



**RECEIVER’S EXPEDITED MOTION (1) TO AVOID FRAUDULENT TRANSFER;  
(2) TO GRANT RECEIVER AUTHORITY TO TRANSFER REAL PROPERTY; AND  
(3) FOR EXPEDITED HEARING**

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Receivership Order [ECF No. 17])<sup>1</sup> and the receivership estates (collectively, the “Receivership Estates”) in the above-captioned case (the “Case” or the “Receivership”), hereby files this *Receiver’s Expedited Motion (1) to Avoid Fraudulent Transfer; (2) to Grant Receiver Authority to Transfer Real Property; and (3) for Expedited Hearing* (the “Expedited Motion”) in connection with real property located in Graham, Young County, Texas, seeking: (1) an expedited hearing **by no later than April 10, 2023**, on the Expedited Motion, and (2) entry of an order (i) avoiding the fraudulent transfer from Receivership Party ArcoOil Corp. (“ArcoOil”) to Receivership Party 1178137 B.C. LTD. (the “Canadian Entity”) and (ii) granting the Receiver authority to execute a deed to transfer the real property back to ArcoOil so she may close on the contract to sell certain real property attached hereto as **Exhibit A** (the “Contract to Sell”). In support of the Expedited Motion, the Receiver seeks entry of a proposed form of order, substantially in the form attached hereto as **Exhibit B**, respectfully submits as follows:

**I. EXPEDITED RELIEF REQUESTED**

1. The Receiver has entered into a contract to sell the real property located at 471 State Highway 67, Graham, Texas 76450 (the “Graham Property”). *See generally* ECF No. 313. In performing due diligence on the Graham Property, the Receiver discovered that within four months of the Receivership, the Graham Property was transferred from ArcoOil to the Canadian Entity via deed without warranty for \$10.00 purported consideration (the “Transfer Deed”), a copy of which

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<sup>1</sup>Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Receivership Order.

is attached hereto as **Exhibit C**. Both entities were controlled by Defendant Manjit Singh (aka Roger) Sahota (“**Roger**”) and/or members of the Sahota family. The Receiver seeks an order of this Court: (1) avoiding the pre-Receivership fraudulent transfer from ArcoOil to the Canadian Entity; (2) granting the Receiver authority to execute a deed, substantially in the form attached hereto as **Exhibit D**, to transfer the Graham Property from the Canadian Entity to ArcoOil; and (3) setting an expedited hearing on the Expedited Motion on or before **April 10, 2023**, in order allow the pending sale of the Graham Property to close.

## **II. JURISDICTION AND VENUE**

2. The Receivership Order places all assets of the Receivership Entities in the exclusive jurisdiction of this Court and venue properly lies in this district. Receivership Order, ¶ 1.

## **III. RELEVANT BACKGROUND**

3. After months of marketing the Graham Property, the Receiver reached an agreement to sell the Graham Property for \$186,500.00, subject to higher and better offers. *See* ECF No. 313. Shortly thereafter, the Receiver received additional offers and accepted the highest and best offer of \$240,000.00 for the Graham Property. On January 31, 2023, the Receiver entered into the Contract to Sell with 5 Lane Ranch, LLC (the “**Buyer**”), to sell the Graham Property for \$240,000.00, which included a closing date of February 28, 2023.

4. While performing due diligence on the Graham Property, the Receiver discovered that on August 1, 2021, only a few months before the Receiver was appointed, the Graham Property was transferred via the Transfer Deed from ArcoOil, signed by Roger, to the Canadian Entity. The Receiver and her team has been unable to locate any documentation that shows any consideration was paid by the Canadian Entity to ArcoOil, including the \$10.00 referenced in the Transfer Deed. While the Receiver has authority under the Receivership Order to transfer the Graham Property on behalf of the Canadian Entity, the title company will be obligated to withhold

and transfer to the Internal Revenue Service 15% of the sale proceeds pursuant to the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”). If the transfer is avoided, then the full net sale proceeds will be delivered to the Receiver. The tax liabilities, if any, arising from such sale will be calculated for ArcoOil, which will include an analysis of the tax basis and any related gain.

5. The Receiver and the Buyer were unable to close on the Graham Property Contract to Sell by February 28, 2023. The Receiver’s broker informed the Buyer of the Canadian Entity ownership issue and has requested an extension of the closing date on the Contract to Sell. The Buyer has not indicated to the Receiver’s broker that it will sign the requested extension of closing date on the Graham Property.

6. The Receiver has consulted with her team of advisors and accountants with respect to closing on the Contract to Sell and the legal and tax implications presented for the Canadian Entity, which is a “foreign” entity seller, and the Receivership.

#### **IV. ARGUMENT AND AUTHORITIES**

7. The Receiver, in her business judgment, has determined that seeking from this Court (1) avoidance of the fraudulent transfer via the Transfer Deed and (2) transfer of the Graham Property back to ArcoOil is the most efficient method to close on the Graham Property.

8. Federal courts have broad powers and wide discretion to determine relief in an equity receivership. *SEC v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992) (citing *SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982) (additional citations omitted)). While caselaw involving district courts’ administration of an equity receivership is “sparse,” two basic principles emerge from cases involving receiverships. *SEC v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986). First, courts have “extremely broad” powers and discretion to “determine the appropriate action to be taken in the administration of the receivership.” *Id.*; see *Safety Fin. Serv., Inc.*, 674 F.2d at 368,

373 (holding that the court overseeing the receivership is given “wide discretionary power” in light of “the concern for orderly administration”). Second, a “primary purpose” of receivership is to promote the orderly and efficient administration of the estate. *Hardy*, 803 F.2d at 1038. In a receivership, the order appointing the receiver governs the administration of the receivership. *See, e.g., Liberte Cap. Grp., LLC v. Capwill*, 248 Fed. App’x 650, 655 (6th Cir. 2007). Only if both the order appointing the receiver and federal receivership common law are silent on the determinative issues should courts look to other bodies of law for guidance. *See, e.g., Janvey v. Alguire*, No. 3:09-CV-0724-N, 2014 U.S. Dist. LEXIS, at \*103–04 (N.D. Tex. Jul. 30, 2014).

**A. Avoidance of Fraudulent Transfer**

9. The Receivership Order explicitly grants the Receiver authority to seek “among other legal and equitable relief, . . . avoidance of fraudulent transfers.” Receivership Order, ¶ 46. Likewise, this Court has held receivers can bring fraudulent transfer claims. *See Ogle v. Bennett*, No. 3:12-CV-1283-D, 2012 U.S. Dist. LEXIS 92102, at \*7 (N.D. Tex. Jul. 3, 2012) (citing *SEC v. Cook*, No. 3:00-CV-272-R, 2001 U.S. Dist. LEXIS 2601, at \*2 (N.D. Tex. Mar. 8, 2001)).

10. Texas law governs the transfer of the Graham Property from ArcoOil to the Canadian Entity, and this Court possesses exclusive jurisdiction with respect to this Case. Therefore, this Court should apply the Texas Uniform Fraudulent Transfer Act (“TUFTA”), which governs fraudulent transfer claims. TEX. BUS. & COM. CODE § 24.005. Under TUFTA, a debtor makes a fraudulent transfer if the transfer was made with “actual intent to hinder, delay, or defraud any creditor of the debtor,” or “without receiving a reasonably equivalent value in exchange for the transfer.” TEX. BUS. & COM. CODE § 24.005. The Receiver believes she has cause on both grounds to have the transfer of the Graham Property avoided but will focus on a transfer made without receiving “reasonably equivalent value.” TEX. BUS. & COM. CODE § 24.005.

11. TUFTA defines a transfer for “reasonably equivalent value” as one “within the range of values for which the transferor would have sold the assets in an arm’s length transaction.” TEX. BUS. & COM. CODE § 24.004(d). The Texas Supreme Court has determined this definition is illustrated as “an exchange by the transferor that occurred for fair market value in an arm’s length transaction.” *Janvey v. Golf Channel, Inc.*, 487 S.W.3d 560, 573–74 (Tex. 2016). Whether the debtor received fair market value must be “determined from a reasonable creditor’s perspective at the time of the exchange.” *Id.* at 582.

12. According to the Transfer Deed, the purported consideration paid by the Canadian Entity to ArcoOil for the transfer of the Graham Property was \$10.00. *See Exhibit C*. The Receiver has not located any documentation showing the Canadian Entity provided any consideration to ArcoOil, let alone in an amount beyond \$10.00. Even assuming the Canadian Entity did provide the listed consideration of \$10.00 to ArcoOil, the Receiver does not believe a reasonable creditor at the time of the exchange would view this as a transaction for fair market value for approximately 4.12 acres of real property. As stated above, the Receiver accepted an offer to purchase the Graham Property for \$240,000.00.

13. Roger, on behalf of ArcoOil, made this transfer without “reasonably equivalent value,” and it should be avoided as a fraudulent transfer.

**B. Authority to Execute Deed to Transfer Graham Property**

14. The Receivership Order grants the Receiver the power and duty “[t]o manage, control, operate and maintain the Receivership Estates and hold in the Receiver’s possession, custody and control all Receivership Property, pending further Order of this Court,” and “[t]o take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property.” Receivership Order, ¶ 8.

15. Further, the Receivership Order provides in managing assets of the Receivership, the Receiver:

may, without further Order of this Court, transfer, compromise, or otherwise dispose of Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

Receivership Order, ¶ 41.

16. The Receiver believes the only way she can fully realize the Graham Property's "true and proper value" for the benefit of creditors is for this Court to authorize the Receiver to execute a deed to transfer the Graham Property back to ArcoOil from the Canadian Entity. In doing so, the tax reporting and required withholding for the Canadian Entity as a "foreign" entity seller will be avoided, and closing can proceed without additional due diligence and requisite FIRPTA withholding, performing a routine domestic entity closing on the Graham Property and maximizing the net sale proceeds for the Receivership Estates.

17. Transferring the Graham Property to ArcoOil will also reduce future tax implications on the Receivership Parties and Receivership Estates. Allowing the Graham Property to remain with the Canadian Entity could potentially increase the Receiver's reporting obligations to include Canada. The Receiver would be required to engage and consult with Canadian tax experts (potentially accountants and counsel) to ensure compliance with both Canadian and American tax laws, which would result in additional expense to the Receivership Estates.

18. If the transfer was avoided and the Graham Property was transferred back to ArcoOil, then the Receiver would be able to fulfill her tax reporting obligations using the same professionals and process already in place for the Receivership Parties and the Receivership Property. In addition, selling the Graham Property through a domestic entity, rather than a

“foreign” entity, would reduce the amount of proceeds withheld by the title company pursuant to FIRPTA, maximizing the amount of net sale proceeds to the Receivership Estates.

#### V. CONCLUSION

19. For the foregoing reasons, the Receiver requests that this Court set the Expedited Motion for hearing **by no later than April 10, 2023**, and enter an order, substantially in the form attached hereto as **Exhibit B**, granting her Expedited Motion; avoiding the fraudulent transfer of the Graham Property from ArcoOil to the Canadian Entity; authorizing the Receiver to execute a deed, substantially in the form attached hereto as **Exhibit D**, transferring the Graham Property from the Canadian Entity to ArcoOil; and for such further relief to which she may be entitled.

Dated: March 14, 2023

Respectfully submitted,

By: /s/ Danielle Rushing Behrends

Danielle Rushing Behrends

State Bar No. 24086961

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Hurst, Texas 76053

Telephone: (682) 267-1351

**COUNSEL TO RECEIVER**

**CERTIFICATE OF CONFERENCE**

The Receiver, through the undersigned counsel, conferred with counsel for Plaintiff, Securities and Exchange Commission (the "Commission") on March 14, 2023, regarding the relief requested in the Expedited Motion. The Commission consents to the relief requested in the Expedited Motion.

/s/ Danielle Rushing Behrends

Danielle Rushing Behrends

**CERTIFICATE OF SERVICE**

I hereby certify that on March 14, 2023, the foregoing document was served via CM/ECF on all parties appearing in this Case, including counsel for Plaintiff, Securities and Exchange Commission and on the following via email and first-class U.S. mail:

James Ikey  
103 Bayonne Drive  
Mansfield, TX 76063  
james.ikeyrcg@gmail.com

Bridy Ikey  
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Mansfield, TX 76063  
bridydikey@gmail.com

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c/o James Ikey  
103 Bayonne Drive  
Mansfield, TX 76063  
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/s/ Danielle Rushing Behrends  
Danielle Rushing Behrends

**EXHIBIT A**



### COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.  
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Deborah D. Williamson as Court-appointed Receiver for Dallas Resources, Inc., a Texas corporation, in TXND Case No. 4:21-cv-01310-O-BP, United States Securities and Exchange Commission v. The Heartland Group Ventures LLC, et al.

Address: 112 E. Pecan, Suite 1800, San Antonio, TX 78205  
Phone: \_\_\_\_\_ E-mail: drushing@dykema.com; tgiltner@dykema.com  
Mobile: \_\_\_\_\_ Fax or Other: \_\_\_\_\_

Buyer: 5 Lane Ranch, LLC

Address: 6911 Chestnut Ridge Dr., Argyle, TX 76226  
Phone: 817-637-9857 E-mail: jason@L3salesandsourcing.com  
Mobile: \_\_\_\_\_ Fax or Other: \_\_\_\_\_

2. **PROPERTY:**

A. "Property" means that real property situated in Young County, Texas at 471 Hyw 67 Graham, TX 76450 (address) and that is legally described on the attached Exhibit A or as follows:

See full legal description for Tracts 1 & 2 in Exhibit A as well as the attached survey.

- B. Seller will sell and convey the Property together with:
- (1) all buildings, improvements, and fixtures;
  - (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
  - ~~(3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;~~
  - ~~(4) Seller's interest in all licenses and permits related to the Property;~~
  - ~~(5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;~~
  - ~~(6) Seller's interest in any trade names, if transferable, used in connection with the Property; and~~
  - (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: N/A
- Any personal property not included in the sale must be removed by Seller prior to closing.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)  
(If mineral rights are to be reserved an appropriate addendum should be attached.)  
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946).)*

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing ..... \$ 240,000

B. Sum of all financing described in Paragraph 4 ..... \$ \_\_\_\_\_

C. Sales price (sum of 3A and 3B) ..... \$ 240,000

Commercial Contract - Improved Property concerning 471 Hyw 67 Graham, TX 76450

**4. FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$ \_\_\_\_\_ . This contract:
  - (1) is not contingent upon Buyer obtaining third party financing.
  - (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ \_\_\_\_\_ .
- C. Seller Financing: Buyer will deliver a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ \_\_\_\_\_ .

**5. EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 2,400 as earnest money with Brazos Title, LLC (title company) at 517 Fourth St, Graham, TX 76450 (address) (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ \_\_\_\_\_ with the title company to be made part of the earnest money on or before:
  - (i) \_\_\_\_\_ days after Buyer's right to terminate under Paragraph 7B expires; or
  - (ii) \_\_\_\_\_ .
 Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

**6. TITLE POLICY, SURVEY, AND UCC SEARCH:**

- A. Title Policy:
  - (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
    - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
    - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
  - (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
    - (a) will not be amended or deleted from the title policy.
    - (b) will be amended to read "shortages in areas" at the expense of  Buyer  Seller.
  - (3) Within **21** days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

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and Buyer

  
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B. Survey: Within \_\_\_\_\_ days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer \_\_\_\_\_ (insert amount) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property ~~along with an affidavit required by the title company for approval of the existing survey.~~ If the existing survey is not acceptable to the title company, Seller  Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party 0 (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within \_\_\_\_\_ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 10 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate

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and Buyer

  
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 dotloop verified

Commercial Contract - Improved Property concerning 471 Hyw 67 Graham, TX 76450

this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

**7. PROPERTY CONDITION:**

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: \_\_\_\_\_

B. Feasibility\_Period: Buyer may terminate this contract for any reason within 0 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

(a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ \_\_\_\_\_ that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(b) Not later than 3 days after the effective date, Buyer must pay \$ \_\_\_\_\_ as independent consideration for Buyer's right to terminate by tendering such amount to the title company. Buyer authorizes escrow agent to release and deliver the independent consideration to Seller at any time upon Seller's request without further notice to or consent from Buyer. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility\_Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single additional period of \_\_\_\_\_ days by delivering \$ \_\_\_\_\_ to the title company as additional earnest money.

(a) \$ \_\_\_\_\_ of the additional earnest money will be retained by Seller as additional independent consideration for Buyer's unrestricted right to terminate, but will be credited to the sales price only upon closing of the sale. If Buyer terminates under this Paragraph 7B, the additional earnest money will be refunded to Buyer and Seller will retain the additional independent consideration.

(b) Buyer authorizes escrow agent to release and deliver to Seller the following at any time upon Seller's request without further notice to or consent from Buyer:

(i) The additional independent consideration.

(ii) (Check no boxes or only one box.)

all or  \$ \_\_\_\_\_ of the remaining portion of the additional earnest money, which will be refunded to Buyer if Buyer terminates under this Paragraph 7B or if Seller defaults under this contract.

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If no dollar amount is stated in this Paragraph 7B(2) as additional earnest money or as additional independent consideration, or if Buyer fails to timely deliver the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.
- (3) Buyer must:
  - (a) employ only trained and qualified inspectors and assessors;
  - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
  - (c) abide by any reasonable entry rules or requirements of Seller;
  - (d) not interfere with existing operations or occupants of the Property; and
  - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

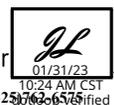
- ~~(1) Delivery of Property Information: Within \_\_\_\_\_ days after the effective date, Seller will deliver to Buyer the following to the extent in Seller's possession: (Check all that apply.)~~
- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
  - (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
  - (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
  - (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
  - (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
  - (f) copies of current utility capacity letters from the Property's water and sewer service provider;
  - (g) copies of all current warranties and guaranties relating to all or part of the Property;
  - (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
  - (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
  - (j) a copy of the "as-built" plans and specifications and plat of the Property;
  - (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
  - (l) a copy of Seller's income and expense statement for the Property from \_\_\_\_\_ to \_\_\_\_\_;
  - (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;

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- (n) ~~real and personal property tax statements for the Property for the previous 2 calendar years,~~
- (o) ~~Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from \_\_\_\_\_ to \_\_\_\_\_; and~~
- (p) \_\_\_\_\_

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

**8. LEASES:**

~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any non-occupancy of the leased premises by a tenant;~~
- ~~(4) any advance sums paid by a tenant under any lease;~~
- ~~(5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. Estoppel Certificates: Within \_\_\_\_\_ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than \_\_\_\_\_ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

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**9. BROKERS:**

A. The brokers to this sale are:

Principal Broker: Heritage Land Company  
Agent: Lee Burton  
Address: PO Box 130  
Pecan Gap, TX 75469  
Phone & Fax: (325)762-6575  
E-mail: lee@heritagelands.com  
License No.: 0696302

Cooperating Broker: \_\_\_\_\_  
Agent: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone & Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
License No.: \_\_\_\_\_

Principal Broker: *(Check only one box)*  
 represents Seller only.  
 represents Buyer only.  
 is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: *(Check only (1) or (2) below.)*  
*(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)*

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:  
 \_\_\_\_\_ % of the sales price.  
 \_\_\_\_\_ .

Cooperating Broker a total cash fee of:  
 \_\_\_\_\_ % of the sales price.  
 \_\_\_\_\_ .

The cash fees will be paid in \_\_\_\_\_ County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

*NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.*

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

**10. CLOSING:**

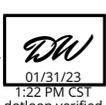
A. The date of the closing of the sale (closing date) will be on or before the later of:

- (1) \_\_\_\_\_ days after the expiration of the feasibility period.  
 \_\_\_\_\_ *(specific date)*.
- 7 days after cure period following the mandatory 10-day public notice after contract execution.
- (2) 7 days after objections made under Paragraph 6D have been cured or waived.

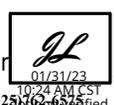
B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

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- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a  general  special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
  - (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
  - (2) without any assumed loans in default; and
  - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
  - (1) tax statements showing no delinquent taxes on the Property;
  - ~~(2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;~~
  - (3) an assignment of all leases to or on the Property;
  - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
    - (a) licenses and permits;
    - (b) service, utility, maintenance, management, and other contracts; and
    - (c) warranties and guaranties;
  - ~~(5) a rent roll current on the day of the closing certified by Seller as true and correct;~~
  - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
  - (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
  - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

- E. At closing, Buyer will:
  - (1) pay the sales price in good funds acceptable to the title company;
  - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
  - ~~(3) sign and send to each tenant in the Property a written statement that:
 
    - ~~(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and~~
    - ~~(b) specifies the exact dollar amount of the security deposit;~~~~
  - ~~(4) sign an assumption of all leases then in effect; and~~
  - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

~~F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.~~

**11. POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

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**12. SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

**See addendum to commercial contract-improved property (Graham) attached hereto and incorporated herein by reference for all purposes.**

### 13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed ~~and any bill of sale~~;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

### 14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

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C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

**15. DEFAULT:**

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, ~~or~~

~~(Check if applicable)~~

~~enforce specific performance, or seek such other relief as may be provided by law.~~

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; ~~or~~
- ~~(2) enforce specific performance, or seek such other relief as may be provided by law, or both.~~

**16. CASUALTY LOSS AND CONDEMNATION:**

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

**17. ATTORNEY'S FEES:** If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

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**18. ESCROW:**

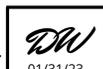
- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company 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 the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after 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.
- G.  Seller  Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

~~**19. MATERIAL FACTS: To the best of Seller's knowledge and belief. (Check only one box.)**~~

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
  - (1) any subsurface: structures, pits, waste, springs, or improvements;
  - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
  - (3) any environmental hazards or conditions that materially affect the Property;
  - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
  - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
  - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
  - (7) any threatened or endangered species or their habitat on the Property;
  - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
  - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;

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~~(10) any material physical defects in the improvements on the Property, or  
(11) any condition on the Property that violates any law or ordinance.  
(Describe any exceptions to (1) (11) in Paragraph 12 or an addendum.)~~

**20. NOTICES:** All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

**21. DISPUTE RESOLUTION:** The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

**22. AGREEMENT OF THE PARTIES:**

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby. All individuals signing represent that they have the authority to sign on behalf of and bind the party for whom they are signing.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
  - (1) Property Description Exhibit identified in Paragraph 2;
  - (2) Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946);
  - (3) Commercial Contract Financing Addendum (TXR-1931);
  - (4) Commercial Property Condition Statement (TXR-1408);
  - (5) Commercial Contract Addendum for Special Provisions (TXR-1940);
  - (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906);
  - (7) Notice to Purchaser of Real Property in a Water District (MUD);
  - (8) Addendum for Coastal Area Property (TXR-1915);
  - (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
  - (10) Information About Brokerage Services (TXR-2501);
  - (11) Information About Mineral Clauses in Contract Forms (TXR-2509);
  - (12) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID);
  - (13) **Seller Mandatory addendum and Seller form of Deed without Warranty**

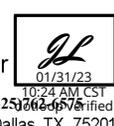
*(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)*

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E. Buyer  may  may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

**23. TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or federal reserve bank holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or federal reserve bank holiday.

**24. EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

**25. ADDITIONAL NOTICES:**

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. 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 fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, 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 purchaser 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 the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) 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 ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

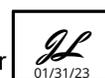
G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract (*the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906) may be used*).

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- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties. 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."
- J. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller is required by §5.014, Property Code to give Buyer a written notice concerning the obligation to pay assessments. The form of the required notice is available as a part of the Notice of Obligation to Pay Improvement District Assessment (TXR-1955).
- K. 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 a 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: n/a

**26. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on \_\_\_\_\_, the offer will lapse and become null and void.

**READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.**

**Deborah D. Williamson as Court-appointed Receiver for Dallas**

**Seller:** Resources, Inc., a Texas corporation, in TXND Case No.

**United States Securities and Exchange Commission v. The Heartland Group Ventures LLC, et al.**

By: *Deborah Williamson* dotloop verified  
01/31/23 1:22 PM CST  
Y030-IPLT-QT5S-SGXV

By (signature): \_\_\_\_\_

Printed Name: Deborah D. Williamson

Title: \_\_\_\_\_

By: \_\_\_\_\_

By (signature): \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Buyer:** 5 Lane Ranch, LLC

By: Jason Lane

By (signature) *Jason Lane* dotloop verified  
01/31/23 10:24 AM CST  
HQV9-FIEI-OQ0S-NA1A

Printed Name: \_\_\_\_\_

Title: President

By: \_\_\_\_\_

By (signature): \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Commercial Contract - Improved Property concerning 471 Hyw 67 Graham, TX 76450

### AGREEMENT BETWEEN BROKERS

*(use only if Paragraph 9B(1) is effective)*

Principal Broker agrees to pay \_\_\_\_\_ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ \_\_\_\_\_, or
- \_\_\_\_\_ % of the sales price, or
- \_\_\_\_\_ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: \_\_\_\_\_ Cooperating Broker: \_\_\_\_\_

By: \_\_\_\_\_ By: \_\_\_\_\_

### ATTORNEYS

Seller's attorney: Danielle Rushing, Teresa Ereon Giltner Buyer's attorney: \_\_\_\_\_

Address: 112 E. Pecan Street, STE 1800 Address: \_\_\_\_\_

Phone & Fax: (210)554-5528 (214)698-7870 Phone & Fax: \_\_\_\_\_

drushing@dykema.com

E-mail: tgiltner@dykema.com E-mail: \_\_\_\_\_

Seller's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Buyer.
- Seller sends to Buyer.

### ESCROW RECEIPT

The title company acknowledges receipt of:  
 A. the contract on this day January 31, 2023 (effective date);  
 B. earnest money in the amount of \$ \_\_\_\_\_ in the form of \_\_\_\_\_  
on \_\_\_\_\_.

Title company: Brazos Title, LLC Address: 517 4th St.

By: Jennifer Boase Graham, TX 76450

Phone & Fax: 940-521-9792 & 940-521-9793 fax

Assigned file number (GF#): 23010068Y E-mail: jennifer@brazostitle.com

# Exhibit A to the Commercial Contract with Improvements

## Legal Description:

**Tract 1:** Being all of Lot Nos Six, Seven, Eight, Nine, Ten, Eleven, Twelve, Thirteen, Fourteen, Fifteen, Sixteen and Seventeen (6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17), all in Block No Seventeen (17) of the Bishop Addition out of the T J Cockrell Survey, Abstract No 1403, Young County, Texas as recorded in the deed records of Young County Year 2017 Instrument number 17001428.

**Tract 2:** BEING 1.461 acres out of the T. J. Cockrell Survey, Abstract No. 1403, Young County, Texas. Said 1.461 acres also being part of the Bishop's Addition and part of an old highway right-of-way. Said addition recorded in Vol. 1 Pg. 27 of the plat records of said county. Said 1.461 acres being described in metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found at the northwest corner of Lot 6, Block 17 of said Bishop's Addition;  
THENCE N 10°17' 16" W 55.14 feet to a fence corner found for corner in the southeast right-of-way line of State Highway 67;  
THENCE N 50°17' 10" E 205.35 feet with said right-of-way line to a 3/8 inch iron rod set for corner;  
THENCE S 80°58'43" E 344.96 feet partly along an existing fence to a 1/2 inch iron rod found for corner;  
THENCE S 9°31 '44" W 220.5 feet partly with the east line of said Block 17 to a 1/2 inch iron rod found at the southeast corner of Lot 45;  
THENCE N 80°28' 16 W 150.0 feet with the south line of said Lot 45 to a 1/2 inch iron rod found for angle point;  
THENCE S 83°51 '34" W 106.02 feet to a 1/2 inch iron rod found for corner in the southeast line of Lot 11;  
THENCE N 57°00'48" E 163.8 feet with the southeast line of Lots 11 thru 17 to a 3/8 inch iron set for the southeast corner of said Lot 17;  
THENCE N 33°00'16" W 150.0 feet with the northeast line of said Lot 17 to a 3/8 inch iron rod set for corner;  
THENCE S 56°59'44" W 245.0 feet with the northwest line of Lots 8 thru 17 to a 3/8 inch iron rod set for corner;  
THENCE S 79°42'44" W 50.0 feet with the north line of Lot 7 and Lot 6 to the point of beginning containing 1.461 acres more or less.

  
01/24/23  
7:28 AM CST  
dotloop verified

  
01/31/23  
1:22 PM CST  
dotloop verified

**December 23, 2022**

**FIELDNOTES**

**TRACT 2**

**BEING** 1.461 acres out of the T. J. Cockrell Survey, Abstract No. 1403, Young County, Texas. Said 1.461 acres also being part of the Bishop's Addition and part of an old highway right-of-way. Said addition recorded in Vol. 1 Pg. 27 of the plat records of said county. Said 1.461 acres being described in metes and bounds as follows:

**BEGINNING** at a ½ inch iron rod found at the northwest corner of Lot 6, Block 17 of said Bishop's Addition;

THENCE N 10°17'16" W 55.14 feet to a fence corner found for corner in the southeast right-of-way line of State Highway 67;

THENCE N 50°17'10" E 205.35 feet with said right-of-way line to a 3/8 inch iron rod set for corner;

THENCE S 80°58'43" E 344.96 feet partly along an existing fence to a ½ inch iron rod found for corner;

THENCE S 9°31'44" W 220.5 feet partly with the east line of said Block 17 to a ½ inch iron rod found at the southeast corner of Lot 45;

THENCE N 80°28'16" W 150.0 feet with the south line of said Lot 45 to a ½ inch iron rod found for angle point;

THENCE S 83°51'34" W 106.02 feet to a ½ inch iron rod found for corner in the southeast line of Lot 11;

THENCE N 57°00'48" E 163.8 feet with the southeast line of Lots 11 thru 17 to a 3/8 inch iron set for the southeast corner of said Lot 17;

THENCE N 33°00'16" W 150.0 feet with the northeast line of said Lot 17 to a 3/8 inch iron rod set for corner;

THENCE S 56°59'44" W 245.0 feet with the northwest line of Lots 8 thru 17 to a 3/8 inch iron rod set for corner;

THENCE S 79°42'44" W 50.0 feet with the north line of Lot 7 and Lot 6 to the point of beginning containing 1.461 acres more or less.

  
**J.G. LAWSON, JR.**



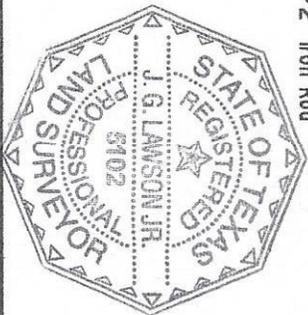
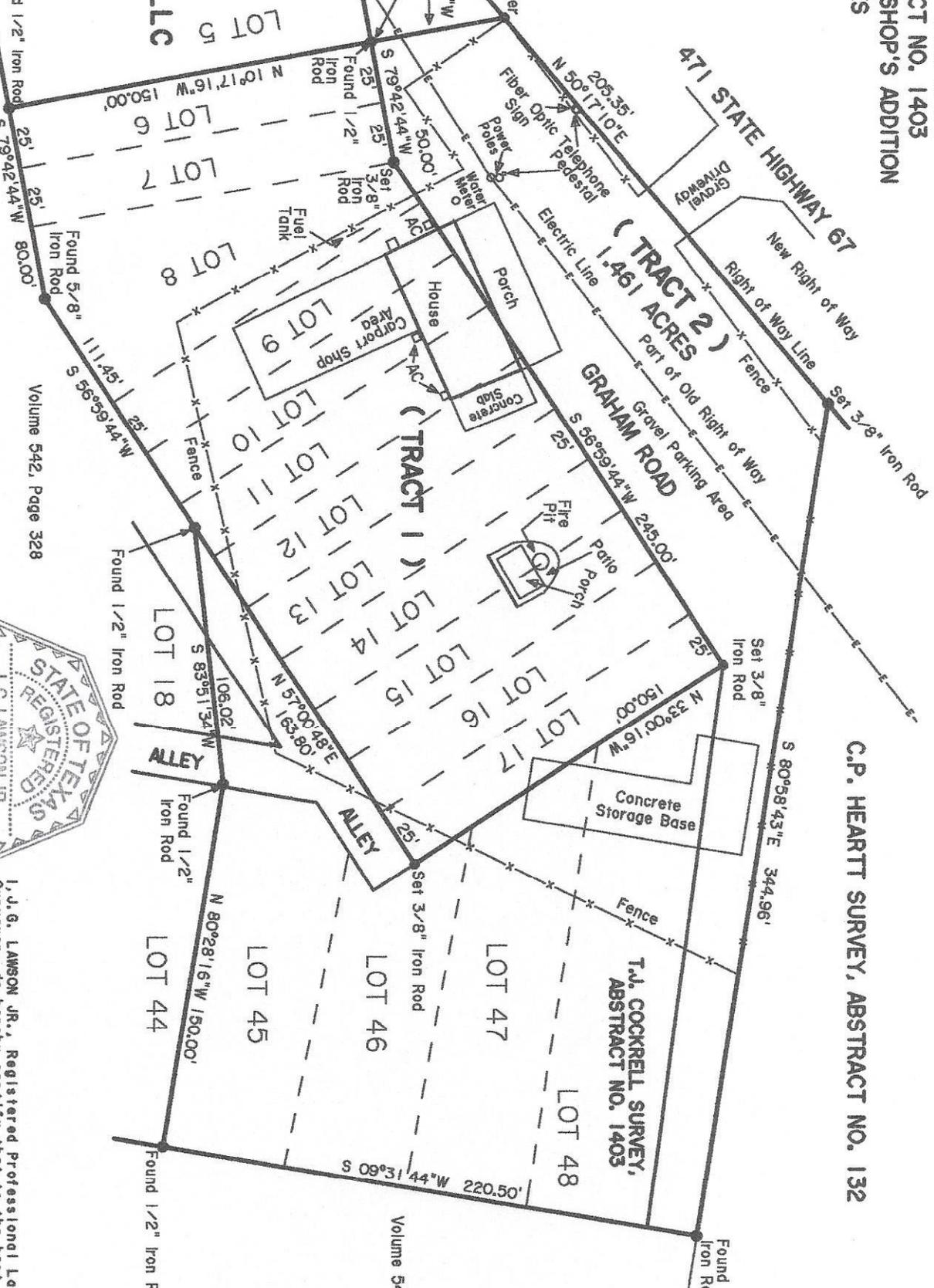
**DUNN COUNTY, TEXAS**  
**COCKRELL SURVEY, ABSTRACT NO. 1403**  
**LOTS 6-17, BLOCK 17, BISHOP'S ADDITION**  
**TRACT 2, 1.461 ACRES**

**C.P. HEARTT SURVEY, ABSTRACT NO. 132**

**NOTES**  
 Additional recorded in Volume 1,  
 of the Plat Records of  
 County, Texas.  
 Is not meant for construction purposes.

Survey was completed without the benefit  
 of a plat of title. There may be easements,  
 rights, or other interests not shown.

**LAND SURVEYING, LLC**  
**J.G. LAWSON JR.**  
**REGISTERED PROFESSIONAL**  
**LAND SURVEYOR**  
**ANNA DR. GRAHAM, TEXAS 76450**  
 (940) 521-2465  
 Fdn No. 10128000



I, J.G. LAWSON JR., Registered Professional Land  
 Surveyor, do hereby certify that to the best  
 of my knowledge this plat is true and correct  
 of a survey made on the ground

*J.G. Lawson Jr.*  
 J.G. LAWSON JR.

Revised: D

**ADDENDUM TO COMMERCIAL CONTRACT – IMPROVED PROPERTY**  
(Graham)

This ADDENDUM TO COMMERCIAL CONTRACT – IMPROVED PROPERTY (this “Addendum”) is part of the COMMERCIAL CONTRACT – IMPROVED PROPERTY (the “Agreement”) by and between **DEBORAH D. WILLIAMSON, as Court-appointed Receiver for DALLAS RESOURCES, INC., a Texas corporation, in TXND Case No. 4:21-cv-01310-O-BP, United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.** (the “Seller”), and **5 LANE RANCH, LLC** (the “Buyer”), relating to the Property described in the Agreement comprised of approximately 2.5 acres in Young County, Texas (the “Property”). In the event of any conflict between the printed provisions in the Agreement and the addenda and/or attachments thereto, and this Addendum, the terms and provisions of this Addendum shall take precedence over and supersede such provisions. Notwithstanding anything else to the contrary contained in the Agreement, Seller and Buyer hereby agree as follows:

1. **Defined Terms.** Unless defined differently in this Addendum, each term defined in the Agreement and used in this Addendum shall have the same meaning as given to such term in the Agreement. As used in this Addendum and in the Agreement, the terms “this contract” and “Agreement” shall mean the Agreement and the exhibits and other attachments thereto as modified by this Addendum. As used in this Addendum, other terms that are defined but not capitalized in the Agreement may be capitalized in this Addendum and will have the same meanings.
  
2. **As-Is Condition.** Buyer acknowledges and agrees that Seller has not made, does not make and specifically negates and disclaims any representations, warranties (other than the special warranty of title as set out in the deed), promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to: (i) the value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (ii) the income to be derived from the Property; (iii) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon; (iv) the compliance of or by the Property of its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (vi) the manner or quality of the construction or materials, if any, incorporated into the Property; (vii) the manner, quality, state of repair or lack of repair of the Property; or (viii) any other matter with respect to the Property; and specifically, that Seller has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land uses laws, rules, regulations, order or requirements, including the existence in or on the Property of Hazardous Materials (as defined below) or underground storage tanks. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS CONTRACT, Buyer further acknowledges and agrees that having been given the opportunity to inspect the Property Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller, and Buyer agrees at Closing to accept the Property and waive all objections or claims against Seller arising from or related to the Property or to any Hazardous Materials or underground storage tanks on the Property. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS

PROVIDED FOR HEREIN IS MADE ON AN “AS IS, WHERE IS” CONDITION AND BASIS “WITH ALL LATENT AND PATENT DEFECTS.” The provisions of this Paragraph 2 shall survive the Closing in perpetuity and will be included in the special warranty deed delivered by Seller at Closing.

For purposes of this Paragraph 2, “Hazardous Materials” shall mean any substance which is or contains (i) any “hazardous substance” as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) (“CERCLA”) or any regulations promulgated under or pursuant to CERCLA; (ii) any “hazardous waste” as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) (“RCRA”) or regulations promulgated under or pursuant to RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (a) requires reporting investigation or remediation under Environmental Requirements; (b) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (c) which, if it emanated or migrated from the Property, could constitute a trespass. For purposes of this Paragraph 2, “Environmental Requirements” shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

3. **Personal Property.** Buyer acknowledges, understands and agrees that any personal property that remains on the Property after the Closing Date is conveyed to Buyer pursuant to this Agreement.
4. **Limitation of Liability.** Buyer acknowledges and agrees that, notwithstanding any other provision of the Agreement to the contrary (or any rights that Buyer may have at law or in equity), in no event shall Seller have any liability for lost profits, speculative, special, or damages of any kind, including consequential and punitive damages. The provisions of this Section shall survive the Closing.
5. **Assignment.** Buyer may not assign this Agreement and its rights and obligations hereunder without the prior consent of Seller, provided, however, Buyer may assign this Agreement to a related entity or affiliate of Buyer without the consent of Seller, as long as Buyer provides written notice thereof to Seller at least five (5) business days prior to Closing, the assignee assumes all obligations of Buyer under this Agreement, and Buyer provides Seller a copy of the document assigning this Contact to the assignee. No such assignment shall relieve Buyer from its obligations hereunder.
6. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Any counterpart



transmitted via email in portable document format (.pdf) shall be treated as originals for all purposes as to the parties so transmitting.

7. **Conveyance of Tract 2.** Buyer covenants, acknowledges and agrees that notwithstanding anything in the Agreement to the contrary, Tract 2 of the Property will be conveyed to Buyer by a Deed Without Warranty in substantially the form attached to the Agreement and incorporated herein by reference for all purposes.
8. **Captions.** The several headings and captions of the Sections and subsections used herein are for convenience of reference only and shall in no way be deemed to limit, define or restrict the substantive provisions of this Agreement.

*[Signature Pages Follow]*



*[Signature Pages to Addendum to Commercial Contract – Improved Property (Graham)]*

**SELLER:**

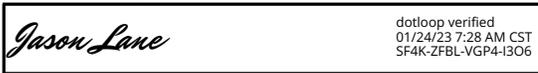
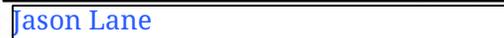
By: 

<i>Deborah Williamson</i>	dotloop verified 01/31/23 1:22 PM CST G77K-A03N-JFWB-ROXA
---------------------------	---

DEBORAH D. WILLIAMSON,  
as Court-appointed Receiver for  
DALLAS RESOURCES, INC.,  
a Texas corporation, in TXND  
Case No. 4:21-cv-01310-O-BP,  
*United States Securities and  
Exchange Commission v. The  
Heartland Group Ventures, LLC,  
et al.*

**BUYER:**

5 LANE RANCH, LLC

By:  dotloop verified  
01/24/23 7:28 AM CST  
SF4K-ZFBL-VGP4-I3O6  
Name:   
Title: 

## Deed without Warranty

**Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.**

Date:

Grantor: Deborah D. Williamson, as Court-appointed Receiver for Dallas Resources, Inc., a Texas corporation, in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

Grantor's Mailing Address: c/o Dykema Gossett PLLC, 112 E. Pecan, Suite 1800, San Antonio, Bexar County, Texas 78205

Grantee:

Grantee's Mailing Address:

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration.

Property (including any improvements): See Exhibit A attached hereto and incorporated herein by reference for all purposes.

Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty: See Exhibit B attached hereto and incorporated herein by reference for all purposes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever, without express or implied warranty. All warranties that might arise by common law as well as the warranties in section 5.023 of the Texas Property Code (or its successor) are excluded.

This conveyance is intended to include any Property interests obtained by after-acquired title.

For the same Consideration, Grantor sells, transfers, and delivers the Personal Property to Grantee. Title in the Personal Property passes at the time this Deed without Warranty is delivered.

THE PERSONAL PROPERTY TRANSFERRED TO GRANTEE IS SOLD, TRANSFERRED, AND DELIVERED "AS IS" AND "WITH ALL FAULTS"; FURTHER, GRANTOR EXCLUDES ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Grantee acknowledges and agrees that Grantor has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to: (i) the value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (ii) the income to be derived from the Property; (iii) the suitability of the Property for any and all activities and uses which Grantee may conduct thereon; (iv) the compliance of or by the Property of its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (vi) the manner or quality of the construction or materials, if any, incorporated into the Property; (vii) the manner, quality, state of repair or lack of repair of the Property; or (viii) any other matter with respect to the Property; and specifically, that Grantor has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land uses laws, rules, regulations, order or requirements, including the existence in or on the Property of Hazardous Materials (as defined below) or underground storage tanks. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS DEED WITHOUT WARRANTY, Grantee further acknowledges and agrees that having been given the opportunity to inspect the Property Grantee is relying solely on its own investigation of the Property and not on any information provided or to be provided by Grantor, and Grantee accepts the Property and waives all objections or claims against Grantor arising from or related to the Property or to any Hazardous Materials or underground storage tanks on the Property. Grantee further acknowledges and agrees that any information provided was obtained from a variety of sources and that Grantor has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Grantor is not liable or bound in any manner by any verbal or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CONVEYANCE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS "WITH ALL LATENT AND PATENT DEFECTS." The provisions of this Paragraph shall survive in perpetuity.

As used in this Deed without Warranty, "Hazardous Materials" shall mean any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) ("CERCLA") or any regulations promulgated under or pursuant to CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) ("RCRA") or regulations promulgated under or pursuant to RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C.

§2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (a) requires reporting investigation or remediation under Environmental Requirements; (b) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (c) which, if it emanated or migrated from the Property, could constitute a trespass. For purposes of this Paragraph 2, "Environmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

Grantee, by its acceptance hereof, does hereby assume and agree to pay any and all ad valorem taxes and special assessments pertaining to the Property for the calendar year 202\_\_ and subsequent years, there having been a proper proration of ad valorem taxes for the current calendar year between Grantor and Grantee.

When the context requires, singular nouns and pronouns include the plural.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

GRANTOR:

\_\_\_\_\_  
Deborah D. Williamson, as Court-appointed Receiver for Dallas Resources, Inc., a Texas corporation, in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

This instrument was acknowledged before me on December \_\_\_\_, 2022, by Deborah D. Williamson, as Court-appointed Receiver for Dallas Resources, Inc., a Texas corporation, in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*, for the purposes and considerations therein expressed.

\_\_\_\_\_  
Notary Public, State of Texas

GRANTEE:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS           §  
  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by  
\_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_, on its behalf,  
for the purposes and considerations therein expressed.

\_\_\_\_\_  
Notary Public, State of Texas

Exhibit A

Exhibit B

B-1

**EXHIBIT B**



**ORDER GRANTING RECEIVER'S EXPEDITED MOTION (1) TO AVOID FRAUDULENT TRANSFER; (2) TO GRANT RECEIVER AUTHORITY TO TRANSFER REAL PROPERTY; AND (3) FOR EXPEDITED HEARING**

Came on to be heard the *Receiver's Expedited Motion (1) to Avoid Fraudulent Transfer; (2) to Grant Receiver Authority to Transfer Real Property; and (3) for Expedited Hearing* in connection with real property located in Graham, Young County, Texas.<sup>1</sup> After considering the Receiver's Expedited Motion, all responses thereto, if any, all evidence submitted to the Court, and the arguments of counsel, the Court is of the opinion that said motion should be **GRANTED** in all respects.

**IT IS THEREFORE ORDERED** that the August 1, 2021 transfer from ArcoOil Corp. to 1178137 B.C. LTD. of the real property located at 471 State Highway 67, Graham, Texas 76450, is hereby avoided as a fraudulent transfer.

**IT IS FURTHER ORDERED** that the Receiver is authorized to execute a deed, substantially in the form attached to the Expedited Motion as Exhibit D, to transfer the real property located at 471 State Highway 67, Graham, Texas 76450 to ArcoOil Corp.

**IT IS FURTHER ORDERED** that the Contract to Sell is fully enforceable.

**IT IS FURTHER ORDERED** that the Receiver may take any action and execute any document necessary with respect to transferring the real property located at 471 State Highway 67, Graham, Texas 76450, to ArcoOil Corp. and the relief granted herein.

**IT IS FURTHER ORDERED** that this Court retains exclusive jurisdiction with respect to the Contract to Sell and any disputes arising out of such agreement.

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<sup>1</sup>Capitalized terms used but not otherwise described herein shall have the meaning ascribed in the Contract to Sell or the Expedited Motion, as applicable.

Signed this \_\_\_ day of \_\_\_\_\_, 2023.

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HAL R. RAY, JR.  
UNITED STATES MAGISTRATE JUDGE

Prepared and submitted by:

Danielle Rushing Behrends  
State Bar No. 24086961  
dbehrends@dykema.com  
**DYKEMA GOSSETT PLLC**  
112 East Pecan Street, Suite 1800  
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and

Rose L. Romero  
State Bar No. 17224700  
Rose.Romero@RomeroKozub.com  
**LAW OFFICES OF ROMERO | KOZUB**  
235 N.E. Loop 820, Suite 310  
Hurst, Texas 76053  
Telephone: (682) 267-1351

**COUNSEL TO RECEIVER**

**EXHIBIT C**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**DEED WITHOUT WARRANTY**

**Date:** August 1<sup>st</sup>, 2021

**Grantor:** Arcooil Corp.

**Grantor's Mailing Address:** 471 State Highway 67  
Graham, Texas 76450

**Grantee:** 1178137 BC LTD

**Grantee's Mailing Address:** 15910 Fraser Hwy, Suite 321  
Surrey, British Columbia, Canada V4N0X9

**Consideration:** Ten dollars (\$10.00) and other good and valuable consideration in hand paid by the Grantee and to effect a partition of property jointly held by the parties, herein named, the receipt and sufficiency of which is hereby fully acknowledged and confessed.

**Property (including any improvements):** The following described real property located in Young County, Texas:

Being all of Lot Nos. Six, Seven, Eight, Nine, Ten, Eleven, Twelve, Thirteen, Fourteen, Fifteen, Sixteen and Seventeen (6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17) all in Block No. Seventeen (17) of the Bishop Addition out of the T.J. Cockrell Survey, Abstract No. 1403, Young County, Texas.

**Reservations from Conveyance:** None

**Exceptions to Conveyance:** Easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments, other than liens and conveyances, that affect the property; and taxes for 2021, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever, without express or implied warranty. All warranties that might arise by common law as well as the warranties in section 5.023 of the Texas Property Code (or its successor) are excluded.

This conveyance is intended to include any property interests obtained by after-acquired title.

When the context requires, singular nouns and pronouns include the plural.

**THIS INSTRUMENT WAS PREPARED BASED UPON INFORMATION PROVIDED BY THE PARTIES AND NO INDEPENDENT TITLE EXAMINATION WAS CONDUCTED BY THE ATTORNEYS OF KOSUB & GRIFFIN LLP.**



Roger Sahota, President  
Arcooil Corp., Grantor

STATE OF TEXAS

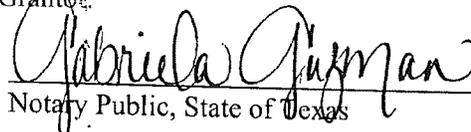
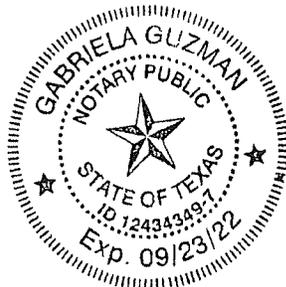
§

COUNTY OF

Schleicher

§

This instrument was acknowledged before me on this the 1<sup>st</sup> day of August, 2021, by the said Roger Sahota, President Arcooil Corp, Grantor.

  
Notary Public, State of Texas

KAY HARDIN

COUNTY CLERK



516 Fourth Street  
Graham, Texas 76450

PHONE (940) 549-8432

**DO NOT DESTROY**

**WARNING-THIS IS PART OF THE OFFICIAL RECORD**

INSTRUMENT NO. 21002592

FILED FOR RECORD ON: AUGUST 02, 2021 02:56PM 2PGS \$30.00

SUBMITTER: DALLAS RESOURCES LLC

RETURN TO:

1178137 BC LTD  
3371 KNICKERBAKER RD  
STE 185  
SAN ANGELO TX 76904

I hereby certify that this instrument was FILED in file number Sequence on the date and at the time stamped here on by me and was duly RECORDED in the Official Public Records of YOUNG COUNTY, TEXAS.

BY:

*Kay Hardin*

Kay Hardin, Young County Clerk

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

**EXHIBIT D**

## Deed without Warranty

**Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.**

Date: April \_\_, 2023

Grantor: Deborah D. Williamson, as Court-appointed Receiver for 1178137 B.C. Ltd., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

Grantor's Mailing Address: c/o Dykema Gossett PLLC, 112 E. Pecan, Suite 1800, San Antonio, Bexar County, Texas 78205

Grantee: Deborah D. Williamson, as Court-appointed Receiver for ArcoOil Corp., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

Grantee's Mailing Address: c/o Dykema Gossett PLLC, 112 E. Pecan, Suite 1800, San Antonio, Bexar County, Texas 78205

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration.

Property (including any improvements): See Exhibit A attached hereto and incorporated herein by reference for all purposes.

Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty: Easements, rights of way, and prescriptive rights, whether of record or not, all presently recorded and valid restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and other instruments that affect the Property.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever, without express or implied warranty. All warranties that might arise by common law as well as the warranties in section 5.023 of the Texas Property Code (or its successor) are excluded.

This conveyance is intended to include any property interests obtained by after-acquired title.

Grantee, by its acceptance hereof, does hereby assume and agree to pay any and all ad valorem taxes and special assessments pertaining to the Property for the calendar year 2022 and subsequent years.

When the context requires, singular nouns and pronouns include the plural.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

GRANTOR:

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Deborah D. Williamson, as Court-appointed Receiver for 1178137 B.C. Ltd., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

This instrument was acknowledged before me on April \_\_\_\_, 2023, by Deborah D. Williamson, as Court-appointed Receiver for 1178137 B.C. Ltd., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*, for the purposes and considerations therein expressed.

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Notary Public, State of Texas

GRANTEE:

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Deborah D. Williamson, as Court-appointed Receiver for ArcoOil Corp., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

This instrument was acknowledged before me on April \_\_\_\_, 2023, by Deborah D. Williamson, as Court-appointed Receiver for ArcoOil Corp., in TXND Case No. 4:21-cv-01310-O-BP, *United States Securities and Exchange Commission v. The Heartland Group Ventures, LLC, et al.*, for the purposes and considerations therein expressed.

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Notary Public, State of Texas

Exhibit A

Being all of Lots Nos. Six, Seven, Eight, Nine, Ten, Eleven, Twelve, Thirteen, Fourteen, Fifteen, Sixteen and Seventeen (6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17), all in Block No. Seventeen (17) of the Bishop Addition out of the T.J. Cockrell Survey, Abstract No. 1403, Young County, Texas.