

NO. D-1-GV-08-000050

STATE OF TEXAS,  
Plaintiff  
VS.

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§  
§  
§  
§  
§

IN THE DISTRICT COURT OF  
TRAVIS COUNTY, TEXAS  
201st JUDICIAL DISTRICT

WEBB COUNTY TITLE  
& ABSTRACT COMPANY, INC.,  
Defendant

**SPECIAL DEPUTY RECEIVER’S APPLICATION TO SELL REAL PROPERTY FREE  
AND CLEAR OF ALL LIENS**

TO THE HONORABLE DISTRICT COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Liquidation (the “SDR” or “WCTA,” respectively), files this *Application to Sell Real Property Free and Clear of All Liens* (the “Application”).

**I. INTRODUCTION AND SUMMARY**

1.1 The SDR requests authority from this Court to sell certain real property under the terms of and conditions described below. The Application is filed pursuant to TEX. INS. CODE § 443.154 authorizing the SDR to sell real property with Court approval. In summary, the proposed sale recovers the appraised value of the subject property and provides that any liens or other interests in real property, if any, be transferred to the proceeds with the same validity and priority as existed prior to the sale. The Application expressly does not affect the validity or invalidity of any liens or other interests and leaves the determination of such issues to a later date.

1.2 The Receiver has approved the terms of the proposed sale and the filing of this Application. The Texas Title Insurance Guaranty Association (“TTIGA”) supports the Application. TTIGA is authorized to appear under both TEX. INS. CODE ANN. § 2602.101(b), which provides that TTIGA has standing to appear before any court in Texas that has jurisdiction over an impaired title insurance agent for which TTIGA may become obligated, and TEX. INS. CODE ANN. § 443.008(1).

TTIGA is a nonprofit legal entity created by the Texas Legislature and subject to the supervision of the Commissioner of Insurance. TEX. INS. CODE ANN. §2602.051. TTIGA was created in large part to pay escrow claims made against insolvent title insurance agents. If an impaired agent such as WCTA has assets available for distribution, TTIGA is a priority creditor with respect to such assets to the extent that TTIGA incurs expenses and pays out funds to satisfy escrow claims against the estate of the agent. TEX. INS. CODE ANN. § 443.301. As of December 31, 2009, TTIGA has paid approximately \$312,819.08 to satisfy escrow claims made against WCTA.

## **II. JURISDICTION**

2.1 This Court has jurisdiction over this matter, the property in question and all affected parties pursuant to TEX. INS. CODE § 443.005. The subject matter of the Application was referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the *Order of Reference to Master*.

## **III. APPLICABLE FACTS**

3.1 WCTA was placed in receivership in this proceeding on January 11, 2008, when the Court entered the *Permanent Injunction and Order Appointing Permanent Receiver* (the “Permanent Injunction”) appointing the Texas Commissioner of Insurance as Permanent Receiver. The Receiver designated Cantilo & Bennett, L.L.P., as SDR of WCTA effective as of May 2, 2008.

3.2 WCTA owns an office building located at 1620 Santa Ursula, Laredo Texas 78040 (the “WCTA Building”), which was the headquarters of the business before receivership. The legal description of the property is “Lot 7-A, Block 311, Western Division, City of Laredo, Webb County, Texas, being a plat of Lot 1 in the So. 1/3 of Lot 3 of said Block 311.” The SDR currently occupies the majority of the building for the storage of the title plant and related business records. A portion of the building is leased to a tenant on a month to month lease.

3.3 The International Bank of Commerce (“IBC”) claims to possess a first lien security interest in the WCTA Building pursuant to a certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement between WCTA and IBC, dated October 29, 2003. Although recorded in the Real Property Records for Webb County Texas, no evidence of the instrument was filed with the Secretary of State for the State of Texas.

3.4 As of the date of the receivership and at all times subsequent thereto, there are no other liens of record claiming an interest in the WCTA Building. *See* TEX. INS. CODE § 443.151 (b) (“Upon issuance of the order of liquidation, the rights and liabilities of the insurer and of its creditors, policyholders, shareholders, members, and all other persons interested in its estate become fixed as of the date of entry of the order of liquidation, except as provided by Sections 443.152 and 443.255, unless otherwise fixed by the court.”) No alleged creditor, including but not limited to taxing authorities, can place a lien on the building or any other property of the estate because the Permanent Injunction bars any creditor from putting liens on or levying on estate property. TEX. INS. CODE § 443.008(c) (4) and (e) (10); *Permanent Injunction*, ¶ 3.8; TR. p. 57, l. 20- p. 58, l. 10. The property is occupied, the utilities are connected and the building is fully insured. Two real estate appraisals, conducted by independent MAI appraisers, establish that the market value of the building is between \$1.2-\$1.6 million.

3.5 On or about June 9, 2009, IBC filed its Motion for Relief from Automatic Stay Pursuant to Tex. Ins. Code § 443.008 (the “Motion”), requesting that this Court lift the automatic stay to allow the bank to foreclose its alleged lien against the WCTA Building. The Special Master appointed in this proceeding, following an evidentiary hearing, recommended that the motion be denied. IBC appealed the recommendation and, after another evidentiary hearing on December 14, 2009, the bank’s motion to lift stay was denied by the Receivership Court.

3.6 As of the date of filing this Application, IBC has no claim in the WCTA receivership estate. On October 8, 2009, the SDR rejected IBC's proof of claim. Although IBC timely objected to the determination, no other action has occurred in connection with the claim.

3.7 On or about December 4, 2009, the Webb County Attorney, an authorized representative of the Commissioner's Court of Webb County, Texas ("Webb County"), presented the SDR with an offer to purchase the WCTA Building for the sum of \$1,200,000. On January 26, 2010, the SDR executed and returned a Commitment Letter (the "Agreement") from Webb County, which is attached as Exhibit 1.

#### **IV. THE TERMS OF THE PROPOSED SALE**

4.1 Pursuant to the Agreement, Webb County agrees to pay \$1,200,000 for the WCTA Building. The following paragraphs describe generally the terms of the proposed sale but expressly do not amend, change or in any modify the terms of the Agreement. The terms of the sale provide that the property is conveyed "as is, where is," and without warranties; that it be conveyed free and clear of all liens; and that none of the personalty, including but not limited to the title plant and related business records, are conveyed.

4.2 The SDR has used the rent collected from the law firm tenant since receivership to maintain the property and provide services to the tenant. All rents collected up to the date of closing of the sale belong to the SDR and are not conveyed to the purchaser. The SDR can recover the estate's expenses to maintain and preserve collateral from the secured party and/or the collateral. TEX. INS. CODE § 443.260 (i).

#### **The Sale is Subject to a Higher or Better Offer**

4.3 The SDR's agreement to sell the WCTA Building to Webb County is subject to a higher/better offer in the event such an offer is conveyed to the SDR, in writing, on or before 12:00

Noon Central Standard Time on February 12, 2010. The SDR believes that the offer by Webb County reflects a fair purchase price under the circumstances of this estate and the two current appraisals of the building. Nevertheless, the SDR wants to achieve the highest possible recovery for the estate and will consider the possibility of higher and better bids. The SDR reserves the right, at its sole discretion, to determine whether another offer is higher or better, including without limitation, any additional time necessary to close a competing bid, the creditworthiness of the bidder, and the value of any non-monetary offers. After 12:00, Noon Central Standard Time on February 12, 2010 the SDR will evaluate any competing bids and advise Webb County if a higher/better offer has been received. Webb County will then have an opportunity to revise its offer to match or exceed the new offer. Prior to the submission date, the SDR will advise the Receivership Court if a higher/better offer has been received and whether it should be accepted.

**The Court Should Authorize the Sale Free and Clear of Liens, Claims, Interests and Encumbrances**

4.4 The SDR requests that the Court approve the sale of the WCTA Building free and clear of liens, claims, interests and encumbrances, with such interests, if any, to attach to the sale proceeds with the same validity and priority as existed prior to the sale or to be paid in full or release or compromised. The WCTA Building is property of the estate. TEX. INS. CODE § 443.004 (20). The *Insurer Receivership Act* expressly authorizes such sales pursuant to the SDR's authority in TEX. INS. CODE § 443.154 (g) ["may conduct public and private sales of the property of the insurer"]; (i) ["may ... sell, transfer ... or otherwise dispose of or deal with any property of the estate at its market value or upon terms and conditions that are fair and just"]; (k) ["may enter into contracts as necessary to carry out the order to liquidate"]; (x) [enumerated powers are not limitation on authority of the SDR]; and (y) [the power to deal with any property of the insurer]. Under TEX. INS. CODE

ANN. § 443.260, the amount of any secured claim is limited to the value of the collateral securing such claim.

### **No Waiver**

4.5 Nothing in this Application, the relief sought herein, or any related proceeding or filing shall affect, in any way, the Receiver's or the SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR. The automatic stay and the provisions of the Permanent Injunction remain in affect unless expressly modified herein. The Receivership Court shall retain exclusive jurisdiction to resolve any and all disputes relating to this Application, the Agreement, the SDR's determination regarding any competing offer, and the disposition of the proceeds from the sale.

### **V. CONCLUSION**

5.1 In conclusion, the SDR moves the Court to grant this Application. The SDR requests that the proposed sale procedures be approved. The SDR, in the exercise of its business judgment, believes that the sale of the WCTA Building, on substantially the terms and conditions of the Agreement with Webb County, or to a different successful bidder with a higher/better offer, is in the best interest of the receivership estate and its creditors. The relief sought in the Application does not diminish any legal rights. Instead, the SDR seeks to liquidate property of the estate and create a fund to pay creditors as required by law.

### **VI. NOTICE**

6.1 Pursuant to TEX. INS. CODE ANN. § 443.007(d), this Application has been served on the entire service list for this proceeding, including IBC and the taxing authorities, on Webb County, and on all parties who previously expressed an interest in purchasing the WCTA Building, in the manner shown on the Certificate of Service. A summary of the Application will be published in the

Laredo Morning Times in the same or substantially similar format as shown on Exhibit 2.

**VII. OFFER OF PROOF**

7.1 CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver, through its authorized representative, Susan E. Salch, submits its certificate pursuant to TEX. INS. CODE ANN. § 443.017(b) verifying the statements in this pleading.

**VIII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT**

8.1 Pursuant to the *Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices*, all pleadings filed in response to this Application or in regards to this estate shall be served by email on the undersigned counsel and all parties shown in the attached Certificate of Service.

**PRAYER**

WHEREFORE PREMISES CONSIDERED, CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Liquidation, respectfully requests this Court to

1. Grant the Application;
2. Authorize the SDR to sell the WCTA Building free and clear of all liens, claims, interests and encumbrances, to Webb County or such other purchaser as approved by the SDR;
3. Order that the sale of the WCTA Building is "as is, where is," without warranties or representations;
4. Order that the purchaser of the WCTA Building shall not be liable or responsible for any debts or liabilities owed by WCTA and/or the SDR;
5. Order that the purchaser shall pay the complete sale price to the SDR without setoff,

reduction or withholding for any alleged pre- or post-petition obligation owed by WCTA and/or the SDR within ten (10) days of the entry of the order approving the Application or such other time as the SDR and Webb County may agree;

6. Order that, by entry of this Order and the satisfaction of the terms and conditions of the Commitment Letter, all liens, claims, interests and encumbrances on the WCTA Building are declared extinguished as a matter of law;
7. Order that subject to the satisfaction of the terms and conditions of the Commitment Letter, the Sale shall constitute a legal, valid and effective transfer of the WCTA Building notwithstanding any requirement of approval or consent by any person and shall vest Webb County with all right, title and interest of the SDR in and to the WCTA Building, free and clear of all encumbrances.
8. Order that the terms and conditions of the Commitment Letter may be waived, modified, amended or supplemented by the written and signed agreement of the SDR and Webb County without further action of the Court, provided that any such waiver, modification, amendment or supplement is not material or is not adverse to the SDR.
9. Order that each of the SDR and WCTA's creditors shall execute such documents and take all other actions as may be necessary to release any encumbrances against the WCTA Building, as such encumbrances may have been recorded or may otherwise exist and further order that the SDR is authorized to file such termination statements, instruments of satisfaction, releases of all liens or other interests which the person or entity has with respect to the WCTA Building.
10. Order that all liens, if any, attach to the proceeds of the sale, less all costs, subject to further order of this Court;

11. Authorize the SDR to enter such other and further documents as may be necessary to effectuate the transaction;
12. Order that this Court retains exclusive jurisdiction to enforce the provisions of its Order granting this Application and the Commitment Letter, all amendments thereto, any waivers and consents thereunder, to resolve any dispute concerning this Order, the Commitment Letter, or the rights and duties of the parties hereunder or thereunder or any issues relating to this Order; and
13. Grant the SDR such further relief to which it is entitled.

Respectfully submitted,

By: Christopher Fuller  
Christopher Fuller  
Texas Bar No. 07515500  
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[cfuller@fullerlaw.org](mailto:cfuller@fullerlaw.org)  
Attorney for CANTILO & BENNETT, L.L.P.,  
Special Deputy Receiver of Webb County Title &  
Abstract Company, Inc., in Liquidation

### **CERTIFICATE OF SERVICE**

I certify that on January 29, 2010, a true and correct copy of this Application was served pursuant to the Order of Reference, the Court's order on e-service, the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. SEC. 443.007(d) on the following by electronic mail, except as specifically noted.

Christopher Fuller

Tom Collins, Special Master

c/o Ms. Jean Sustaita  
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D. Ronald Reneker

WCTA  
SDR App to Sell

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Texas Title Insurance Guaranty Association  
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bburner@mws gw.com

CNA Surety/ Western Surety Company  
Leann Niebuhr

WCTA  
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San Antonio, TX 78216  
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betsy.thompson@fnf.com

United General Title Insurance Company  
ATTN: Sally Vettters  
13750 San Pedro, Suite 715  
San Antonio, TX 78232  
Fax: 800 -204-6614  
svettters@ugtic.com

Laredo FBI Field Office  
ATTN: Aaron Ackland  
109 Shiloh Drive, Suite 430  
Laredo, TX 78045  
aaron.ackland@ic.fbi.gov

Webb County District Attorney  
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Webb County Tax Collector  
1110 Victoria St., Suite 107  
P.O. Box 420128  
Laredo, TX 78042

WCTA  
SDR App to Sell

L.I.S.D. Tax Office  
820 Main Ave.  
Laredo, TX 78040

Texas Workforce Commission  
Regulatory Enforcement Division  
101 E. 15<sup>th</sup> Street  
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Laredo, TX 78040  
(956) 722-0204

John Solis  
2620 San Bernardo Avenue  
Laredo, TX 78040

Kishore Manwani  
address pending

**SPECIAL DEPUTY RECEIVER'S CERTIFICATION PURSUANT TO TEX. INS.CODE  
ANN. § 443.017(b)  
AFFIDAVIT OF SUSAN E. SALCH**

State of Texas  
County of Travis

BEFORE ME, the undersigned authority appeared Susan E. Salch, who after being by me duly sworn, stated the following under oath:

1. "My name is Susan E. Salch. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.

2. "I am a partner in CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Receivership. I am duly authorized to make this Certification and Affidavit on behalf of the SDR.


3. "I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to TEX. INS. CODE ANN. § 443.017(b), are true and correct copies of records created by and filed with the Receiver's office in connection with the receivership of this delinquent insurer, and are held by the Special Deputy Receiver in its official capacity.

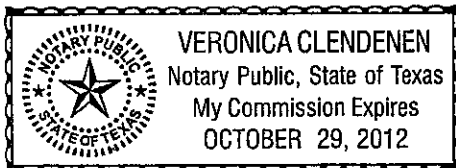
4. "I further state that I have read the statements contained in the attached Application and that they are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors."

5. Further affiant sayeth not.

By:   
Susan E. Salch

**SUBSCRIBED AND SWORN TO BEFORE ME** on January 29, 2010, by Susan E. Salch, on behalf of CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Receivership.

  
Notary Public





**DANNY VALDEZ**  
**WEBB COUNTY JUDGE**

January 14, 2010

**RECEIVED**

JAN 20 2009  
*Via Lou Star Del.*  
**CANTILO**

Ms. Susan Salch  
Special Deputy Receiver  
Cantilo & Bennett, L.L.P.  
11401 Century Oaks Terrace, Suite 300  
Austin, Texas 78758

**FAX: 512-404-6550**

Re: Commitment by Webb County, Texas, to Purchase Webb County Title & Abstract Company, Inc. Real Property in Laredo, Texas

Dear Ms. Salch:

At its regularly scheduled meeting of January 11, 2010, the Webb County Commissioners Court voted to purchase the Webb County Title & Abstract Company, Inc. real property located at 1620 Santa Ursula Avenue in Laredo, Texas. It is Webb County's understanding that the said premises are in receivership and that you are the court-appointed Special Deputy Receiver for the property. Webb County is prepared to offer the total sum of \$1,200,000.00 for purchase of the land, building, and any other improvements situated thereon.

The general terms for the purchase of the property are as follows:

1. The premises must be conveyed with a clean title, clear of all defects, liens, encumbrances, and easements, except as Webb County may approve during the title review process.
2. The premises will be conveyed as is, where is.
3. At the time of closing, the property must be cleared of all equipment, materials, and personal property of any previous or now-current occupants. Webb County intends to use the premises for office space and will therefore require the building to be delivered unoccupied by any tenants or lessees.
4. All taxes, assessments, utility charges, and other such indebtednesses must be current and paid pro rata through the date of closing.
5. Webb County understands that any sale of the premises is subject to approval by the receivership court.
6. If the Special Deputy Receiver receives a bona fide purchase offer from another

interested buyer prior to the time Webb County's purchase offer is accepted by the receivership court, Webb County shall have the right to match that offer. The second offer by Webb County will be considered to be its best and final offer, and the Special Deputy Receiver agrees to neither seek nor accept any further higher offers from other potential buyers.

7. The Special Deputy will set a notice period, not to exceed twenty-one (21) days following receipt of this letter, for hearing or consideration of Webb County's offer by the receivership court's special master.

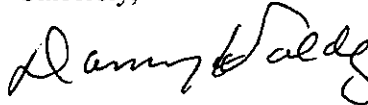
8. Prior to the consideration of its offer by the receivership court, Webb County or its designee shall be permitted to conduct and inspection of the subject property.

No right or obligation shall arise on the part of either party to this transaction until the execution of a real estate sales contract that specifically sets out the relative rights, duties and obligations of the contracting parties.

If the contents of this commitment letter are agreeable to you, please sign where indicated below and return a signed copy by facsimile transmission to Webb County Attorney Anna Laura Cavazos Ramirez at 956-523-5005.

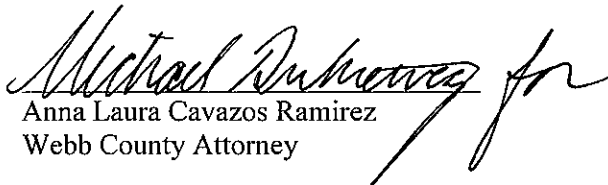
Please contact me or the County Attorney if you have any questions or concerns.

Sincerely,




Danny Valdez  
Webb County Judge

Approved as to  
form and substance:



Anna Laura Cavazos Ramirez  
Webb County Attorney

Agreed:



Susan Salch  
Special Deputy Receiver  
for Webb County Title & Abstract Company, Inc. in Liquidation  
Cantilo & Bennett, L.L.P.  
11401 Century Oaks Terrace, Suite 300  
Austin, Texas 78758

**NOTICE OF APPLICATION TO SELL REAL PROPERTY  
1620 SANTA URSULA  
LAREDO, TEXAS 78040**

The Court appointed Liquidator of **Webb County Title & Abstract Company, Inc.** (“WCTA”) hereby provides notice of its intent to sell the company’s building (the “WCTA Building”) located at 1620 Santa Ursula, Laredo, Texas 78040. The Special Deputy Receiver (“SDR”) of WCTA has filed an Application to Sell Real Property Free and Clear of All Liens (the “Application”) in the 201st District Court of Travis County, Texas (the “Receivership Court”). As detailed in the Application, the pending sale is “as is, where is,” without warranty or representation, and subject to approval of the Receivership Court. The sale is also subject to a higher and better offer, in the event that such an offer is conveyed to the SDR by **February 12, 2010**. The SDR reserves the right, at its sole discretion, to determine whether another offer is higher or better, including, without limitation, any additional time necessary to close a competing bid, the creditworthiness of the bidder, and the value of non-monetary offers. All sales are subject to approval by the Receivership Court.

The offer for sale includes the building and land only. None of the personalty, including but not limited to the title plant and related business records will convey.

The Application may be viewed on the SDR’s web site: [www.webbcountytitlesdr.com](http://www.webbcountytitlesdr.com). Parties wishing to submit competing bid proposals for purchase of the WCTA Building are invited to submit such proposals, in writing, to WCTA’s SDR (contact information below) **no later than 12:00 NOON Central Standard Time on February 12, 2010**. All interested parties are encouraged to inspect the WCTA Building; arrangements to do so may be made by contacting Graciela Velazquez at (956) 724-7104.

The successful purchaser must be prepared to pay the SDR the complete sale price without setoff, reduction, or withholding for any alleged pre- or post-petition obligation within 10 days of the entry of the Receivership Court’s order approving the sale.

Contact for Proposals due by **12:00 NOON CST February 12, 2010**:

Susan E. Salch, Esq.  
Cantilo & Bennett, L.L.P.  
Special Deputy Receiver  
Webb County Title & Abstract Company, Inc.  
11401 Century Oaks Terrace, Suite 300  
Austin, Texas 78758  
512-478-6000  
512-404-6550 (fax)  
[sesalch@cb-firm.com](mailto:sesalch@cb-firm.com)

## APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the *Order of Reference* to Master entered by the District Court in this cause, the Special Deputy Receiver's *Application to Sell Real Property Free and Clear of All Liens* (the "Application") is set for written submission before the Special Master, Tom Collins, on February 15, 2010.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
  - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita at [Jean.Sustaita@tdi.state.tx.us](mailto:Jean.Sustaita@tdi.state.tx.us);
  - (b) The undersigned counsel, Christopher Fuller at [cfuller@fullerlaw.org](mailto:cfuller@fullerlaw.org); and
  - (c) All interested parties, including those listed on the Applicant's Certificate of Service.
3. The objecting party shall coordinate with opposing counsel and the Docket Clerk (512) 463-6450) to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. **Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.**
6. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/s/ Christopher Fuller  
Christopher Fuller

NO. D-1-GV-08-000050

THE STATE OF TEXAS,

Plaintiff,

V.

WEBB COUNTY TITLE  
& ABSTRACT COMPANY, INC.,

Defendant.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

201<sup>ST</sup> JUDICIAL DISTRICT

**ORDER GRANTING SPECIAL DEPUTY RECEIVER’S APPLICATION TO SELL  
REAL PROPERTY FREE AND CLEAR OF ALL LIENS**

On undersigned date, the Court considered *Application to Sell Real Property Free and Clear of All Liens* (the “Application”) filed by Cantilo & Bennett, L.L.P., solely in its capacity as Special Deputy Receiver of Webb County Title & Abstract Company, Inc. (the “SDR” and “WCTA,” respectively).

Having considered the Application, the Court finds as follows:

1. The *Order of Reference to Master* (“Order of Reference”) entered by this Court provides that applications filed pursuant to TEX. INS. CODE § 443.008 are referred to the Special Master appointed in this proceeding;
2. The Application was submitted to the Special Master in accordance with the Order of Reference;
3. The Texas Title Insurance Guaranty Association (“TTIGA”) filed its Acknowledgment and Waiver to the Application;
4. WCTA owns an office building located at 1620 Santa Ursula, Laredo Texas 78040 (the “WCTA Building”), which was the headquarters of the business before receivership. The legal description of the property is “Lot 7-A, Block 311,

Western Division, City of Laredo, Webb County, Texas, being a plat of Lot 1 in the So. 1/3 of Lot 3 of said Block 311.”

5. The Special Master issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure.
6. No objections to the recommendation were filed.
7. The Court has jurisdiction over the Application, the property and the parties affected hereunder; and
8. The Application should be GRANTED in all respects.

It is, accordingly, **ORDERED** as follows:

1. The *Application to Sell Real Property Free and Clear of All Liens* (the “Application”) is GRANTED.
2. The SDR is authorized to sell the WCTA Building free and clear of all liens, claims, interests and encumbrances, to Webb County under the terms and conditions of the Commitment Letter attached as Exhibit 1 to the Application.
3. Webb County shall not be liable or responsible for any debts or liabilities owed by WCTA and/or the SDR.
4. The WCTA Building is sold “as is, where is,” without warranties or representations of any kind.
5. Webb County shall pay the complete sale price to the SDR without setoff, reduction or withholding for any alleged pre- or post-petition obligation owed by WCTA and/or the SDR within ten (10) days of the entry of the order approving the Application or such other time as the SDR and Webb County may agree.
6. By entry of this Order and the satisfaction of the terms and conditions of the

Commitment Letter, all liens, claims, interests and encumbrances on the WCTA Building are declared extinguished as a matter of law.

7. The Court orders that all liens to the WCTA Building, if any, attach to the proceeds of the sale, less all costs, subject to further order of this Court.
8. Any and all cash paid to the SDR in connection with the sale shall be held by the SDR and shall only be released upon entry of an order from this Court.
9. Subject to the satisfaction of the terms and conditions of the Commitment Letter, the Sale shall constitute a legal, valid and effective transfer of the WCTA Building notwithstanding any requirement of approval or consent by any person and shall vest Webb County with all right, title and interest of the SDR in and to the WCTA Building, free and clear of all encumbrances.
10. Each of the SDR and WCTA's creditors shall execute such documents and take all other actions as may be necessary to release any encumbrances against the WCTA Building, as such encumbrances may have been recorded or may otherwise exist. The SDR is authorized to file such termination statements, instruments of satisfaction, releases of all liens or other interests which the person or entity has with respect to the WCTA Building.
11. The terms and conditions of the Commitment Letter may be waived, modified, amended or supplemented by the written and signed agreement of the SDR and Webb County without further action of the Court, provided that any such waiver, modification, amendment or supplement is not material or is not adverse to the SDR.
12. Nothing in this Order purports to excuse Webb County from compliance with any

and all applicable state and federal regulatory laws.

13. Authorize the SDR to enter such other and further documents as may be necessary to effectuate the transaction.
14. Nothing in this Order, the Application, the relief granted herein, or any related proceeding or filing shall affect, in any way, the Receiver's or the SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR. The automatic stay and the provisions of the Permanent Injunction remain in affect unless expressly modified herein.
15. This Court retains exclusive jurisdiction to enforce the provisions of this Order and the Commitment Letter, all amendments thereto, any waivers and consents thereunder, to resolve any dispute concerning this Order, the Commitment Letter, or the rights and duties of the parties hereunder or thereunder or any issues relating to this Order.

**SIGNED** \_\_\_\_\_ 2010.

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**JUDGE PRESIDING**

