



RESIDENTIAL CONDOMINIUM CONTRACT

1. **PARTIES:** Bandit Condominiums, LLP, a Texas limited partnership (Seller) agrees to sell and convey to _____ (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. **PROPERTY AND CONDOMINIUM DOCUMENTS:**

A. The Condominium Unit, improvements and accessories described below are collectively referred to as the "Property".

(1) **CONDOMINIUM UNIT:** Unit _____ of The Lodges At the Bandit Golf Club Condominiums, a condominium project, located at Lot 1, Block 1, Bandit Condominium Subdivision, according to Volume 7, Page 378, Map and Plat Records of Guadalupe County, Texas, described in the Condominium Declaration and Plat and any amendments thereto of record in said County; together with such Unit's undivided interest in the Common Elements designated by the Declaration, including those areas reserved as Limited Common Elements appurtenant to the Unit and such other rights to use the Common Elements which have been specifically assigned to the Unit in any other manner.

(2) **IMPROVEMENTS:** All fixtures and improvements attached to the above described real property.

(3) **PERSONAL PROPERTY:** Refrigerator, Washer, Dryer

B. "Condominium Information Statement" means the information defined by §82.153, Texas Property Code. Buyer has received a copy of the Condominium Information Statement. Buyer is advised to read the Condominium Information Statement before signing this contract.

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

(1) Seller shall furnish a copy of the amendment, if any, to Buyer before closing; and

(2) Buyer may cancel this contract by providing written notice to Seller before the 6th day after Buyer receives the amendment or before closing, whichever is earlier.

3. **SALES PRICE:**

A.	Cash portion of Sales Price payable by Buyer at closing	\$ _____
B.	Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium)	\$ _____
C.	Sales Price (Sum of A and B)	\$ _____

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows:

Third Party Financing. One or more third party mortgage loans in the total amount of \$_____ (excluding any loan funding fee or mortgage insurance premium).

_____. This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum

_____. This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$_____ as earnest money with Seguin Title Company, as escrow agent, at 1410 E. Court, Seguin, Texas 78155. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY:

- A. **TITLE POLICY:** Seller shall furnish to Buyer at Seller's expense an owner policy of title insurance (Title Policy) issued by Seguin Title Company (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 4.
 - (4) Terms and provisions of the Condominium Information Statement including the assessments and platted easements.
 - (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
 - (6) The standard printed exception as to marital rights.
 - (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
 - (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.
- 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 the Closing Date, whichever is earlier.

- C. **OBJECTIONS:** Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed in the Commitment other than items 6A(1) through (8) above. Buyer must object not later than (i) the Closing Date or (ii) ten days after Buyer receives the Commitment and Exception Documents, whichever is earlier. 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. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.
- D. **TITLE NOTICES:**
- (1) **ABSTRACT OR TITLE POLICY:** Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
 - (2) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, 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. The Property is not currently located in a utility or other statutory statutorily created district providing water, sewer, drainage, or flood control facilities and services.
 - (3) **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. The Property does not abut the tidally influenced waters of the state.
 - (4) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in

the general proximity of the Property for further information. Seller notifies Buyer that the Property is in the extraterritorial jurisdiction of the City of New Braunfels and may now or later be subject to annexation by the municipality.

- (5) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service 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. The Property is located in the certificated service area of the following utility service providers: Electric, Guadalupe Valley Electric Co-Op; Water, Green Valley Special Utility District, and Sewer, Guadalupe Blanco River Authority

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. Seller at Seller's expense shall turn on existing utilities for inspections.
- B. **ACCEPTANCE OF PROPERTY CONDITION:** Except as may be expressly set forth in this contract, Seller makes no other express warranties. Buyer acknowledges by executing this contract it has inspected the Property and accepts the Property in its present condition. **Except As Specifically Provided In This Contract, The Deed, And The Limited Warranty Of The "2-10 Home Buyers Warranty Program", Seller Makes No Representations Or Warranties In Connection With The Subject Property, And Purchaser Agrees That Buyer Has Inspected The Subject Property Or Was Encouraged To Do So By Seller And Chose Not To, Is Relying Upon Such Inspection In Purchasing The Subject Property, And Is Acquiring The Subject Property "As Is" And "Where Is". By Receiving, Accepting And/Or Agreeing To The "2-10 Home Buyers Warranty", Including But Not Limited To The Terms And Conditions Contained Therein, Buyer Hereby Waives Any And All Other Express Or Implied Warranties, Including But Not Limited To Any Oral Or Written Representations Or Statements Made By The Seller Or Any Other Implied Warranty Including But Not Limited To**

Warranties Of Habitability, Merchantability, Fitness For A Particular Purpose And/Or Good And Workmanlike Construction. Buyer Acknowledges That This Provision Is Conspicuous, Was Explained In Detail To The Purchaser And This Provision Was A Material Inducement For Seller To Sell The Subject Property To The Purchase. This Section Shall Survive The Closing _____ / _____ (Buyer's Initials)

- C. RENTAL MANAGEMENT OF UNIT. Buyer acknowledges that neither Seller nor any entity hired or contracted by Seller or The Lodges At The Bandit Golf Club Condominium Owners Association ("Association") for the management of the condominiums or the Property guaranty that Purchaser will receive any rental income or other economic benefits if it elects to place the Unit in a rental arrangement. Buyer is aware that neither Seller nor any third party designated or arranged by Seller will enter into a rental management agreement with until after Buyer has executed a contract to purchase the Unit. Buyer acknowledges that neither the potential rental of the Unit or a rental management agreement has been an inducement for Buyer to enter into this Contract for the purchase of the Unit.
- D. INSULATION: As required by Federal Trade Commission Regulations, the information relating to the insulation installed or to be installed in the Property is as follows:
- (i) Exterior walls of improved living areas: insulated with Batt insulation to a thickness of 3.5 inches, which yields an R-Value of 13.
 - (ii) Walls in other areas of the Property: insulated with Batt insulation to a thickness of 3.5 inches, which yields an R-Value of 11.
 - (iii) Ceilings in improved living areas: insulated with Blown insulation to a thickness of 9 inches, which yields an R-Value of 30.
 - (iv) Floors of improved living areas not applied to a slab foundation: insulated with Batt insulation to a thickness of 3.5 inches, which yields an R-Value of 19.

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

- E. NOTICE OF NONAPPLICABILITY OF CERTAIN WARRANTIES AND BUILDING PERFORMANCE STANDARDS. The Property is exempt from Title 16, Property Code including the provisions of that title that provide statutory warranties and building and performance standards.

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

9. **CLOSING:**

- A. The closing of the sale will be on or before _____, or within 7 days after objections to matters disclosed in the Commitment have been cured, 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 special warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
 - (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
 - (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.
- C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.
- D. All covenants, representations and warranties in this contract survive closing.

10. POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: upon closing and funding. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership or possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**

11. SPECIAL PROVISIONS: At the time of closing the amount of \$ 250.00, being two months of regular assessments will be collected from Buyer to be deposited into an account designated for the working capital of The Lodges At The Bandit Golf Club Condominium Owner's Association in accordance with 4.10 of the Condominium Declaration.

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):

Releases of existing liens, including prepayment penalties and recording fees; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.

- (2) Expenses Payable by Buyer (Buyer's Expenses):

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

(b) Appraisal fees; loan application fees; 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; mortgagee 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; and other expenses payable by Buyer under this contract.

B. Buyer shall pay Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.

C. If any expense exceeds an amount 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 Housing Assistance Program or other governmental loan program regulations.

13. PRORATIONS: Taxes for the current year 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 Unit which Seller is solely obligated to maintain and repair under the terms of the Declaration is damaged or destroyed by fire or other casualty, Seller shall restore the same to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer, (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. If any part of the Common Elements or Limited Common Elements appurtenant to the Unit is damaged or destroyed by fire or other casualty loss, Buyer will have 7 days from receipt of notice of such casualty loss within which to notify Seller in writing that the contract will be terminated unless Buyer receives written confirmation from the Association that the damaged condition will be restored to its previous condition within a reasonable time at no cost to Buyer. Unless Buyer gives such notice within such time, Buyer will be deemed to have accepted the Property without confirmation of such restoration. Seller will have 7 days from the date of receipt of Buyer's notice within which to cause to be delivered to Buyer such confirmation. If written confirmation is not delivered to Buyer as required above, Buyer may terminate this contract and the earnest money will be refunded to Buyer. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a)

enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may 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:** The prevailing party in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.
- 18. ESCROW:**
- A. **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.
 - 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 require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.
 - 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 disbursement of the earnest money.
- 19. 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 facsimile or electronic transmission as follows:

To Buyer at:

Telephone: (_____) _____
Facsimile: (_____) _____
E-mail: _____

To Seller at:

Bandit Condominiums, LLP
512 E. Blanco Rd., Suite 100
Boerne, Texas 78006
Telephone: (830) 249-8529
Facsimile: (830) 249-7322
E-mail: aderham@livingatthebandit.com
Cc: Grace G. Kunde, 112 N. Travis, Seguin, Texas 78155; (830) 379-1487 Fax

20. 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:
_____.

21. This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code. If the reasonable cost of repairs necessary to repair a construction defect that is the responsibility of the contractor exceeds 35% of the current fair market value of the residence, as determined without reference to the construction defects, then, in an action subject to this chapter, the contractor may elect as an alternative to the damages specified in Section 27.004(g) of the Texas Property Code that the contractor who sold the residence to the homeowner purchase it.

EXECUTED the ___ day of _____, 20__

BUYER

SELLER

BANDIT CONDOMINIUMS, L.L.P., a Texas limited partnership,

By: FORESIGHT CONDOMINIUM PARTNERS, LTD., a Texas limited partnership, Managing Joint Venturer

By: PEDMILL, L.L.C., a Texas limited liability corporation, its General Partner

DANIEL A. PEDROTTI, JR., Member

CONTRACT AND EARNEST MONEY RECEIPT

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

Escrow Agent: _____

Date: _____, 2008

By: _____

Email Address: _____

Telephone: _____

Facsimile: _____