WRAPAROUND ADDENDUM
TO RESIDENTIAL SALES CONTRACT

PROPERTY: ___________________________________________________________

SELLER:_______________________________________________________________

BUYER:_______________________________________________________

This Wraparound Addendum modifies that certain residential sales contract (the "Contract") to which it is attached. The terms and conditions of this Addendum shall prevail over any conflicting terms and conditions contained in the Contract.

Wraparound Transaction:

The transaction contemplated by the Contract is a "wraparound transaction." Buyer will take title subject to the existing indebtedness on the Property (the "Wrapped Indebtedness"). Buyer will not assume the Wrapped Indebtedness via a qualified assumption. Seller will continue to be obligated to pay the Wrapped Indebtedness according to its terms. Buyer will execute a new note to the Seller (the "Wraparound Note") and sign a deed of trust to secure payment of this new note (the "Wraparound Deed of Trust"). Buyer will make regular monthly payments pursuant to the terms of the Wraparound Note. Seller will continue to be obligated to make regular monthly payments to the first-lien lender (the "Wrapped Lender") on the Wrapped Indebtedness. This arrangement will continue until the maturity date of the Wraparound Note or the refinance of all underlying liens. The Wrapped Lender will not be advised of this transaction.

Wrapped Indebtedness (The existing note or notes on the Property):

A copy of the last statement on the Wrapped Indebtedness is attached.

The Wrapped Lender [Check One] _____does [OR] _____does not collect an escrow for taxes and insurance. If there is an escrow held by the Wrapped Lender, the monthly escrow payment is $ ____________ and the approximate total amount in escrow as of this date is $ ______________.
Representations and Disclosures of Seller:

1. The Wrapped Indebtedness is (check one):

   _______ paid current as of this date and is not otherwise in default. The next payment is due ________________________.

   _______ not current, as payments for the months of ________________________ have not been made. The loan is therefore behind in the approximate total amount of $ ____________ including late fees.

2. There are no other liens, encumbrances, or other indebtedness against or affecting the Property, whether recorded or not, other than the Wrapped Indebtedness. Seller also warrants that there are no IRS liens, ad valorem tax liens, mechanic’s liens, or HOA liens (actual, pending, or threatened) that have attached or may attach to the Property.

3. The Property has the following defects and/ or needs the following repairs:

   ______________________________________________________________________________________________

   ______________________________________________________________________________________________

   ______________________________________________________________________________________________

Obligations of Seller:

1. Seller shall continue to have the obligation to timely and regularly pay the Wrapped Indebtedness until same is fully discharged and a release of lien is obtained.

2. Seller agrees to indemnify, defend, and hold Buyer harmless against any and all claims that may arise from Seller’s breach of or failure to perform Seller’s covenants and obligations under the Wrapped Indebtedness, so long as Buyer is not in default under the Note.

3. Seller acknowledges that Buyer has a legitimate interest in insuring that the Wrapped Indebtedness is timely paid and that same is not otherwise allowed to fall into default. Seller agrees to be responsive to requests from Buyer on this subject and from time to time provide documentary verification to Buyer that payments are current on the Wrapped Indebtedness.
Default after Closing:

In the event of Seller’s default upon any of Seller’s wraparound obligations, Buyer may intercede and cure Seller’s default in order to prevent actual or threatened foreclosure upon the Property as a result of Seller’s default under any Wrapped Note. If Seller cures a default under any Wrapped Note, Buyer shall receive credit on the Wraparound Note for all amounts so paid, as well as associated costs and attorney’s fees, if any, without necessity for written modification of the Wraparound Note.

In the event of Buyer defaults on the Wraparound Note, Seller may after notice accelerate the wraparound debt and foreclose upon the Property as provided in the Wraparound Deed of Trust.

Notice Concerning Due on Sale Clause:

The transaction contemplated in this contract involves transferring title to the Property without consent of the lender. Firstly, transfer of title conveys an ownership interest only and does not relieve the Seller from liability to pay the note. Secondly, all parties declare they are aware that the Seller’s deed of trust contains a “due-on-sale” clause which permits the lienholder to declare the Seller’s note due and payable in the event the property is transferred or sold. Closing this transaction creates a risk that the lienholder may exercise its election to declare the note due and payable. This may occur. It may not. No party is entitled to make any assumptions concerning this. If the Wrapped Lender(s) calls the Wrapped Note(s) due, Buyer may have only a short time to pay it. If the Wrapped Indebtedness is not paid in full upon demand, the property may be foreclosed upon and Seller may suffer damage to Seller’s credit rating.

Special Provisions Relating to this Wrap:

If the Wrapped Lender notifies the parties of the intent to accelerate the note based on the due on sale clause of the deed of trust, Grantor will sign all required documents, including a lease purchase option agreement, a general warranty deed, and etc. to convey the property to Seller for a period not to exceed 180 days. After 180 days or before, Seller will execute a general warranty deed conveying the property back to Buyer. During the period of time of temporary ownership by Seller, Buyer agrees to issue payments as agreed upon in the Note and Seller will have no obligation to issue payment to the Wrapped Lender (other than as specified in the original agreement between Buyer and Seller).

Consult an Attorney:

If you have questions concerning this Addendum, consult your attorney before signing. This Addendum is not for use by TREC licensees unless prepared by an attorney.

EFFECTIVE on the Effective Date of the Contract, regardless of signature date.
BUYER:

_________________________________________  ____________________________
SIGNATURE                                                                 Date Signed

_________________________________________  ____________________________
SIGNATURE                                                                 Date Signed

SELLER:

_________________________________________  ____________________________
SIGNATURE                                                                 Date Signed

_________________________________________  ____________________________
SIGNATURE                                                                 Date Signed
NOTICE/DISCLOSURE REGARDING WRAP TRANSACTIONS

Buyer and Seller ("Parties") hereby acknowledge receipt of notice and disclosure that The Law Offices of T. Alan Ceshker PC, ________________________ and ________________________ ("Brokers") have advised the Parties to seek legal advice and have their respective attorneys review this transaction and review all documents provided to the Parties for the purpose of entering into this transaction and any and all documents drafted to facilitate the transaction and the closing of same. A wrap transaction and the documents required for a wrap transaction are complicated and should be reviewed by an attorney (i.e. the wrap note, wrap deed of trust, the wrap deed, the wrap disclosures, insurance coverage, loan servicing, loan amortization, etc.).

The Parties hereby acknowledge receipt of notice and disclosure that the Brokers are not attorneys and have not provided any legal advice regarding the wrap transaction or the wrap documents. The Law Offices of T. Alan Ceshker, PC do not represent the Buyer or Seller in this transaction. The Parties hereby acknowledge receipt of notice and disclosure that the Brokers have advised the Parties that there is likely a "due on sale" clause or term to the underlying loan agreement regarding the subject property to be sold/purchased and this clause is triggered by the wrap transaction. Again, the Parties are advised to seek independent legal counsel to detail the consequences of violating this term of the underlying loan agreement.

The Parties hereby acknowledge receipt of notice and disclosure that entering into a wrap transaction may have a negative impact on the Seller’s ability to obtain a mortgage loan or other loans in the future. The Parties hereby acknowledge that the Brokers do not recommend entering into a wrap transaction without seeking independent legal advice and direction as to whether or not to enter into a wrap transaction.

The Parties hereby release the Brokers of any and all claims, known and unknown, that the Parties have or may acquire regarding this wrap transaction and the Parties’ signing of the wrap transaction documents.

___________________________
Buyer

___________________________
Buyer

___________________________
Seller

___________________________
Seller
NOTICE OF CONVEYANCE OF RESIDENTIAL PROPERTY
ENCUMBERED BY LIEN PURSUANT TO
TEXAS PROPERTY CODE SECTION 5.016

WARNING: ONE OR MORE RECORDED LIENS HAVE BEEN FILED THAT
MAKE A CLAIM AGAINST THIS PROPERTY AS LISTED BELOW. IF A LIEN IS
NOT RELEASED AND THE PROPERTY IS CONVEYED WITHOUT THE
CONSENT OF THE LIENHOLDER, IT IS POSSIBLE THAT THE LIENHOLDER
COULD DEMAND FULL PAYMENT OF THE OUTSTANDING BALANCE OF THE
LIEN IMMEDIATELY. YOU MAY WISH TO CONTACT EACH LIENHOLDER FOR
FURTHER INFORMATION AND DISCUSS THIS MATTER WITH AN ATTORNEY

_____________________________, Seller(s), hereby provides notice to ____________
______________________________, as Purchaser(s), pursuant to Texas Property Code, Section
5.016 as follows: The address of the property is ________________________________
________________________________________________________________________
and the legal description of the property in question is as follows:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

1. The name, address and phone number of the lienholder against the Property is as
follows:

__________________________________
__________________________________
__________________________________
__________________________________
__________________________________

2. The amount of the debt that is secured by the lien was created in the original principal
sum of $____________________ on or about ____________________, ___________.
The payoff balance as of ________________ is $______________.

3. The rate of interest of the debt secured by the Property is ________________%.
4. The monthly installment of the debt secured by the Property is $_________________.

5. The account number for the debt secured by the Property is ________________.

6. The lienholder has not consented to the transfer of the Property to ________________
   ________________________

7. For the existing insurance policy relating to the Property, the following applies:
   a) The name of the Insurer is ____________________________.
   b) The name of the Insured is ____________________________________.
   c) The amount for which the Property is insured is $__________________
   d) The Property that is insured is ________________________________
      ________________, Texas ________________.

8. The amount of any property taxes which are due and unpaid are $__________________.
   The amount of the property taxes for the year 201__ were $__________________.

   Dated this the _____ day of ________________, 201__.

   By: ___________________________
   <name>

   Receipt of the above notification is acknowledged as of the _____ day of
   ____________________________, 201__.

   ___________________________
   <name>