



**AGENDA**  
**TWCA BOARD OF DIRECTORS MEETING**  
**Thursday, November 2, 2023, 11:00am**  
**San Antonio Marriott RiverCenter**

1. Call to Order – President Lyn Clancy
2. Discussion and possible action on approval of minutes of June 2023 Board Meeting
3. Discussion and possible action on financial reports – Mike Booth, Treasurer
4. Report on TWCA Risk Management Fund (RMF) including approval of RMF nomination to fill vacant TWCA Board position – Kathy Turner Jones, RMF Board Chair
5. Policy and Legislative Update – Sarah Kirkle
6. Discussion and possible action on supporting proposed updates to TREC real estate forms regarding water rights and management – Brian Sledge
7. Discussion and possible action on reports of Panel Chairpersons:
  - a. Drainage Districts Panel – Allen Sims
  - b. General & Environmental Panel – Carolyn Ahrens
  - c. Groundwater Panel – Drew Satterwhite
  - d. Industrial Panel – Ty Embrey
  - e. Irrigation Panel – Troy Allen
  - f. Municipal Panel – Denis Qualls
  - g. Navigation & Flood Control – Emily Rogers
  - h. River Authorities Panel – Kevin Ward
  - i. Utilities Districts Panel – Darrell Grubbs
8. Discussion and possible action on reports of Committee Chairs:
  - a. Executive Committee – Lyn Clancy
  - b. Membership & Services Committee – Connie Curtis
  - c. Policy Committee – Dan Buhman
  - d. Water Laws Committee – Howard Slobodin
  - e. Endangered Species Committee – Glenn Clingenpeel
  - f. Water Quality Committee – Randy Palachek
  - g. Federal Affairs Committee – Tom Ray
    - NWRA – Kevin Ward, President
    - NWSA – Dan Buhman, Past President
    - NWC – Tom Ray, President
    - Texas Water Day – Sarah Kirkle
  - h. Surface Water Committee – Lyn Clancy and Walt Sears
  - i. Groundwater Committee – Brian Sledge and Hope Wells
  - j. Any other committee reports
9. Other Business
10. Adjournment

(Next Board Meeting is scheduled for Friday, **December 8, 2023** at the Austin Omni Downtown)



**MINUTES**  
**TWCA Board of Directors Meeting**  
**Thursday, June 15, 2023, | The Woodlands Resort**

**1. Call to order – President Lyn Clancy**

President Lyn Clancy called the meeting to order at 4:18pm with a quorum present. A list of attendees is attached. Lyn introduced the presidential tree and the president’s panel appointees.

**2. Discussion and possible action on approval of minutes of last board meeting**

There were no amendments to the minutes. Alia Vinson moved, and Ed Shackelford seconded the motion to approve the minutes of the past meeting, and the motion passed unanimously.

**3. Discussion and possible action on financial reports – Mike Booth and Stacey Steinbach**

Mike reported that the financials are in the board packet. Stacey reported on the proposed financial policy and highlighted the financials in the packet. Mark Evans moved, and Troy Allen seconded the motion to approve the financials, and the motion passed unanimously.

**4. Report on TWCA Risk Management Fund – Jace Houston, Chair, TWCA RMF**

Jace reported that the RMF board met on May 24 to approve the budget and determine funding levels for membership renewals. RMF offers many services to its members including leadership training, cyber risk, and comprehensive risk review. Jace also made some personal remarks.

**5. Membership and Operations Update – Adeline Fox, Director of Operations & Membership**

Adeline highlighted operations, membership, and social media updates.

**6. Policy and Legislative Update – Sarah Kirkle, Director of Policy & Legislative Affairs**

Sarah plugged the 88th session recap tomorrow morning with Ty and Linda. She recapped the regular session and gave a status on the special session. The veto deadline is Sunday. Most major bills have been signed. The major TWCA priorities were SB 28 and the WAM bill. She highlighted FIF, SRF, and other fiscal allocations. She also reported that the PUC, TCEQ and TWDB sunset bills passed.

**7. Discussion and possible action on reports of Panel Chairpersons**

- Drainage Districts Panel – Allen Sims reported that 28 attended. They discussed the GLO river basin flood studies, had a conversation with Rep. Stan Kitzman, and covered preparation and response for hurricanes.
- General & Environmental Panel – Carolyn Ahrens reported that 30 attended. Mike Gershon spoke about underflow and James Aldredge talked about regionalization.
- Groundwater Panel – Drew Satterwhite reported that 41 attended. Paula Jo Lemonds presented.
- Industrial Panel – Ty Embrey reported that 20 attended and the panel discussed legislative and case updates.
- Irrigation Panel – Troy Allen reported that 16 attended and the panel discussed legislation and RGV water issues.
- Municipal Panel – Denis Qualls reported that 60 attended. Discussions included senate bill 1430 currently before Congress.
- Navigation & Flood Control – Dan Buhman reported there were untold numbers in attendance. Panel members discussed the state flood plan, flood control funding from USACE, and levee safety topics.
- River Authorities Panel – Kevin Ward: Scott Hall reported there were a lot of people in attendance. The panel chose to fill the vacancy left when Jonathan Stinson joined the board as a representative of the Risk Management Fund. Jenna Covington moved that Darrell Nichols with GBRA fill the vacancy, and David Montagne seconded the motion, and the motion passed unanimously.

- Utilities Districts Panel – Darrell Grubbs reported that 21 attended and that the panel discussed the Hidalgo County case.

## 8. Committee reports with discussion and possible action

- Executive Committee – Lyn Clancy reported that the proposed financial policy was brought to the EC. Recommendation to move forward with adoption. Stacey provided additional background on the financial/investment policy. Language guided by the PFIA. Gary Westbrook moved, and Tom Ray seconded the motion to approve the financial policy, and the motion passed unanimously.
- Membership & Services Committee – Connie Curtis reported on the volunteer event at SJRA. There were 40+ people and the group did an aquatic planting project. There were 45+ golfers. The new member meet and greet had 38 first time attendees. The speed networking went well too with 46 people participating. She thanked the reception sponsors and said they would continue to work with the subcommittees.
- Policy Committee – Dan Buhman reported that the policy committee is reviewing sections 8 and 11.
- Water Laws Committee – Howard Slobodin reported that we have applied for 5 CLE credit hours for this conference. Stacey recognized Howard for his work on the Hidalgo Co. amicus brief.
- Endangered Species Committee – Glenn Clingenpeel reported that the meeting will be 8:30am Friday. USFWS reps will be speaking.
- Water Quality Committee – Randy Palachek: Glenn reported that there were 75-100 people. There were a series of speakers covering nutrient criteria, PFAS, and water/wastewater treatment in semiconductors.
- Federal Affairs Committee/Texas Water Day – Tom Ray thanked Sarah for her help in planning the meeting. Updates on WOTUS, *Chevron* case, NWRA, and ACWA.
  - NWRA, Kevin Ward: Lyn provided the report. NWRA is having a conference in late July in North Dakota.
  - NWC, Tom Ray: The 2023 Annual Meeting is scheduled for Oct. 2-4 in Sacramento, CA.
  - NWSA, Dan Buhman: The meeting will be in Denver in September. Good growth in the membership.
- Any other committee reports: None

## 9. Other business

Lyn recognized David Montagne for the Leroy Goodson Leadership in Water Award because he was not able to accept the award at the annual convention. Stacey presented the award to David.

Lyn pointed out the last page of the board packet has future meeting dates. Look for calendar invites.

Stacey mentioned the loss of Thomas Taylor, former GM of UTRWD. Wayne said a few words.

Next board meeting is set for November 2nd in San Antonio.

## 10. Adjournment

Lyn adjourned the meeting at 5:30pm.

**Summer 2023  
Board Of Directors Meeting  
Attendees**

**Board Members**

John Chisholm  
Jonathan Stinson  
Matt Phillips  
John B. Hofmann  
David Collinsworth  
Travis Williams  
Scott Harris  
Michael Reedy  
Gary Westbrook  
Kim Carroll  
Don Carona  
Alia Vinson  
Darrell Grubbs  
Tony Smith  
Dirk Aaron  
Glenn Clingenpeel  
Howard S. Slobodin  
Denis Qualls  
Tom Ray  
Carolyn Ahrens  
Mark Evans  
Brian Sledge  
Hope Wells  
Cole Walker  
Karen Bondy  
Rachel Ickert  
Shirley Ross  
Dan Buhman  
Jenna Covington  
Ed Shackelford  
Bob Lux  
Kelley Holcomb

Jace Houston  
Ty Embrey  
Ekaterina Fitos  
Phil Kelley  
Walt Sears  
Chris Gallion  
Connie Curtis  
Drew Satterwhite  
Michael Turco  
Heather Cooke  
Amy Stelter  
Steve Walthour  
Troy Allen  
Tom McLemore  
Kyle Miller  
Larry Patterson  
Scott Hall  
Heath Thompson  
Dawn Pilcher  
David Montagne  
Paulina Williams  
Derek Boese  
Spandana Tummuri  
Allen Sims  
Barney Austin  
Kathy Turner Jones  
Wayne Owen  
Michael Booth  
Lyn Clancy

**Other Attendees**

Lance McLeod

Ronna Hartt  
Heather Ramsey  
Briana Gallagher  
Matt Barrett  
Andy Wier  
Greg Womack  
Alexis Long  
Michael A. Kent  
Juan A. Martinez  
Anthony  
Stambaugh  
Carlos Guzman  
Krystal Boggs  
Kibriana Bonner  
Doug Haude  
Kyle Dean  
Parker Chambers  
Nicole Rutigliano  
Jennifer Smith  
Shauna Sledge  
Veronica Osegueda  
Jamila Johnson  
Paul Nelson  
Patrick Bryan  
Cory Shockley  
Rick Martinez  
Jose A. Davila  
Jack Salmon  
David Harkins  
Zach Huff

# Texas Water Conservation Association

## Balance Sheet

As of October 30, 2023

	TOTAL	
	AS OF OCT 30, 2023	AS OF OCT 30, 2022 (PY)
<b>ASSETS</b>		
Current Assets		
Bank Accounts		
1025 TWCA - Checking 6129	471,416.50	361,923.22
AffiniPay Clearing	4,590.00	
Savings/Investments		
Certificate of Deposit - 16 Month	75,000.00	
Certificate of Deposit - 8 Month	75,000.00	
Legal Advocacy Fund Account 9926	21,570.78	21,568.68
<b>Total Savings/Investments</b>	<b>171,570.78</b>	<b>21,568.68</b>
<b>Total Bank Accounts</b>	<b>\$647,577.28</b>	<b>\$383,491.90</b>
Accounts Receivable	<b>\$0.00</b>	<b>\$450.00</b>
Other Current Assets		
1300 Principal Financial Stock	15,225.08	15,225.08
1810 Austin Club Membership	0.00	500.00
Payroll Refunds	0.00	22.50
Prepaid Expenses	1,300.00	300.00
Stripe Clearing Refunds - Acodei	0.00	-350.66
Uncategorized Asset	0.00	0.00
Undeposited Funds	1,674.07	19,703.59
<b>Total Other Current Assets</b>	<b>\$18,199.15</b>	<b>\$35,400.51</b>
<b>Total Current Assets</b>	<b>\$665,776.43</b>	<b>\$419,342.41</b>
Fixed Assets		
Other Assets	<b>\$2,807.00</b>	<b>\$2,807.00</b>
1301 Lease and Other Deposits	12,894.50	11,725.28
<b>Total Other Assets</b>	<b>\$12,894.50</b>	<b>\$11,725.28</b>
<b>TOTAL ASSETS</b>	<b>\$681,477.93</b>	<b>\$433,874.69</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable	<b>\$0.00</b>	<b>\$0.00</b>
Other Current Liabilities		
Direct Deposit Payable	0.00	0.00
EARMARKED FUNDS		
Legal Advocacy Fund Deposits	21,556.00	21,556.00
Payroll Liabilities	<b>655.00</b>	<b>-25,886.22</b>
<b>Total Other Current Liabilities</b>	<b>\$22,211.00</b>	<b>\$ -4,330.22</b>
<b>Total Current Liabilities</b>	<b>\$22,211.00</b>	<b>\$ -4,330.22</b>
<b>Total Liabilities</b>		
<b>Total Liabilities</b>	<b>\$22,211.00</b>	<b>\$ -4,330.22</b>
Equity		
3010 Fund Balances	13,467.03	5,569.03

# Texas Water Conservation Association

## Balance Sheet

As of October 30, 2023

	TOTAL	
	AS OF OCT 30, 2023	AS OF OCT 30, 2022 (PY)
3015 Fund Balance - Equipment Replace Fund	0.00	7,898.00
Retained Earnings	271,764.27	153,289.57
Net Income	374,035.63	271,448.31
<b>Total Equity</b>	<b>\$659,266.93</b>	<b>\$438,204.91</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$681,477.93</b>	<b>\$433,874.69</b>

# Texas Water Conservation Association

## Profit and Loss

January 1 - October 30, 2023

	TOTAL	
	JAN 1 - OCT 30, 2023	JAN 1 - OCT 30, 2022 (PY)
<b>Income</b>		
4000 Membership Dues Income	408,448.00	363,242.00
4110 Legislative News Subscriptions	40,762.50	31,650.00
4200 Annual Convention Income	264,290.00	218,426.00
4220 Summer Conference Income	232,140.00	179,918.37
4240 Other Meeting Income	24,975.00	10,126.00
4250 Fall Conference Income	233,585.00	193,490.00
4300 TGWA Management Fee	76,000.00	155,000.00
4500 Risk Management Fund Income	130,050.00	128,520.00
4600 Reimbursable Expense Income	2,621.11	5,483.81
Confluence Income	1,000.00	4,999.00
Income		0.00
Uncategorized Income	1,475.00	
<b>Total Income</b>	<b>\$1,415,346.61</b>	<b>\$1,290,855.18</b>
<b>GROSS PROFIT</b>	<b>\$1,415,346.61</b>	<b>\$1,290,855.18</b>
<b>Expenses</b>		
5100 Administrative Expenses	9,754.23	7,525.92
5500 Annual Convention	135,292.60	127,468.26
5530 Summer Conference	85,414.16	69,093.01
5540 Texas Water Day	9,507.03	
5550 Fall Conference	1,577.23	9,192.91
5570 Other Meetings Expense	7,168.97	7,043.47
5590 Board Expenses	1,000.00	1,000.00
5650 Travel, Education, and Outreach	29,146.74	17,175.82
5710 NWRA Dues	35,116.00	25,569.75
5800 Office Expenses and Supplies	12,944.88	19,387.13
5820 Office Lease	57,431.78	92,715.55
6000 IT and Website	35,619.76	32,783.28
Contract Labor		6,000.00
Personnel	622,027.94	605,137.66
Uncategorized Expense	0.00	
<b>Total Expenses</b>	<b>\$1,042,001.32</b>	<b>\$1,020,092.76</b>
<b>NET OPERATING INCOME</b>	<b>\$373,345.29</b>	<b>\$270,762.42</b>
<b>Other Income</b>		
4100 Interest Earned	690.34	687.98
<b>Total Other Income</b>	<b>\$690.34</b>	<b>\$687.98</b>
<b>Other Expenses</b>		
NON DEDUCTIBLE PENALTIES		2.09
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$2.09</b>
<b>NET OTHER INCOME</b>	<b>\$690.34</b>	<b>\$685.89</b>
<b>NET INCOME</b>	<b>\$374,035.63</b>	<b>\$271,448.31</b>

# Texas Water Conservation Association

## Budget vs. Actuals: 2023 TWCA Budget - FY23 P&L

January - December 2023

	TOTAL	
	ACTUAL	BUDGET
<b>Income</b>		
4000 Membership Dues Income	408,448.00	444,050.00
4110 Legislative News Subscriptions	40,762.50	34,000.00
4200 Annual Convention Income	264,290.00	250,000.00
4220 Summer Conference Income	232,140.00	210,000.00
4240 Other Meeting Income	24,975.00	32,000.00
4250 Fall Conference Income	233,585.00	220,000.00
4300 TGWA Management Fee	76,000.00	76,000.00
4500 Risk Management Fund Income	130,050.00	156,075.00
4600 Reimbursable Expense Income	2,621.11	5,000.00
Confluence Income	1,000.00	12,000.00
Uncategorized Income	1,475.00	
<b>Total Income</b>	<b>\$1,415,346.61</b>	<b>\$1,439,125.00</b>
<b>GROSS PROFIT</b>	<b>\$1,415,346.61</b>	<b>\$1,439,125.00</b>
<b>Expenses</b>		
5100 Administrative Expenses	9,754.23	15,000.00
5500 Annual Convention	135,292.60	150,000.00
5530 Summer Conference	85,414.16	90,000.00
5540 Texas Water Day	9,507.03	20,000.00
5550 Fall Conference	1,577.23	100,000.00
5570 Other Meetings Expense	7,168.97	34,000.00
5590 Board Expenses	1,000.00	
5650 Travel, Education, and Outreach	29,146.74	33,000.00
5710 NWRA Dues	35,116.00	35,116.00
5800 Office Expenses and Supplies	12,944.88	30,000.00
5820 Office Lease	57,431.78	75,000.00
6000 IT and Website	35,619.76	40,000.00
Personnel	622,027.94	800,000.00
Uncategorized Expense	0.00	
<b>Total Expenses</b>	<b>\$1,042,001.32</b>	<b>\$1,422,116.00</b>
<b>NET OPERATING INCOME</b>	<b>\$373,345.29</b>	<b>\$17,009.00</b>
<b>Other Income</b>		
4100 Interest Earned	690.34	500.00
<b>Total Other Income</b>	<b>\$690.34</b>	<b>\$500.00</b>
<b>NET OTHER INCOME</b>	<b>\$690.34</b>	<b>\$500.00</b>
<b>NET INCOME</b>	<b>\$374,035.63</b>	<b>\$17,509.00</b>





ITEM: Discussion and possible action on supporting updates to real estate forms regarding water rights and management  
DATE: November 2, 2023  
BOARD CONTACT: Brian Sledge  
STAFF CONTACT: Sarah Kirkle

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The TWCA Groundwater and Surface Water Committees formed a working group in 2020 to develop language disclosing basic surface water and groundwater information for insertion in all Texas Real Estate Commission (TREC) contracts. Membership in the workgroup was open to all interested members of TWCA's Surface Water and Groundwater Committees. The goal of the proposed contract language is to elicit from a seller of real property information on the surface and groundwater rights associated with the property and how those rights are regulated that could trigger a buyer of that property to consider investigating surface water and groundwater issues in more detail with their attorney, real estate agent, or title company.

The TWCA workgroup completed its work on the suggested contract amendments in May of this year, after working with Dr. Charles Porter, who has a long history of actively promoting water education in TREC, and the Texas Alliance of Groundwater Districts. Attached is an amended "Notices" section of the TREC Farm and Ranch Contract that was approved by the workgroup and attempts to explain the basic differences in surface water, groundwater, and diffused surface water, and points to more detailed addenda (also attached) for surface water or groundwater. Conceptually, this notice and addenda structure would be replicated for all TREC contracts.

The next steps in the effort to amend current TREC contracts are to propose this language to the TREC Broker/Lawyer Committee and then ultimately the TREC Board. Support for these changes has been approved by the Texas Alliance of Groundwater Districts and is also being considered by the Texas Realtors. Should legislative action be necessary, we will utilize the Groundwater and Surface Water legislative committee process to develop draft language before bringing it to the board.

**Recommendations:**

1. Approve the notice and addenda language and support inclusion of this language in all TREC contracts.



1. PARTIES: The parties to this contract are (Seller) and (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, accessories and crops except for the exclusions and reservations, are collectively referred to as the "Property".

A. LAND: The land situated in the County of, Texas, described as follows:

or as described on attached exhibit, also known as (address/zip code), together with all rights, privileges, and appurtenances pertaining thereto, including but not limited to: water rights, claims, permits, strips and gores, easements, and cooperative or association memberships.

B. IMPROVEMENTS:

(1) FARM and RANCH IMPROVEMENTS: The following permanently installed and built-in items, if any: windmills, tanks, barns, pens, fences, gates, sheds, outbuildings, and corrals.

(2) RESIDENTIAL 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 owned by Seller and attached to the above described real property.

C. ACCESSORIES:

(1) FARM AND RANCH ACCESSORIES: The following described related accessories: (check boxes of conveyed accessories) portable buildings hunting blinds game feeders livestock feeders and troughs irrigation equipment fuel tanks submersible pumps pressure tanks corrals gates chutes other:

(2) RESIDENTIAL 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, and controls for:

(i) garages, (ii) entry gates, and (iii) other improvements and accessories.

D. CROPS: Unless otherwise agreed in writing, Seller has the right to harvest all growing crops until delivery of possession of the Property.

E. EXCLUSIONS: The following improvements, accessories, and crops will be retained by Seller and must be removed prior to delivery of possession:

F. 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.....\$

B. Sum of all financing described in the attached: Third Party Financing Addendum, Loan Assumption Addendum, Seller Financing Addendum \$

C. Sales Price (Sum of A and B) .....

D. The Sales Price will will not be adjusted based on the survey required by Paragraph 6C. If the Sales Price is adjusted, the Sales Price will be calculated on the basis of \$ per acre. If the Sales Price is adjusted by more than 10%, either party may terminate this contract by providing written notice to the other party within days after the terminating party receives the survey. If neither party terminates this contract or if the variance is 10% or less, the adjustment will be made to the amount in 3A 3B proportionately to 3A and 3B.

4. LICENSE HOLDER DISCLOSURE: Texas Law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable:

5. EARNEST MONEY: Within 3 days after the Effective Date, Buyer must deliver \$ as earnest money to, as escrow agent, at (address). Buyer shall deliver additional earnest money of \$ to escrow agent within days after the Effective Date of this contract. 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. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. Time is of the essence for this paragraph.

**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: \_\_\_\_\_ (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) The standard printed exception for standby fees, taxes and assessments.
  - (2) Liens created as part of the financing described in Paragraph 3.
  - (3) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
  - (4) The standard printed exception as to marital rights.
  - (5) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
  - (6) 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.
  - (7) 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.
- 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.** The existing survey  will  will not be recertified to a date subsequent to the Effective Date of this contract at the expense of  Buyer  Seller. If the existing survey is not approved by the Title Company or Buyer's lender(s), a new survey will be obtained at the expense of  Buyer  Seller 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.
  - (4) No survey is required.
- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title disclosed on the survey other than items 6A(1) through (5) above; or disclosed in the Commitment other than items 6A(1) through (7) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:

\_\_\_\_\_.

Buyer must object the earlier of (i) the Closing Date or (ii) \_\_\_\_\_ 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. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with copies of the Exception Documents listed below or on the attached exhibit. Matters reflected in the Exception Documents listed below or on the attached exhibit will be permitted exceptions in the Title Policy and will not be a basis for objection to title:

(Address of Property)

<u>Document</u>	<u>Date</u>	<u>Recording Reference</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

F. SURFACE LEASES: Prior to the execution of the contract, Seller has provided Buyer with copies of written leases and given notice of oral leases (Leases) listed below or on the attached exhibit. The following Leases will be permitted exceptions in the Title Policy and will not be a basis for objection to title: \_\_\_\_\_

G. 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.
- (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.
- (4) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (5) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (6) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (7) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property  is  is not located in a Texas Agricultural Development District. For additional information contact the Texas Department of Agriculture
- (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) NOTICE OF WATER RIGHTS:** There are three basic types of water rights related to property ownership in Texas: (1) GROUNDWATER RIGHTS, which relate to the right to pump water under the land surface of the property by using a water well; (2) SURFACE WATER RIGHTS, which relate to the right to pump or divert water from rivers, creeks, streams, or lakes/reservoirs; and (3) DIFFUSED SURFACE WATER RIGHTS, which relate to rainwater or snowmelt on the surface of the property prior to it either percolating below ground or reaching a creek, stream, river, or other surface watercourse.

The laws and regulations governing each of these three types of water rights differ substantially, and it is important for the Property owner to know if and how each of these rights can be exercised on the Property.

(A) **GROUNDWATER RIGHTS/WATER WELLS:** There are many governmental entities in Texas that regulate water wells, including drilling, altering, or operating a water well. These regulations can vary substantially depending on the location of the property and can affect whether a water well can be drilled on a property or at certain locations on the property, the size of the well or well pump, how much water can be pumped, how the water can be used, whether the owner must obtain a permit or registration for the well, whether the well must have a meter, and whether there are any fees or reporting requirements related to drilling or using a well. If the owner subdivides or otherwise sells part of the Property in the future, it may impact the right to drill a new well or to continue to use an existing well. The primary governmental entities in Texas that regulate water wells are Groundwater Conservation Districts and Subsidence Districts, although some cities, counties, and other types of special districts, as well as the Texas Department of Licensing and Regulation, have regulations related to water wells. If Buyer purchases the Property, Buyer should not drill or operate a water well prior to understanding the regulations of each governmental entity that regulates water wells on the Property. If Buyer purchases the Property, Buyer is responsible for the proper maintenance of any active wells and the closure of any inactive wells.

If any of the following apply to the Property, an addendum containing further information should be used (attach Addendum for Information Concerning the Property's Groundwater Rights, Wells, Groundwater Conservation Districts, and/or Subsidence Districts ("groundwater addendum")):

- (i) the Property has one or more existing water wells, whether such wells are currently in use, not currently in use, and/or have been capped, covered, plugged, or otherwise abandoned;
  - Yes (attach groundwater addendum)  No
  - Seller has no knowledge
  
- (ii) the Property is located in whole or in part in a Groundwater Conservation District, Underground Water Conservation District, Subsidence District, or other special district that regulates the drilling or operation of water wells; or

Yes (attach groundwater addendum)  No

(iii) the groundwater rights to the Property have been previously severed, sold, or leased in whole or in part, or a water well on the Property will rely in whole or in part on groundwater rights leased or owned from land outside the boundaries of the Property.

Yes (attach groundwater addendum)  No

Seller has no knowledge

(B) **SURFACE WATER RIGHTS:** The use of surface water in Texas from a watercourse, including a river, creek, stream, or lake/reservoir, is regulated by the Texas Commission on Environmental Quality (TCEQ), even if the watercourse is regularly dry between rain events. If a watercourse runs through any part of the Property or forms any part of the Property's boundaries, an addendum containing further information should be used (attach Addendum for Information Concerning the Property's Surface Water Rights). The owner should not pump or otherwise use surface water from a watercourse located on or bordering the property prior to determining the legal right to do so.

Is there a watercourse on or bordering any part of the property?

Yes (attach surface water rights addendum)

No  Seller has no knowledge

If there is no watercourse on or bordering any part of the property, does Seller otherwise have a Certificate of Adjudication, Amendment to a Certificate of Adjudication, or Permit administered by the TCEQ to use surface water from another source on the Property?

Yes (attach surface water rights addendum)

No  Seller has no knowledge

(C) **DIFFUSED SURFACE WATER RIGHTS:** Rainwater and snowmelt on the ground surface of the Property prior to either percolating below ground into the soil or reaching a watercourse is "diffused surface water" and may be used by the Property owner. This may sometimes include the right to impound the water in a pond, stock tank, or other impoundment that is not located on a surface watercourse. Diffused surface water is owned by and may be used by the Property owner.

**Water rights in Texas are materially significant and complex. It is strongly advised the parties CONSULT AN ATTORNEY.**

#### 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.

**NOTICE:** Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):

TWCA Fall 2022 Board Meeting

(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 Texas Property Code does not require this Seller to furnish the Notice.

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.

(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. COMPLETION OF REPAIRS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and 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. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs 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 repairs.

F. 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.

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. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

- (1) any flooding of the Property which has had a material adverse effect on the use of the Property;
- (2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
- (3) any environmental hazards that materially and adversely affect the Property;
- (4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;
- (5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
- (6) any threatened or endangered species or their habitat affecting the Property.

(Address of Property)

I. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ ..... Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

J. GOVERNMENT PROGRAMS: The Property is subject to the government programs listed below or on the attached exhibit: \_\_\_\_\_.  
Seller shall provide Buyer with copies of all governmental program agreements. Any allocation or proration of payment under governmental programs is made by separate agreement between the parties which will survive closing.

**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 \_\_\_\_\_, 20\_\_\_\_, 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, an assignment of Leases, 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 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) If the Property is subject to a residential lease, Seller shall transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has acquired the Property and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

**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. Leases:

- (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
- (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

**11. SPECIAL PROVISIONS:** ( Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)



**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 \$\_\_\_\_\_ 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 AND ROLLBACK TAXES:**

A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents 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. Rentals which are unknown at time of closing will be prorated between Buyer and Seller when they become known.

B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

**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 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 for any other reason, 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.
- 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, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
- 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.
- 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.

**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:

<b>To Buyer</b>	<b>To Seller</b>
at: _____	at: _____
_____	_____
Phone: ( ) _____	Phone: ( ) _____
Fax: ( ) _____	Fax: ( ) _____
E-mail: _____	E-mail: _____

(Address of Property)

**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):

- Third Party Financing Addendum
- Seller Financing Addendum
- Addendum for Property Subject to Mandatory Membership in a Property Owners Association
- Buyer's Temporary Residential Lease
- Loan Assumption Addendum
- Addendum for Sale of Other Property by Buyer
- Addendum for "Back-Up" Contract
- Addendum for Coastal Area Property
- Addendum for Authorizing Hydrostatic Testing
- Addendum Concerning Right to Terminate Due to Lender's Appraisal
- Addendum for Reservation of Oil, Gas and Other Minerals
- Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
- Seller's Temporary Residential Lease
- Short Sale Addendum
- Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
- Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law
- Addendum for Property in a Propane Gas System Service Area
- Addendum for Information Concerning the Property's Groundwater Rights, Wells, Groundwater Conservation Districts, and/or Subsidence Districts
- Addendum for Information Concerning the Property's Surface Water Rights

Other (list): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**24. CONSULT AN ATTORNEY BEFORE SIGNING:** TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: \_\_\_\_\_

Seller's Attorney is: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_

Phone: ( ) \_\_\_\_\_

Fax: ( ) \_\_\_\_\_

Fax: ( ) \_\_\_\_\_

E-mail: \_\_\_\_\_

E-mail: \_\_\_\_\_

**EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (Effective Date).  
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**



\_\_\_\_\_  
Seller

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. 25-12. This form replaces TREC NO. 25-11.

Initialed for identification by Buyer

and Seller

**RATIFICATION OF FEE**

Listing Broker has agreed to pay Other Broker \_\_\_\_\_ of the total Sales Price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.  
 Other Broker: \_\_\_\_\_ Listing Broker: \_\_\_\_\_  
 By: \_\_\_\_\_ By: \_\_\_\_\_

**BROKER INFORMATION AND AGREEMENT FOR PAYMENT OF BROKERS' FEES**

Other Broker _____	License No. _____	Listing or Principal Broker _____	License No. _____
Associate's Name _____	License No. _____	Listing Associate's Name _____	License No. _____
Associate's Email Address _____	Phone _____	Listing Associate's Email Address _____	Phone _____
Licensed Supervisor of Associate _____	License No. _____	Licensed Supervisor of Listing Associate _____	License No. _____
Other Broker's Office Address _____	Phone _____	Listing Broker's Office Address _____	Phone _____
City _____ State _____ Zip _____		City _____ State _____ Zip _____	

represents  Buyer only as Buyer's agent  
 Seller as Listing Broker's subagent

\_\_\_\_\_ Selling Associate License No. \_\_\_\_\_  
 \_\_\_\_\_ Selling Associate's Email Address Phone \_\_\_\_\_  
 \_\_\_\_\_ Licensed Supervisor of Selling Associate License No. \_\_\_\_\_  
 \_\_\_\_\_ Selling Associate's Office Address \_\_\_\_\_  
 \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

represents  Seller only  
 Buyer only  
 Seller and Buyer as an intermediary

Upon closing of the sale by Seller to Buyer of the Property described in the contract to which this fee agreement is attached: (a)  Seller  Buyer will pay Listing/Principal Broker  a cash fee of \$ \_\_\_\_\_ or  % of the total Sales Price; and (b)  Seller  Buyer will pay Other Broker  a cash fee of \$ \_\_\_\_\_ or  % of the total Sales Price. Seller/Buyer authorizes and directs Escrow Agent to pay the brokers from the proceeds at closing.

**Brokers' fees are negotiable. Brokers' fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested or maintained by the Texas Real Estate Commission.**

\_\_\_\_\_  
 Seller Buyer  
 \_\_\_\_\_  
 Seller Buyer

Do not sign if there is a separate written agreement for payment of Brokers' fees.

**OPTION FEE RECEIPT**

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

\_\_\_\_\_  
Seller or Listing Broker Date

**EARNEST MONEY RECEIPT**

Receipt of \$ \_\_\_\_\_ 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 \$ \_\_\_\_\_ 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 Information Concerning the Property's Groundwater Rights, Wells, Groundwater Conservation Districts, and/or Subsidence Districts**

EQUAL HOUSING OPPORTUNITY

**ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT**

(Street Address and City)

- A. Groundwater is water found under the land surface in aquifers, and is pumped to the land surface by water wells. In Texas, groundwater is owned by the surface landowner, but drilling or operating a water well can be subject to the jurisdiction of a local Groundwater Conservation District, Underground Water Conservation District, Subsidence District, or other special district or authority that regulates the drilling or operation of water wells (**collectively "Groundwater Districts"**). Not all land in Texas is located in or subject to the regulations of a Groundwater District. The rules and regulations of Groundwater Districts differ from district to district. Some Groundwater Districts have ad valorem taxing authority, others do not. Please consult the Property's Ad Valorem Tax Appraisal District for current GCD tax rates, if any. **The statutes, rules and regulations, and court rulings concerning groundwater in Texas are significant and complex, consequently it is strongly advised that the parties CONSULT AN ATTORNEY.**
- B.  The Property is located in whole or in part in the \_\_\_\_\_ (name of Groundwater District). The district's website can be found at: \_\_\_\_\_.
- The Property is not located in whole or in part in a Groundwater District, as defined above.
- C. A "water well" is any artificial excavation that was drilled or dug for the purpose of exploring for or producing groundwater. The Property has \_\_\_\_ total existing water wells. Of that total, the Property has \_\_\_\_ water wells that are currently in use, and \_\_\_\_ water wells that are not currently in use and/or have been capped, covered, plugged, or otherwise abandoned. The Property has \_\_\_\_\_ wells that have approved registrations or permits from a Groundwater District. The registration or permit number(s) are (attach additional addenda as necessary):
- (1) \_\_\_\_\_.
- (2) \_\_\_\_\_.
- D. Have the groundwater rights to the Property previously been severed, sold, or leased in whole or in part (either with or without the right of a third person to drill or operate a water well on the Property)?
- Yes     No
- E. Is any water well on the Property or water produced from a water well on the Property shared with another property?  Yes     No    Does the Property receive water from a water well located on another property?  Yes     No    . If "Yes," to either of these questions, is there a written agreement about the shared well or shared water?  Yes     No    Will a water well on the Property rely in whole or in part from groundwater rights owned or leased from land outside the boundaries of the Property?  Yes     No

**Please attach copies of all documents referenced in or related to any questions in this Addendum that are in your possession.**

**IMPORTANT NOTICE: Groundwater Rights affect important rights, the full extent of which may be unknown to Seller. A full examination of the title to the Property completed by an attorney with expertise in this area is the only proper means for determining title to the Groundwater Rights with certainty. In addition, attempts to convey or reserve certain interests out of the Groundwater Rights separately from other rights and benefits owned by Seller may have unintended consequences. Precise contract language is essential to preventing disagreements between present and future owners of the Groundwater Rights. If Seller or Buyer has any questions about their respective rights and interests in the Groundwater Rights and how such rights and interests may be affected by this contract, they are strongly encouraged to consult an attorney with expertise in this area. If Buyer purchases the Property, Buyer should not drill or operate a water well prior to understanding the regulations of each governmental entity that regulates water wells on the Property.**

**CONSULT AN ATTORNEY BEFORE SIGNING:** TREC rules prohibit real estate licensees from giving legal advice. READ THIS FORM CAREFULLY.



Seller



Buyer

Seller



The form of this addendum has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this contract form only. 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. 44-2. This form replaces TREC No. 44-1.



**Addendum for Information Concerning the Property's Surface Water Rights**

**ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT**

(Street Address and City)

**\* ONLY COMPLETE THIS ADDENDUM IF THERE IS A WATERCOURSE LOCATED ON THE PROPERTY, A WATERCOURSE FORMS ANY PART OF THE PROPERTY'S BOUNDARIES, OR IF SELLER OTHERWISE HAS A SURFACE WATER RIGHT, AS DEFINED IN PARAGRAPH C. BELOW, TO USE SURFACE WATER ON THE PROPERTY.**

- A. Surface water, defined in Texas as water in a *watercourse*, is owned by the State of Texas and regulated by the Texas Commission on Environmental Quality (TCEQ). A *watercourse* is defined "as a channel with well-defined bed and banks, a current of water, and a "permanent source of supply," although it is not necessary that the supply of water be continuous to satisfy the "'permanent source of supply' requirement." It may be dry for long periods of time. The right to use surface water in Texas is determined by statute, TCEQ rules and regulations, and court rulings. **The statutes, rules and regulations, and court rulings concerning surface water in Texas are materially significant and highly complex; consequently, it is strongly advised that the parties CONSULT AN ATTORNEY.**
- B.  A watercourse runs through part of the Property or forms a part of the boundaries of the Property. The watercourse is known as \_\_\_\_\_. (Do NOT include stock tanks, wildlife ponds, or other water impoundments that are not located on a watercourse) (Attach a separate Surface Water Rights Addendum for more than one watercourse)
  - There is no watercourse on the Property nor forming any boundary of the Property, but Seller has a Certificate of Adjudication, Amendment to a Certificate of Adjudication, or Permit to use surface water on the Property from a watercourse that is neither located on the Property nor forms any boundary of the Property.
- C.  Seller has a Certificate of Adjudication, Amendment to a Certificate of Adjudication, or Permit (collectively "Surface Water Right") administered by the TCEQ to divert, impound, or use surface water at a location on or adjacent to the Property. The Certificate of Adjudication, Amendment to Certificate of Adjudication, or Permit number(s) of the surface water rights are:
  - (1) \_\_\_\_\_.
  - (2) \_\_\_\_\_. Seller does not have a Certificate of Adjudication, Amendment to a Certificate of Adjudication, or Permit number administered by the TCEQ to divert, impound, or use surface water from the watercourse described in Paragraph B above.

**IMPORTANT NOTICE: Surface Water Rights affect important rights, the full extent of which may be unknown to Seller. A full examination of the title to the Property completed by an attorney with expertise in this area is the only proper means for determining title to the Surface Water Rights with certainty. In addition, attempts to convey or reserve certain interests out of the Surface Water Rights separately from other rights and benefits owned by Seller may have unintended consequences. Precise contract language is essential to preventing disagreements between present and future owners of the Surface Water Rights. If Seller or Buyer has any questions about their respective rights and interests in the Surface Water Rights and how such rights and interests may be affected by this contract, they are strongly encouraged to consult an attorney with expertise in this area.**

**CONSULT AN ATTORNEY BEFORE SIGNING:** TREC rules prohibit real estate licensees from giving legal advice. READ THIS FORM CAREFULLY.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

Buyer

Seller

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**Upcoming TWCA Conference Dates and Locations  
As of October 2023**

**2023**

- Annual Convention: March 1-3, 2023, Hyatt Lost Pines, Bastrop
- Texas Water Day: March 6-8, 2023: Hotel Washington, Washington, D.C.
- Summer Conference: June 14-16, 2023, The Woodlands Resort
- Fall Conference: November 1-3, 2023, Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: December 8-9, 2023, Omni Austin Downtown

**2024**

- Annual Convention: March 6-8, 2024, Hyatt Lost Pines, Bastrop
- Texas Water Day: March 11-13, 2023 (Tentative)
- Summer Conference: June 12-14, 2024, Loews Arlington
- Fall Conference: October 23-25, 2024, Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: TBD

**2025**

- Annual Convention: March 5-7, 2025, AT&T Hotel and Conference Center, Austin
- Texas Water Day: TBD
- Summer Conference: June 11-13, 2025, Woodlands Resort
- Fall Conference: October 22-24, 2025, Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: TBD

**2026**

- Annual Convention: March 11-13, 2026: Worthington Renaissance Fort Worth
- Texas Water Day: TBD
- Summer Conference: TBD
- Fall Conference: October 6-9, 2026, Marriott RiverWalk San Antonio
- Board Holiday Dinner and Meeting: TBD