

# PURCHASE CONTRACT FOR REAL ESTATE

**THIS PURCHASE CONTRACT FOR REAL ESTATE** ("Contract") is effective as of 12/23/2024 this Contract is executed (the "Effective Date") by and between Nicolle Michalsky hereafter called Seller(s), and Caruth Brothers LLC and/or assigns, hereafter called Buyer. Buyer and Seller shall hereafter jointly be referred to as the "Parties".

**PROPERTY.** Seller(s) agrees to sell to Buyer the real property bearing the street address of:  
8410 Beechaven Rd, La Porte, TX 7757

Description of Property Written as Follows: **AS IS Condition.** Property includes, but is not limited to any fixtures, built in appliances, ceiling fans, remote controls to operate any fixture or equipment on the Property, window and floor coverings, draperies including hardware, shades, blinds, window and door screens, awnings, outdoor plants, trees, and other permanently attached items now on premises.

**PURCHASE PRICE** of \$ See paragraph 19 To be paid as follows:  
\$ See paragraph 19 Cash at Close of Escrow (COE)  
(Earnest Money is Included in Total Purchase Price)

## 1) CLOSING COSTS

All closing costs, title fees, transfer taxes and other title costs are to be **paid in full by Buyer**

## 2) ENCUMBRANCES

Any liens, unpaid utility bills, encumbrances and/or mortgage(s) owed will be closed and **paid in full by Seller.**

## 3) TAX PRORATION

Seller shall pay all real estate taxes encumbering the Property for the years prior to the year of CLOSE. Taxes for the year of CLOSE, based on the County Assessor's most recent valuation information and tax bill, shall be prorated, and paid by Seller as of the CLOSE.

## 4) CLOSE OF ESCROW

Buyer and Seller agree to the Close of Escrow to be on or before 1/8/2025

## 5) EARNEST MONEY DEPOSIT

To be held in escrow by Title Company or Attorney.

## 6) DUE DILIGENCE

This contract is contingent upon the Buyer's inspection and/or approval of the property prior to transfer of title. Seller shall cooperate in making the property reasonably available for such inspection(s). Buyer shall be allowed a seven-day extension of closing for each week the Seller does not allow access. If so canceled, the Buyer shall receive a refund of any Earnest Money paid.

## 7) BUYER'S CONTINUED ACCESS TO PROPERTY

From the Effective Date through COE Seller grants permission to access Property to Buyer, and will make the Property reasonably available to Buyer and to Buyer's representatives, inspectors, partners, realtors, assignees, property managers, and authorized individuals to conduct walkthroughs and inspections of the Property.

Seller Initials: Initial NM Buyer Initials: DS BJA Initial

## 8) OCCUPANCY OF PREMISE

Seller represents and warrants there are parties in occupancy of the Property, Buyer will be given occupancy of the Property at Closing unless otherwise specified herein: **VACANT**

## 9) TITLE DOCUMENTS

As soon as practical following the Effective Date of this Contract, Escrow Agent shall cause to be issued and delivered to Buyer: (a) a current commitment for an ALTA Residential Owner's Policy of Title Insurance ("Title Report"); and (b) copies of all documents referenced as exceptions therein (together with the Title Report, the "Title Documents").

## 10) TITLE DELAYS & EXTENSIONS

If title is not clear on the COE date or if there are issues with title that do not allow it to be insurable (such as probate, tax liens, payoff statements delays, or other title delays) then Buyer and Seller agree to extend the date of COE for up to 60 calendar days to obtain clear title. During this time this contract may be terminated by option of Buyer whereas all earnest monies to be refunded to buyer.

## 11) TITLE INSURANCE

Earnest money is refundable to the Buyer if title is not insurable.

## 12) SELLER REPRESENTATIONS AND WARRANTIES

(a) Seller has full right, power and authority to sell the Property to Buyer as provided in this Contract and to carry out its obligations hereunder.

(b) Seller will maintain and repair the Property so that as of the COE, it will be in substantially the same condition as of the Effective Date.

(c) Seller acknowledges, agrees and understands that any personal property left on the Property after COE will convey to Buyer and may be disposed of by Buyer at Buyer's discretion.

## 13) BUYER DISCLOSURE

Buyer and/or its Member(s) is not acting as a real estate agent in this transaction, but only as a principal.

## 14) DEFAULT BY SELLER

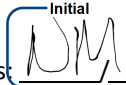

If Seller shall breach any of the terms or provisions of this Contract prior to COE, Buyer may proceed against Seller for any claim or remedy the Buyer may have in law or equity, which includes, but is not limited to, specific performance and/or damages.

## 15) DEFAULT BY BUYER

If Buyer breaches this Contract, Seller accepts the Deposit as Seller's sole right to damages.

## 16) OTHER AGREEMENTS

Buyer Agrees to Purchase Property in "As Is" Condition. Buyer to Pay All Closing Costs. This contract allows the Buyer reserves the right to novate this agreement with a replacement agreement with a third-party purchaser, and in either such event, Seller shall cooperate fully, at Buyer's request, to transfer title to the Property directly to the third-party purchaser; provided, however, that Buyer shall be responsible for all additional transfer tax payable by Seller as a result of the assignment/novation, to record a memorandum of agreement with the appropriate county department to show an agreement for sale is executed. Buyer reserves the right to novate this agreement with a replacement agreement with a third-party purchaser, and in such event, Seller shall cooperate fully, at Buyer's request, to transfer title to the Property directly to the third-party purchaser; provided, however, that Buyer shall be responsible for all additional transfer tax payable by Seller as a result of the assignment/novation. Seller acknowledges that Buyer is an investor that buys and sells real property for a profit. The Purchase Price does not necessarily represent the fair market value. Buyer has an unqualified right to assign its rights under this Contract to a third-party.

Seller Initials:  Buyer Initials: 

17) MEMORANDUM OF CONTRACT

Seller agrees that Buyer may, individually, execute, acknowledge and record a memorandum of this contract in the form attached hereto, incorporated herein and titled as the "Memorandum of Contract." Seller also agrees that Buyer, individually, may deliver the Memorandum of Contract to the Escrow Agent and or Closing Attorney for purpose of recording, and the Escrow Agent or Attorney shall record the Memorandum of Contract in the Official Registry of Deeds in the County where the subject property is located, upon instruction from the buyer.

18) NO ORAL CHANGES OR REPRESENTATIONS

EACH PARTY ACKNOWLEDGES THAT THIS CONTRACT SETS FORTH IN FULL THE ENTIRE CONTRACT BETWEEN THE PARTIES, AND THAT SUCH PARTY HAS NOT RELIED ON ANY ORAL CONTRACT, STATEMENT, REPRESENTATION OR OTHER PROMISE THAT IS NOT EXPRESSED IN WRITING IN THIS CONTRACT. This Contract supersedes any and all prior understandings and contracts. This Contract may be amended or modified only by an agreement in writing signed by Buyer and Seller.

19) ADDITIONAL TERMS & CONDITIONS

If there is a conflict between these Additional Terms and Conditions and any other term of condition in this Contract, then the Additional Terms and Conditions shall control.  
Purchase price is equal to amount of loan at time of closing plus \$ [REDACTED] cash to seller. Seller agrees to sell property subject to the existing mortgage.

IN WITNESS WHEREOF, Buyer and Seller have executed this Contract as of the dates written below. APPROVED AND ACCEPTED BY BUYER

DocuSigned by:  
BUYER: [Signature] DATE: 12/9/2024  
C0BAD94BE284A3...  
Signed by:  
BUYER: Alexander Jensen DATE: 12/23/2024  
272E50E8133F4E5...

APPROVED AND ACCEPTED BY SELLER

Signed by:  
SELLER: [Signature] DATE: 12/23/2024  
DC0EFF9C831B48A...  
SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_

Seller Contact Information

Email [REDACTED] Cell [REDACTED]  
Email \_\_\_\_\_ Cell \_\_\_\_\_

## SUBJECT TO ADDENDUM TO PURCHASE CONTRACT

**Addendum #** \_\_\_\_\_

**Name of Seller(s):** Nicolle Michalsky

**Name of Buyer(s):** Caruth Brothers LLC

**Property:** 8410 Beechaven Rd La Porte Texas 77571

THE CONTRACT FOR THE PROPERTY IS A VALID, BINDING LEGAL DOCUMENT. IF YOU DO NOT UNDERSTAND THE EFFECT OF THE CONTRACT OR ANY PROVISION OR ADDENDUM THEREOF, OR ANY PROVISION IN THIS ACKNOWLEDGMENT SEEK COMPETENT LEGAL ADVICE FROM AN ATTORNEY OF YOUR CHOICE.

Capitalized terms not expressly defined in this Addendum have the meanings given to them in the Contract.

1. **SUMMARY OF FACTS.** The Buyer is acquiring the Property subject to one or more mortgages, deeds of trust, or liens against the Property (the "Existing Loan"). This means that the Existing Loan will not be paid off at the time of Buyer's purchase of the Property. The Existing Loan will remain outstanding. By purchasing the Property subject to the Existing Loan, Buyer is not assuming Seller's obligations on the Existing Loan ("Loan Assumption"). Buyer agrees to make all payments in compliance with the terms of the Existing Loan after COE on behalf of the Seller.
2. **AUTHORIZATIONS AND ASSIGNMENTS.** Prior to COE, Seller shall, at the option of the Buyer, execute the following documents:
  - 2.1. **Authorization to Release Information.** Signed release in favor of the Buyer to allow the Buyer to contact and obtain information from any lienholder and/or insurance company having to do with the Property.
  - 2.2. **Notice of Change of Address - Mortgage.** Notarized change of address to be delivered to the lender(s) for the Existing Loan, which will reflect Buyer's preferred contact information as the new asset manager.
  - 2.3. **Notice of Change of Address - Insurance.** Notarized change of address & policy amendment request to be delivered to any insurer providing or to provide insurance coverage for or related to the Property.
  - 2.4. **Notice of Change of Address - HOA.** Notarized change of address / responsible party to be delivered to any Homeowners Association governing the Property.

- 2.5. **Closing Acknowledgements for Subto Purchase.** Additional disclosures regarding the specifics of any liens being taken subject to, any insurance policies on the Property, reaffirmation of understanding of the nature of the transaction, instructions to the Escrow Agent not to give notice of the transaction to any Existing Loan (including a hold-harmless in favor of the Escrow Agent), and Instructions to the lender(s) of the Existing Loan as to the application of funds held by the lender in its escrow account.
- 2.6. **Durable Limited Power of Attorney.** Notarized DLPOA appointing Buyer as Seller's agent for the purpose of providing for and arranging insurance, making and accounting for mortgage payments, or any other matters that pertain to the Property.
- 2.7. **Assignment of Insurance Proceeds.** Notarized letter assigning insurance proceeds in favor of Buyer, which assigns all of Seller's right, title, and interest in any insurance proceeds to be paid by any insurer for the Property to Buyer.
3. **INSURANCE REQUIREMENT.** Buyer agrees to maintain an insurance policy consistent with the use of the property (such as an owner-occupant, vacant dwelling, or landlord policy) which satisfies the requirements of the Existing Loan. It is in Buyer's sole and absolute discretion to maintain the existing insurance for the Property.  
The holder of title shall be named as the primary insured on an active insurance policy in effect covering the Property after COE. Seller shall be named as an additional insured on any insurance policy for the Property as long as any outstanding debt remains in the Seller's name or is owed to the Seller.
- 3.1. **Assignment of Insurance Proceeds.**  
All insurance proceeds that would otherwise be payable to the Seller for any loss occurring on the Property after COE shall be paid to Buyer and Seller hereby conveys and assigns its rights to such insurance proceeds to Buyer. Seller shall execute any and all checks or documents necessary for the insurance proceeds to be paid to Buyer in the event of a loss related to the Property.
- 3.2. **Use of Insurance Proceeds.**  
Buyer shall maintain the Property in good condition and agrees to use insurance proceeds to ensure adequate repairs are executed and/or to pay down debts on the Property.  
BUYER SHALL NOT FAIL TO USE INSURANCE PROCEEDS TO RESTORE THE PROPERTY TO A VALUE EQUAL TO OR GREATER THAN THE AMOUNT OF ALL COMBINED DEBTS SECURED BY THE PROPERTY.

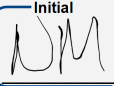
#### 4. BUYER'S REPRESENTATIONS AND WARRANTIES

- 4.1. In addition to Buyer's representations and warranties in the Contract, Buyer hereby represents, warrants and covenants, with the understanding

that Seller is relying on such representations and warranties and that such representations and warranties survive COE, that:

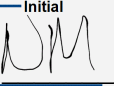
- 4.1.1. Buyer is aware of and fully understands the terms of the Contract, this Addendum, and the nature of the transaction contemplated, and agrees to make all Existing Loan payments on behalf of the Seller when such payments are due.
- 4.1.2. Buyer is aware that "Equity Skimming" is a federal and/or state crime under which the Buyer fails to make payments to the underlying loan, and for which the Buyer may be both civilly and criminally liable.
- 4.1.3. The Existing Loan will remain outstanding and the deed(s) of trust securing the Existing Loan will remain as liens against the Property.
- 4.1.4. Buyer acknowledges that the Existing Loan may contain a "due on sale" clause, which allow the lender(s) to require full payment as a remedy for the default of transferring the Property to a new owner.  
If the default is not cured, foreclosure proceedings may be initiated in the event the lender(s) invoke the lender(s)' rights under the due on sale clause. Buyer understands, acknowledges, and agrees that in this event, Buyer shall either assume the existing Loan, pay off the existing Loan, or any other remedy which satisfies the lender's requirements to avoid losing the Property to foreclosure.
- 4.1.5. In the event Seller has not breached the Contract and the lender(s) invokes the due on sale clause, Buyer shall hold Seller harmless for any loss or damages which may occur as a result of lender(s)' foreclosure.

## 5. SELLER'S REPRESENTATIONS, DISCLOSURES, ACKNOWLEDGMENTS, AND WARRANTIES

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Seller Initials

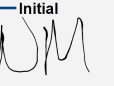
### 5.1. NO FURTHER OWNERSHIP OR CONTROL.

Upon close of escrow, Seller may no longer have an ownership interest in the Property and no further control over the Property. The Buyer may lease or resell the property in any fashion, at Buyer's sole option.

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Seller Initials


### 5.2. NOT A LOAN.

Notwithstanding a promissory note and deed of trust or mortgage for a Seller Carryback amount, Seller understands, acknowledges, and agrees that selling subject to the Existing Loan results in the outright purchase of the Property by the Buyer and is not intended to be a loan by Buyer to Seller.

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Seller Initials


### 5.3. EXISTING LOAN NOT PAID IN FULL.

Seller understands, acknowledges, and agrees that the Existing Loan for which Seller is the borrower, will not be paid in full at COE.

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 Seller Initials


**5.4. CONTINUING LIABILITY ON EXISTING LOANS.**

Seller understands, acknowledges, and agrees that upon the COE, Seller's name will remain on the Existing Loan, and that no promises have been made by Buyer to Seller that the Existing Loan will be assumed or paid off by Buyer except as a required response to remedy any occurrence of a lender calling the loan due on sale.

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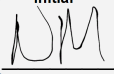
**5.5. EXISTING LOAN ON CREDIT REPORT.**

Seller understands, acknowledges, and agrees that the Existing Loan may continue to appear on Seller's credit report and may impact or effect Seller's ability to obtain other financing or loans.

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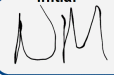
**5.6. NO FURTHER DEDUCTION OF MORTGAGE INTEREST.**

Seller understands, acknowledges, and agrees that Seller cannot deduct mortgage interest paid by Buyer even though Seller may continue to receive a form 1098 for the Existing Loan.

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**5.7. EVENT OF FORECLOSURE.**

Seller understands, acknowledges, and agrees that in the event the Existing Loan is not paid, Seller will be subject to foreclosure proceedings and such proceedings may harm Seller's credit.

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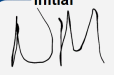
**5.8. FAILURE TO MAKE TIMELY PAYMENTS.**

While Buyer's failure to make payments to the Existing Loan would likely constitute equity skimming (a federal crime), Seller understands, acknowledges, and agrees that Buyer's purchase of the Property does not end or terminate Seller's obligation to make full and timely payment of the Existing Loan.

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 Seller Initials

**5.9. DUE ON SALE CLAUSE.**

This transaction will be conducted without the lender's consent, and the Existing Loan likely has a due on sale clause that allows the lender to accelerate the loan for transferring the Property, and in the case of nonpayment, to initiate foreclosure proceedings for the Property, which may affect Seller's credit.

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 Seller Initials

**5.10. PROPERTY INSURANCE PROCEEDS.**

Seller understands, acknowledges, and agrees that any insurance proceeds related to any loss on the Property occurring after COE shall be paid to Buyer. Seller shall not be entitled to receive any insurance proceeds for any loss on the Property occurring after COE.

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**5.11 NOT AN ASSUMPTION.**

Buyer is not assuming the Existing Loan. Assumption cannot be



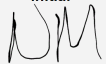
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completed without lender's review and qualification process for the Buyer, which may take more than 90 days, is subject to lender approval, and interest rate renegotiation. Buyer has no obligation to assume the Existing Loan.

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 Seller Initials


**5.12 NO INTERFERENCE.**

As of the date of signing, Seller will not take any action adverse to Buyer's ownership, control, or use of the Property, nor any action reasonably likely to cause any insurer to cancel a policy or deny a claim, or to cause any Existing Loan to be accelerated or initiate foreclosure proceedings with respect to the Property.

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 Seller Initials


**5.13 COOPERATION AFTER COE.**

Without undue delay, Seller will cooperate with Buyer starting on the Effective Date and continuing after COE until the Existing Loan is not in Seller's name. Seller will execute any and all documents and/or perform any other acts reasonably necessary to effect the quiet ownership and operation of the Property by Buyer.

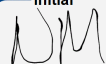
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**5.14 SELLER'S BREACH.**

IN THE EVENT SELLER BREACHES THIS AGREEMENT AFTER COE, THE PARTIES AGREE THAT BUYER SHALL BE ENTITLED TO \$50,000 AS LIQUIDATED DAMAGES AS IT WILL BE DIFFICULT TO DETERMINE ACTUAL DAMAGES IN THE EVENT OF SUCH BREACH.

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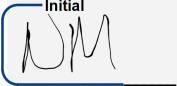
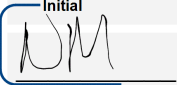
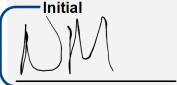
**5.15 SELLER'S CONTINUED RESPONSIBILITIES.** For the duration of any Existing Loan in Seller's name, Seller shall provide to Buyer within 5 business days of receipt a copy of any mortgage statements, notices from the lending institution, tax statements, permits, liens, or other notifications relating in any way to the Property.

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 Seller Initials

**5.16 TRANSFER OF IMPOUNDS ACCOUNT.**

Unless otherwise agreed in writing, at COE, there shall be prorated between the Buyer and Seller: a) all real estate taxes and assignments; b) interest on encumbrances assumed or taken subject-to by Buyer; and c) insurance premiums, with Buyer having the responsibility for such items following COE. The Seller shall assign to the Buyer all right, title, and interest in any escrow or impound account associated with any lien secured by the Property. This assignment shall be irrevocable. The Seller shall repay any deficit in the impound account. The transfer of the impound account shall satisfy any customary or required proration of, taxes,



	insurance, or any other amount periodically due which is paid through an escrow account.
<div>Initial</div>  <div>Seller Initials</div>	<b>5.17 PRORATION OF PITI PAYMENTS.</b> Unless otherwise agreed in writing, the monthly PITI shall be prorated to the day of closing so that the Seller and Buyer each pay their respective portions of the next payment due on or after COE. The full PITI payments shall be treated as being paid in arrears ( <i>example: February 1st payment is for ownership and use of the Property in January</i> ).
<div>Initial</div>  <div>Seller Initials</div>	<b>5.18 EXCLUSION FROM BANKRUPTCY.</b> The Seller shall exclude the Property and any debts being taken subject to from any bankruptcy the Seller may file at a future date.
<div>Initial</div>  <div>Seller Initials</div>	<b>5.19 THIS ADDENDUM DOES NOT EXPIRE.</b> The terms, conditions, and acknowledgements contained in this Addendum shall survive COE and shall remain in effect indefinitely.

**6. JOINT INSTRUCTIONS TO REFRAIN FROM INFORMING LENDER OF TRANSFER.** Buyer and Seller hereby specifically instruct the Escrow Agent not to communicate with lender(s) on the Existing Loan regarding the intended transfer of title to the Property. The Escrow Agent is further instructed not to order a loan payoff quote for any Existing Loan the parties intend to leave in place after COE without the written consent of the Buyer. Unless a payoff quote is requested, in lieu of a payoff quote, Buyer and Seller agree to use a current (no more than 30 days old) account statement for the Existing Loan which shows the balances of principal, impound accounts, dates, and amounts due. Loan(s) shall be brought current as of COE. The Escrow Agent shall be released from any liability and/or responsibility relating to the terms and conditions contained in the Note(s) and Deed(s) of Trust securing the Existing Loan and regarding any acceleration or alienation clause(s), if any, whether by or between the parties hereto or third parties incidental thereto.

## **7. BANKRUPTCY.**

**7.1. NO BANKRUPTCY ALLOWED FOR AT LEAST 90 DAYS AFTER COE.** The Seller agrees not to file bankruptcy for at least 90 days following close of escrow for the Property, as this may subject the transaction to undue influence by a bankruptcy court.

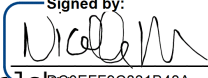
- 7.2. **EXCLUSION OF LOAN AND PROPERTY FROM BANKRUPTCY.** The Seller agrees not to include the Property or existing loan(s) in any bankruptcy filing. The Seller acknowledges that such inclusion may have undue adverse effects for the Buyer, including but not limited to the potential disruption of the Buyer's possession and ownership of the Property.
- 7.3. **NOTICE REQUIRED PRIOR TO FILING BANKRUPTCY.** The Seller agrees to notify the Buyer in writing at least 7 days prior to filing for bankruptcy.
- 7.4. **REAFFIRMATION OF DEBT:** Seller shall, upon demand by Buyer, sign additional documents as and when needed to reaffirm the loan(s) contemplated by this transaction.
8. **LEGAL CONSEQUENCES.** The Seller understands and agrees that any violation of this Agreement may result in legal proceedings, including but not limited to monetary damages and injunctive relief. The Seller further agrees to indemnify and hold harmless the Buyer from any losses, damages, or costs incurred as a result of the Seller's breach of this Agreement. The prevailing party in any lawsuit arising out of or to enforce this Contract shall be awarded its reasonable attorneys' fees, expert fees, and costs incurred prior to and/or after the filing of such lawsuit.

*SIGNATURE PAGE FOLLOWS*

SIGNATURES

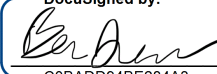
Seller has read and fully understands the terms and conditions of this Contract and is entering into this Contract voluntarily and has not been threatened, coerced, or intimidated into signing.

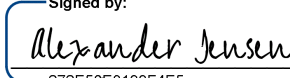
SELLER

Signed by:   
Signature: \_\_\_\_\_  
Name: Nicolle Michalsky 700EFF9C831B48A... By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date: 12/23/2024

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_ By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date: \_\_\_\_\_

BUYER

DocuSigned by:   
Signature: \_\_\_\_\_  
Name: Caruth Brothers LLC C0BADD94BE284A3... By: Ben Jensen  
Its: Managing Member Date: 12/9/2024

Signed by:   
Signature: \_\_\_\_\_  
Name: Caruth Brothers LLC 279E50E8133F4E5... By: Alexander Jensen  
Its: Managing Member Date: 12/23/2024