entitled to a full and immediate refund of the Purchase Price from Seller in cash. Nothing in this Order or as to this specific provision of this Order shall be considered to affect paragraph 16 of this Order nor be in any way be considered with regard to any determination of what is required to secure a stay pending appeal, if a stay pending appeal is sought by any objecting party.

35. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Sales Contract, all amendments thereto, and any waivers and consents thereunder, and each of the agreements executed in connection therewith, including, but not limited to, retaining jurisdiction to (i) compel delivery of the Property to the Purchaser; (ii) interpret, implement, and enforce the provisions of this Order and the Sales Contract; (iii) adjudicate, if necessary, any and all disputes arising out of, concerning, or otherwise relating in any way to the Sale Transaction; and (iv) protect the Purchaser against any Liens, encumbrances, claims, and interests in the Property of any kind or nature whatsoever.

END OF ORDER

PREPARED AND SUBMITTED BY

Jason M. Rudd, Tex. Bar No. 24028786
Scott D. Lawrence, Tex. Bar No. 24087896
Catherine A. Curtis, Tex. Bar No. 24095708
Mallory A. Davis, Tex. Bar No. 24133121
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, TX 75204
Phone: (214) 692-6200
Fax: (214) 692-6255
Email: jason.rudd@wickphillips.com
scott.lawrence@wickphillips.com
catherine.curtis@wickphillips.com
mallory.davis@wickphillips.com

COUNSEL FOR ERIC TERRY, CHAPTER 11 TRUSTEE

Exhibit 1

(Sales Contract)

Exhibit 2

(Back-Up Bidder Agreement)

Exhibit C



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



NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are Eric Terry Chapter Trustee for Bankruptcy Estate of Christopher John Pettit (Seller) and EVO TECH, LLC -Christy Sanders (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: The land, improvements and accessories are collectively referred to as the Property (Property).

A. LAND: Lot 139 Block 1, NCB 19218 CHAMPIONS UT-2 STONE OAK PUD "STONE OAK" ANNEXATION Addition, City of San Antonio, County of Bexar, Texas, known as 11 Champions Run, San Antonio, TX 78258 (address/zip code), or as described on attached exhibit.

B. IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following permanently installed and built-in items, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property 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 accessories.

D. EXCLUSIONS: The following improvements and accessories will be retained by Seller and must be removed prior to delivery of 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. SALES PRICE:

A. Cash portion of Sales Price payable by Buyer at closing.....\$1,400,000.00 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: [X] Third Party Financing Addendum, [] Loan Assumption Addendum, [] Seller Financing Addendum\$0.00

C. Sales Price (Sum of A and B)\$1,400,000.00

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, water, wind, or other natural resource lease affecting the Property to which 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.

Initialed for identification by Buyer [Signature] and Seller [Signature]

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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 Independence Title (Escrow Agent) at 300 Austin Hwy STE 200, San Antonio, TX 78209 (address): \$ 14,000.00 as earnest money and \$ 120.00 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 12 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 Buyer gives notice of termination within the time prescribed: (i) the Option Fee will not be refunded and Escrow Agent shall release any Option Fee remaining with Escrow Agent 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 money within the time required, Seller may terminate this contract or exercise Seller's remedies under 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 or if Buyer fails to deliver the Option Fee within the time required, Buyer shall not have the 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 for performance is required.**

6. TITLE POLICY AND SURVEY:

- A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Independence Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
 - (1) Restrictive covenants common to the platted subdivision in which the Property is located.
 - (2) The standard printed exception for standby fees, taxes and assessments.
 - (3) Liens created as part of the financing described in Paragraph 3.
 - (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
 - (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
 - (6) The standard printed exception as to marital rights.
 - (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
 - (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:
 - (i) will not be amended or deleted from the title policy; or
 - (ii) will be amended to read, "shortages in area" at the expense of Buyer Seller.
 - (9) 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.

Initialed for identification by Buyer  and Seller 

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

- (1) Within _____ days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller's Buyer's expense no later than 3 days prior to Closing Date.
- (2) Within _____ days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3) Within _____ days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (9) above; or which prohibit the following use or activity: Residential Use

Buyer must object the earlier of (i) the Closing Date or (ii) 5 _____ 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. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2A in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, or 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(s) should be used.**



(3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

Initialed for identification by Buyer  and Seller 

- (4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, 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 required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (10) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as 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) REQUIRED NOTICES: The following notices have been given or are attached to this contract (for example, MUD, WCID, PID notices): _____

7. PROPERTY CONDITION:

- A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.
- B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice): (Check one box only)
 - (1) Buyer has received the Notice.
 - (2) Buyer has not received the Notice. Within _____ days after the Effective Date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.
 - (3) The Seller is not required to furnish the notice under the Texas Property Code.
- C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.
- D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D(1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

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- (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 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 \$0.00. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

8. BROKERS 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 12/15/2023, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:
 - (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
 - (2) Buyer shall pay the Sales Price in good funds acceptable to the Escrow Agent.
 - (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents, 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) 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.

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Initialed for identification by Buyer _____ and Seller _____

10. POSSESSION:

- A. BUYER'S POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: upon closing and funding according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**
- B. 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.) See addendum

12. SETTLEMENT AND OTHER EXPENSES:

- A. The following expenses must be paid at or prior to closing:
 - (1) Expenses payable by Seller (Seller's Expenses):
 - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
 - (b) Seller shall also pay an amount not to exceed \$0.00 to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
 - (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private 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 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

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TXR 1601

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.

DS
[Signature]

Initialed for identification by Buyer [Signature] and Seller [Signature]

Contract Concerning 11 Champions Run, San Antonio, TX 78258 Page 8 of 11 11-07-2022
(Address of Property)

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: Evo Tech, LLC **To Seller at:** _____

Christy Sanders _____

Phone: _____ Phone: _____

E-mail/Fax: csanders@teamevotech.com 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: _____

Keltonday1@gmail.com _____

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

- | | |
|--|---|
| <input type="checkbox"/> Third Party Financing Addendum | <input type="checkbox"/> Seller's Temporary Residential Lease |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Short Sale Addendum |
| <input checked="" type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law |
| <input type="checkbox"/> Loan Assumption Addendum | <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area |
| <input type="checkbox"/> Addendum for Sale of Other Property by Buyer | <input type="checkbox"/> Addendum Regarding Residential Leases |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals | <input type="checkbox"/> Addendum Regarding Fixture Leases |
| <input type="checkbox"/> Addendum for "Back-Up" Contract | <input type="checkbox"/> Addendum containing Notice of Obligation to Pay Improvement District Assessment |
| <input type="checkbox"/> Addendum for Coastal Area Property | <input checked="" type="checkbox"/> Other (list): |
| <input type="checkbox"/> Addendum for Authorizing Hydrostatic Testing | <div style="border: 1px solid black; padding: 2px; width: fit-content;">ADDENDUM FOR STALKING HORSE BIDDER TERMS AND CONDITIONS.</div> |
| <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal | <div style="border: 1px solid black; padding: 2px; width: fit-content;">- Stone Oak POA Addendum for Mandatory Membership in a Property Owners Association.</div> |
| <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum | |

23. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate brokers and sales agents from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: _____ Seller's Attorney is: _____

Phone: _____ Phone: _____

Fax: _____ Fax: _____

E-mail: _____ E-mail: _____

Contract Concerning 11 Champions Run, San Antonio, TX 78258 Page 9 of 11 11-07-2022
(Address of Property)

**EXECUTED the _____ day of _____ Oct 10th 2023, 20____ (Effective Date).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

Christy Sanders
Buyer
dotloop verified
10/10/23 4:02 PM CDT
Q73D-ARYH-N2GK-NHVD

DocuSigned by:
Eric Terry
Seller
Eric Terry, Chapter 11 Bankruptcy Trustee
for The Estate of Christopher John Pettit

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. 20-17. This form replaces TREC NO. 20-16.

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

Keller Williams City View	547594	Compass RE Texas, LLC	493420
Other Broker Firm	License No.	Listing Broker Firm	License No.

represents <input checked="" type="checkbox"/> Buyer only as Buyer's agent	represents <input type="checkbox"/> Seller and Buyer as an intermediary
<input type="checkbox"/> Seller as Listing Broker's subagent	<input checked="" type="checkbox"/> Seller only as Seller's agent

Kelton Day	652373	Fred Hutt	737355
Associate's Name	License No.	Listing Associate's Name	License No.

Team Name	Team Name
-----------	-----------

Keltonday1@gmail.com	210-931-5588	fred@corieproperties.com	(210) 827-3986
Associate's Email Address	Phone	Listing Associate's Email Address	Phone

Tony Zamora	537135	Licensed Supervisor of Listing Associate	License No.
Licensed Supervisor of Associate	License No.		

Other Broker's Address	Phone	5800 Broadway Suite 205	(210) 824-1115
		Listing Broker's Office Address	Phone

15510 Vance Jackson Rd, San Antonio, Texas 78249	San Antonio, TX 78209
City State Zip	City State 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 previous, separate agreement (such as a MLS offer of compensation or other agreement between brokers), Listing Broker has agreed to pay Other Broker a fee (2.50%). This disclosure is for informational purposes and does not change the previous agreement between brokers to pay or share a commission.

OPTION FEE RECEIPT

Receipt of \$120.00 (Option Fee) in the form of _____
is acknowledged.

Escrow Agent Date

EARNEST MONEY RECEIPT

Receipt of \$14,000.00 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.

Escrow Agent Received by Email Address Date

Address Phone

City State Zip Fax

ADDITIONAL EARNEST MONEY RECEIPT


Receipt of \$.00 additional Earnest Money in the form of _____
is acknowledged.

Escrow Agent Received by Email Address Date/Time

Address Phone

City State Zip Fax

ADDENDUM FOR STALKING HORSE BIDDER TERMS AND CONDITIONS

THIS ADDENDUM FOR STALKING HORSE BIDDER (the “Addendum”) is made a part of that certain One to Four Residential Contract Promulgated by the Texas Real Estate Commission (the “Contract”) by and between Eric Terry, in his capacity as chapter 11 trustee (the “Trustee” or “Seller”) for the chapter 11 cases of Christopher John Pettit (“Pettit”) and Chris Pettit & Associates, P.C. (“CP&A,” together with Pettit, the “Debtors”), and  the “Buyer,” together with the Seller, the “Parties”). In addition to the obligations of the Parties contained in the Contract, Seller and Buyer hereby agree as follows:

Reference is hereby made to that certain (i) Trustee’s Motion for (I) Order Approving: (A) Bid Procedures, Including Approval of Stalking Horse Bidder; (B) Notice of Auction and Sale Hearing; and (C) Related Relief and for (II) Order (A) Approving the Sale of Real Estate Free and Clear of All Liens, Claims, Encumbrances, and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), (h), and (m), 365, and 503; and (B) Granting Related Relief (the “Bid Procedures Motion”) [ECF No. __] filed on October [__], 2023 in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the “Court”), and (ii) Order Granting the Bid Procedures Motion (the “Bid Procedures Order”) [ECF No. __]. The Bid Procedures Motion also sought to establish (i) an auction (the “Auction”), (ii) a hearing (the “Stalking Horse Hearing”) to approve Seller’s selection of a stalking horse purchaser (“Stalking Horse Purchaser”), and (iii) a final hearing (the “Sale Hearing”) to approve the sale of the Property¹, after which the Court will enter an order (the “Final Sale Order”) approving the sale contemplated in the Contract.

Upon both (i) the full execution of the Contract and (ii) the Court’s entry of an order (the “Stalking Horse Approval Order”) (a) approving the Contract and (b) unconditionally establishing the Buyer as the Stalking Horse Purchaser, whether or not Buyer is the actual, eventual purchaser of the Property, a valid and binding contract shall exist.

¹ All capitalized terms used herein and not otherwise defined shall have the same meaning as ascribed to them in the Bid Procedures Motion and Bid Procedures Order.

1. TERM; CONTRACT APPROVAL:

(a) The “Effective Date” of the Contract shall be the date the Contract is fully executed. The provisions in this addendum that are contingent upon the Court’s entry of the Stalking Horse Approval Order will become effective on the first business day after the entry of the Stalking Horse Approval Order.

2. PROPERTY: Sellers agree to sell to Buyer, and Buyer agrees to purchase from Sellers, the property described in the Contract (the “Property”).

3. TITLE: The title to the Property shall be free and clear of liens, claims, interests, and encumbrances pursuant to 11 U.S.C. § 363(f) of the United States Bankruptcy Code. For the purposed hereof, “Final Order” shall mean, with respect to the Final Sale Order, that (i) the time to appeal, seek certiorari, request reargument, or further review or rehearing (collectively, “Appeal”) has expired and no Appeal has been timely filed, or (ii) any Appeal that has been or may be filed, has been resolved by the highest court to which the order or judgment was appealed, from which certiorari was sought, or to which the request was made, and no further Appeal has been or can be taken or granted.

4. INSPECTION: Buyer may not perform any intrusive testing of the Property. Buyer shall indemnify Seller against all losses, damages, expenses, and claims that may arise by reason of any entry by Buyer or any agent, employee, or contractor of Buyer into and upon for testing of the Property pursuant to this Section and shall repair any damage to the Property caused by such entry.

5. INSPECTIONS; AS-IS, WHERE-IS: Buyer has previously inspected the Property and, by executing the Contract, affirms that it has approved all aspects of the Property. It is understood that Buyer will be relying solely on its independent inspections and evaluations of the Property in determining the Property's fitness for Buyer's intended use. The Contract is an arms-length contract between the Parties. THE PURCHASE PRICE WAS BARGAINED FOR ON THE BASIS OF AN "AS-IS, WHERE-IS, WITH ALL FAULTS" TRANSACTION AND REFLECTS THE CONTRACT OF THE PARTIES. THERE ARE NO REPRESENTATIONS, DISCLOSURES, OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT THOSE IN THE CONTRACT AND THE CLOSING DOCUMENTS. AT CLOSING, THE BUYER WILL ACCEPT THE PROPERTY IN ITS THEN CURRENT CONDITION. BUYER IS NOT RELYING ON ANY INFORMATION REGARDING THE PROPERTY PROVIDED BY ANY PERSON, OTHER THAN BUYER'S OWN INSPECTION AND THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE CONTRACT AND THE CLOSING DOCUMENTS. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT BUYER ACCEPTS THE CONDITION OF THE PROPERTY WITHOUT ANY IMPLIED REPRESENTATION, WARRANTY, OR GUARANTEE AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE AS TO THE CONDITION, SIZE, OR VALUE OF THE PROPERTY, EXCEPT ONLY AS MAY BE OTHERWISE EXPRESSLY PROVIDED IN THE CONTRACT. SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL SUCH IMPLIED REPRESENTATIONS, WARRANTIES, OR GUARANTEES, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY, OR CONDITION OF THE PROPERTY BEING SOLD, (B) THE SUITABILITY OF THE PROPERTY FOR ANY ACTIVITIES THAT BUYER MAY CONDUCT HEREON, (C) THE COMPLIANCE FOR THE PROPERTY WITH ANY LAWS, ORDINANCES, OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL ENTITY, (D) COMPLIANCE OF THE PROPERTY WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION, OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS, INCLUDING THE EXISTENCE IN THE PROPERTY OF HAZARDOUS MATERIALS, OR (E) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, EXCEPT AS SET FORTH IN THE CONTRACT.
6. REPRESENTATIONS: Buyer acknowledges that neither Seller nor any party on Seller's behalf have made, nor do they hereby make, any representations as to the past, present, or future condition, income, expenses, operation, or any other matter or thing affecting or relating to the Property except as expressly set forth in the Contract.

7. DEFAULT AND REMEDIES: Seller or Buyer shall be in default under the Contract if either fails to comply with any material covenant, agreement, or obligation within any time limits required by the Contract (a “Default” or “Defaults”). In the event of any purported default by Seller, Buyer must deliver a notice in writing to Seller specifying the default and affording Seller five (5) Business Days (as defined below) to cure (the “Cure Period”). Following Default by either Seller or Buyer under the Contract and after the expiration of the Cure Period as it relates to Seller, the other party shall have the following remedies:

(a) If Seller Defaults, Buyer may either (i) cancel and terminate the Contract and receive a full refund of the Earnest Money, or (ii) seek to enforce the order approving the sale through the Court.

(b) If Buyer Defaults, Seller may terminate the Contract by written notice to Buyer and retain the Earnest Money as liquidated damages as Seller’s sole remedy. The Parties hereby acknowledge that it would be extremely difficult to ascertain the extent of actual damages caused by Buyer’s Default and that the Earnest Money represents a fair approximate of such actual damages.

(c) If, as a result of an alleged Default under the Contract, either Seller or Buyer employs an attorney to enforce their rights, the non-prevailing party in the dispute shall, unless prohibited by law, reimburse the prevailing party for all reasonable attorneys’ fees, court costs, and other legal expenses incurred by the prevailing party in connection with the Default.

8. DISPOSITION OF EARNEST MONEY AND OTHER FUNDS AND DOCUMENTS: The Earnest Money shall be non-refundable upon entry of the Stalking Horse Approval Order and shall be paid to Seller in event of any termination of the Contract except as expressly set forth in (i) Section 7(a) herein or (ii) this Section 8 as follows:

(a) The Earnest Money shall be held in a segregated account by the Title Company until no later than ten (10) days after the Sale Hearing.

(b) If the Buyer is not the Successful Bidder or the Back-Up Bidder, the Earnest Money shall be refundable and shall be returned to the Buyer no later than ten (10) days after the Sale Hearing.

(c) If the Buyer is the Successful Bidder, upon delivery of the special warranty deed (the “Deed”) at Closing, the Earnest Money shall be credited against the Purchase Price.

(d) If the Buyer is the Back-Up Bidder, the Earnest Money shall continue to be held by the Seller under the first to occur of: (i) ninety (90) days after completion of the Auction, (ii) consummation of the transaction with the Successful Bidder, or (iii) the Back-Up Bidder’s receipt of notice from the Seller of the release by Seller of the Back-

Up Bidder's obligations, at which time the Earnest Money shall be returned to the Buyer. Following the Sale Hearing, if the Successful Bidder fails to consummate an approved Sales Transaction because of a breach or failure to perform on part of such Successful Bidder or otherwise, the Back-Up Bidder will be deemed to be the new Successful Bidder, and the Seller will be authorized to consummate the sale with the Back-Up Bidder, at which time, upon delivery of the Deed at Closing, the Earnest Money shall be credited against the Purchase Price. Additionally, the Earnest Money will become immediately non-refundable upon the Back-Up Bidder becoming the new Successful Bidder.

9. **REVERSAL ON APPEAL:** If the Buyer is the Successful Bidder and pays the Purchase Price and if the Sale Order is reversed on Appeal and such reversal voids the sale to the Buyer, then the Buyer shall be entitled to a refund of the Purchase Price from the Seller.
10. **FIDUCIARY OUT:** Notwithstanding any of the terms of the Contract or this Addendum, in the event that prior to the entry of the Stalking Horse Approval Order the Trustee determines in good faith, after consultation with counsel, that it is necessary to do so in order to comply with his fiduciary duties to the Debtors' bankruptcy estates, the Trustee may adjourn, withdraw, or modify the Bid Procedures Motion or otherwise elect not to seek Court approval of the Contract. In the event the Stalking Horse Approval Order is not entered as a result of the Trustee's failure to seek entry of such order pursuant to this Section 10 or otherwise, Buyer shall receive a refund of the Earnest Money and the Contract shall be of no force or effect.
11. **NOTICES:** All notices required under the Contract shall be deemed to be properly served if reduced to writing and sent by (i) certified or registered mail; (ii) Federal Express or similar overnight courier; (iii) electronic mail; or (iv) personal delivery, and the date of such notice will be deemed to have been the date on which such notice is delivered or attempted to be delivered as shown by the certified mail return receipt or a commercial delivery service record, or in the case of electronic mail on the next business day after such electronic mail has been sent; provided, however, if the date for the performance of any action or obligation, or any time period specified hereunder occurs on a day other than a Business Day, then such date or time period shall be extended until the next Business Day. All notices shall be address as follows, unless otherwise specified in writing:

SELLER:

Eric Terry, as Chapter 11 Trustee for the
Bankruptcy Estate of Christopher John Pettit
3511 Broadway

San Antonio, TX 78209
email: eric@ericterrylaw.com

With a copy to:

Wick Phillips Gould & Martin LLC
Attn: Scott Lawrence
3131 McKinney Ave., Suite 500
Dallas, TX 75204
email: scott.lawrence@wickphillips.com

and

Corie Properties Group
Attn: Fred Hutt
5800 Broadway, Suite 205
San Antonio, TX 78209
email: fred@corieproperties.com

BUYER:
EvoTech, LLC
Christy Sanders
email: csanders@teamevotech.com

With a copy to:

Kelton Day
Cell: 210-931-5588
Keltonday1@gmial.com

12. TIME AND EXACT PERFORMANCE ARE OF THE ESSENCE UNDER THE CONTRACT: The Parties hereby agree to perform each and every obligation hereunder in a prompt and timely manner; provided, however, if the date for the performance of any action or obligation, or any time period specified hereunder occurs on a day other than a Business Day, then the date or time period shall be extended until the next Business Dat. As used herein, "Business Day" shall mean any calendar day other than a Saturday, Sunday, or Texas or Federal legal holiday.

13. ADDITIONAL TERMS:

(a) Permits and Approvals. Seller shall reasonably cooperate with Buyer in verifying any existing governmental approvals and in seeking and making any inquiries related to the Property, as reasonably determined to be necessary by the Buyer, provided such cooperation is at no cost or expense to the Seller. Seller makes no representations or warranties about the existence of or effectiveness of any governmental approvals.

(b) Assignment. Buyer may assign the Contract to any entity formed by Buyer for the purpose of taking title to the Property, provided the assignee assumes, in writing, all obligations and liabilities of Buyer under the Contract and has the same beneficial ownership as the Buyer, and with approval of the Court. Unless agreed by the Seller, Buyer shall not be relieved of any liability hereunder upon such an assignment.

(c) Miscellaneous. This Addendum shall be governed by, and construed and interpreted under, the laws and judicial decisions of the State of Texas. This Addendum and all covenants, terms, conditions, warranties, and undertakings contained herein, and all

amendments, modifications, and extensions hereof, as applicable, shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, personal representatives, successors, and permitted assigns. This Addendum may be executed in multiple counterparts, each of which shall be deemed an original, but taken together shall constitute one instrument. Sole and exclusive jurisdiction over any disputes related to this Addendum and the Contract shall be in the Court.

(d) Conflicts of Provisions. THE PARTIES HEREBY ACKNOWLEDGE AND AGREE THAT THE TERMS AND CONDITIONS OF THIS ADDENDUM SUPERSEDE ANY DIFFERENT OR INCONSISTENT PROVISION IN THE CONTRACT AND, AS A RESULT, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS AND CONDITIONS OF THE CONTRACT AND THE TERMS AND CONDITIONS OF THIS ADDENDUM, THE TERMS AND CONDITIONS OF THIS ADDENDUM SHALL CONTROL.

14. ENTIRE AGREEMENT AND MANNER OF MODIFICATION: The Contract, and any attachments or addenda thereto, constitutes the complete agreement of the Parties concerning the Property, and supersedes all other agreements and may be modified only by both Parties initialing changes in the Contract or by written agreement. However, in the event of any conflict between the Contract and the Sale Order, the terms of the Sale Order shall prevail.
15. NO RULE OF STRICT CONSTRUCTION: The Parties and their respective counsel have reviewed and jointly participated in the establishment of the Contract and the attachments or addenda thereto. No rule of strict construction or presumption that ambiguities will be construed against any drafter will apply, and no presumptions will be made, or inferences drawn because of the final inclusion of a term not contained in a prior draft of the final deletion of a term contained in a prior draft.

[Signatures on Following Page]

IN WITNESS WHEREOF, Seller and Buyer execute this Addendum on the date(s) indicated below their respective signatures.

SELLER:

BUYER:

DocuSigned by:

Eric Terry

524D2BBF8BBF4A6...

ERIC TERRY, Chapter 11 Trustee for Christopher John Pettit and Chris Pettit & Associates, P.C. in Case No. 22-50591 before the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.

Date: _____

Christy Sanders

dotloop verified
10/09/23 7:45 PM CDT
MYXU-EAQI-OV28-WFMS

Evo Tech, LLC
Christy Sanders

Date: 10/09/2023

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

08-18-2014



ADDENDUM FOR PROPERTY SUBJECT TO MANDATORY MEMBERSHIP IN A PROPERTY OWNERS ASSOCIATION

(NOT FOR USE WITH CONDOMINIUMS)

ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT

11 Champions Run, San Antonio, TX 78258

(Street Address and City)

ESTATE AT CHAMPIONS RUN HOA

(Name of Property Owners Association, (Association) and Phone Number)

A. SUBDIVISION INFORMATION: "Subdivision Information" means: (i) a current copy of the restrictions applying to the subdivision and bylaws and rules of the Association, and (ii) a resale certificate, all of which are described by Section 207.003 of the Texas Property Code.

(Check only one box):

- 1. Within 21 days after the effective date of the contract, Seller shall obtain, pay for, and deliver the Subdivision Information to the Buyer. If Seller delivers the Subdivision Information, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer does not receive the Subdivision Information, Buyer, as Buyer's sole remedy, may terminate the contract at any time prior to closing and the earnest money will be refunded to Buyer.
- 2. Within _____ days after the effective date of the contract, Buyer shall obtain, pay for, and deliver a copy of the Subdivision Information to the Seller. If Buyer obtains the Subdivision Information within the time required, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer, due to factors beyond Buyer's control, is not able to obtain the Subdivision Information within the time required, Buyer may, as Buyer's sole remedy, terminate the contract within 3 days after the time required or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer.
- 3. Buyer has received and approved the Subdivision Information before signing the contract. Buyer does does not require an updated resale certificate. If Buyer requires an updated resale certificate, Seller, at Buyer's expense, shall deliver it to Buyer within 10 days after receiving payment for the updated resale certificate from Buyer. Buyer may terminate this contract and the earnest money will be refunded to Buyer if Seller fails to deliver the updated resale certificate within the time required.
- 4. Buyer does not require delivery of the Subdivision Information.

The title company or its agent is authorized to act on behalf of the parties to obtain the Subdivision Information ONLY upon receipt of the required fee for the Subdivision Information from the party obligated to pay.

B. MATERIAL CHANGES. If Seller becomes aware of any material changes in the Subdivision Information, Seller shall promptly give notice to Buyer. Buyer may terminate the contract prior to closing by giving written notice to Seller if: (i) any of the Subdivision Information provided was not true; or (ii) any material adverse change in the Subdivision Information occurs prior to closing, and the earnest money will be refunded to Buyer.

C FEES: Except as provided by Paragraphs A, D and E, Buyer shall pay any and all Association fees or other charges associated with the transfer of the Property not to exceed \$100.00 and Seller shall pay any excess.

D. DEPOSITS FOR RESERVES: Buyer shall pay any deposits for reserves required at closing by the Association.

E. AUTHORIZATION: Seller authorizes the Association to release and provide the Subdivision Information and any updated resale certificate if requested by the Buyer, the Title Company, or any broker to this sale. If Buyer does not require the Subdivision Information or an updated resale certificate, and the Title Company requires information from the Association (such as the status of dues, special assessments, violations of covenants and restrictions, and a waiver of any right of first refusal), Buyer Seller shall pay the Title Company the cost of obtaining the information prior to the Title Company ordering the information.

NOTICE TO BUYER REGARDING REPAIRS BY THE ASSOCIATION: The Association may have the sole responsibility to make certain repairs to the Property. If you are concerned about the condition of any part of the Property which the Association is required to repair, you should not sign the contract unless you are satisfied that the Association will make the desired repairs.

Christy Sanders
dotloop verified
10/09/23 7:45 PM CDT
IZIU-BYUE-TTTB-KUGK

Buyer

DocuSigned by:
Eric Terry

Seller
62402BBF8BBF4A6...

Buyer

Seller

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (www.trec.texas.gov) TREC No. 36-8. This form replaces TREC No. 36-7.

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

08-18-2014



ADDENDUM FOR PROPERTY SUBJECT TO MANDATORY MEMBERSHIP IN A PROPERTY OWNERS ASSOCIATION

(NOT FOR USE WITH CONDOMINIUMS)

ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT

11 Champions Run, San Antonio, TX 78258

(Street Address and City)

STONE OAK POA

(Name of Property Owners Association, (Association) and Phone Number)

A. SUBDIVISION INFORMATION: "Subdivision Information" means: (i) a current copy of the restrictions applying to the subdivision and bylaws and rules of the Association, and (ii) a resale certificate, all of which are described by Section 207.003 of the Texas Property Code.

(Check only one box):

- 1. Within 21 days after the effective date of the contract, Seller shall obtain, pay for, and deliver the Subdivision Information to the Buyer. If Seller delivers the Subdivision Information, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer does not receive the Subdivision Information, Buyer, as Buyer's sole remedy, may terminate the contract at any time prior to closing and the earnest money will be refunded to Buyer.
- 2. Within _____ days after the effective date of the contract, Buyer shall obtain, pay for, and deliver a copy of the Subdivision Information to the Seller. If Buyer obtains the Subdivision Information within the time required, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer, due to factors beyond Buyer's control, is not able to obtain the Subdivision Information within the time required, Buyer may, as Buyer's sole remedy, terminate the contract within 3 days after the time required or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer.
- 3. Buyer has received and approved the Subdivision Information before signing the contract. Buyer does does not require an updated resale certificate. If Buyer requires an updated resale certificate, Seller, at Buyer's expense, shall deliver it to Buyer within 10 days after receiving payment for the updated resale certificate from Buyer. Buyer may terminate this contract and the earnest money will be refunded to Buyer if Seller fails to deliver the updated resale certificate within the time required.
- 4. Buyer does not require delivery of the Subdivision Information.

The title company or its agent is authorized to act on behalf of the parties to obtain the Subdivision Information ONLY upon receipt of the required fee for the Subdivision Information from the party obligated to pay.

B. MATERIAL CHANGES. If Seller becomes aware of any material changes in the Subdivision Information, Seller shall promptly give notice to Buyer. Buyer may terminate the contract prior to closing by giving written notice to Seller if: (i) any of the Subdivision Information provided was not true; or (ii) any material adverse change in the Subdivision Information occurs prior to closing, and the earnest money will be refunded to Buyer.

C FEES: Except as provided by Paragraphs A, D and E, Buyer shall pay any and all Association fees or other charges associated with the transfer of the Property not to exceed \$100.00 and Seller shall pay any excess.

D. DEPOSITS FOR RESERVES: Buyer shall pay any deposits for reserves required at closing by the Association.

E. AUTHORIZATION: Seller authorizes the Association to release and provide the Subdivision Information and any updated resale certificate if requested by the Buyer, the Title Company, or any broker to this sale. If Buyer does not require the Subdivision Information or an updated resale certificate, and the Title Company requires information from the Association (such as the status of dues, special assessments, violations of covenants and restrictions, and a waiver of any right of first refusal), Buyer Seller shall pay the Title Company the cost of obtaining the information prior to the Title Company ordering the information.

NOTICE TO BUYER REGARDING REPAIRS BY THE ASSOCIATION: The Association may have the sole responsibility to make certain repairs to the Property. If you are concerned about the condition of any part of the Property which the Association is required to repair, you should not sign the contract unless you are satisfied that the Association will make the desired repairs.

Christy Sanders
dotloop verified
10/09/23 7:45 PM CDT
UD0E-QB4W-IG8C-CHFA

Buyer

DocuSigned by:
Eric Terry
521D28BF68DF4A0...

Seller

[Signature box]

Buyer

[Signature box]

Seller

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