

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

TRAVIS E. CORRELL, individually and
doing business as Horizon Establishment, et. al.

Defendants,

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Civil Action No. 4:05-CV-472-RAS
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**AGREED ORDER CONFIRMING SALE ON RECEIVER'S
MOTION TO SELL REAL PROPERTY
FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES
(29530, Ancestral Trail, Bulverde, Comal County, Texas)**

On June 22, 2006 at 11:00 a.m., a hearing was held in the Courtroom for the United States District Court for the Eastern District of Texas, Sherman Division to Confirm the Sale on Receiver's Motion to Sell Real Property Free and Clear of All Liens, Claims and Encumbrances (the "Motion"), filed by S. Gregory Hays, who was appointed as the Receiver in the above-captioned matter on December 7, 2005 by the Court (the "Receiver"). By the Motion, the Receiver seeks authority to sell certain real property via private sale and in accordance with 28 USC § 2001 that is described as:

FIELD NOTES FOR 63.89 ACRES

BEING 63.89 acres of land out of the Agapita Gaytan Survey No. 194, Abstract No. 174, Comal County, Texas, and being a part or portion of a 170.054 acre tract being of record in Volume 100, Page 341, of the Deed Records of Comal County, Texas said 63.89 acres being more particularly described by metes and bounds as follows:

BEGINNING at a found iron rod in the westerly line of an 86.10 acre tract, also surveyed this day, and the west line of a 60 foot ingress-egress easement, also surveyed this day, for the southeast corner of a 31.09 acre tract being of record in

Volume 427. Page 166 of the Deed Records of Comal County, Texas and the most easterly northeast corner of this tract from which a found iron rod on the south right-of-way of Highway 281 for the northerly corner of Lot 1, Cibolo One Subdivision being of record in Volume 8, Page 246 of the Plat Records of Comal County, Texas bears: north 02° 59' 54" west, a distance of 649.85 feet; north 03° 31' 31" east, a distance of 1037.37 feet; north 83° 48' 19" west, a distance of 780.58 feet; north 00° 10' 43" west, a distance of 1159.72 feet; north 06° 38' 32" west, a distance of 118.13 feet; north 00° 15' 26" west, a distance of 1389.82 feet;

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THENCE south 02° 59' 54" east, a distance of 1810.19 feet to a set ½" iron rod in the north line of a 13.00 acre tract being of record in Volume 327, page 881 of the Deed Records of Comal County, Texas for the southwest corner of said 86.10 acre tract and the southeast corner of this tract and an angle point;

THENCE north 89° 51' 55" west, a distance of 1309.99 feet to a found iron rod in the easterly line of a 105.02 acre tract as recorded in Volume 116, page 502 of the Deed Records of Comal County, Texas for the northwest corner of a 44.578 acre tract being of record in Volume 806, page 774 of the Deed Records of Comal County, Texas and the southwest corner of this tract;

THENCE north 28° 20' 10" west, a distance of 282.26 feet, with said easterly line, to a set ½" iron rod for an angle point;

THENCE north 04° 02' 07" west, a distance of 726.41 feet to a set ½" iron rod for an angle point;

THENCE north 00° 16' 27" west, a distance of 1233.04 feet to a set ½" iron rod for an angle point;

THENCE north 24° 33' 43" west, a distance of 26.81 feet to a set ½" iron rod for an interior corner of said 105.02 acre tract and the northwest corner of this tract;

THENCE south 89° 43' 14" east, a distance of 481.61 feet to a set ½" iron rod for an angle point of said 105.02 acre tract and of the aforementioned 31.09 acre tract and the most northerly northeast corner of this tract;

THENCE south 04° 00' 33" east, a distance of 425.28 feet to a found iron rod for the southwest corner of said 31.09 acre tract and an interior corner of this tract;

THENCE north 89° 57' 02" east, a distance of 883.81 feet to the POINT OF BEGINNING and containing 63.89 acres of land, more or less, in Comal County, Texas;

FIELD NOTES FOR 86.53 ACRES

BEING 86.53 acres of land out of the Agapita Gaytan Survey No. 194, Abstract No. 174, Comal County, Texas and being out of a called 176.074 acre tract of record in Volume 658, page 5 of the Deed Records of Comal County, Texas, said 86.53 acres being further described by metes and bounds as follows:

BEGINNING at a found 5/8" iron rod in the south line of aforementioned 176.074 acre tract, said corner also being in the north line of a called 13.00 acre tract in record in Volume 327, page 881 of the Deed Records of Comal County, Texas and the southeast corner of a 63.89 acre tract also out of said 176.074 acre tract;

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THENCE north 02° 54' 58" west, a distance of 1809.93 feet with the east line of said 63.89 acre tract to a found 1/2" iron rod at the southeast corner of a called 31.09 acre tract of record in Volume 657, page 466 of the Deed Records of Comal County, Texas;

THENCE north 02° 52' 21" west, a distance of 650.15 feet with the east line of said 31.09 acre tract, same being the west line of a called 3.13 acre 60 foot ingress-egress easement referenced in Document 9606012435 and Document 9606006594 of the Deed Records of Comal County, Texas, to a found 1/2" iron rod;

THENCE north 03° 34' 51" east, a distance of 1037.10 feet continuing with said common line to a found 1/2" iron rod for the northeast corner of said 31.09 acre tract;

THENCE north 83° 44' 30" west, a distance of 506.53 feet with the north line of said 31.09 acre tract, same being the south line of said 60 foot ingress-egress easement, to a found 1/2" iron rod for the southeast corner of Lot 2, Weidner Subdivision Unit 1, of record in Volume 11, pages 330-331 of the Plat Records of Comal County, Texas;

THENCE north 05° 32' 43" east, a distance of 248.57 feet with the east line of said Lot 2, to a found 1/2" iron rod in the cul-de-sac of Ancestral Trail, a private street as shown on said plat of Weidner Subdivision Unit 1, for a point of curvature;

THENCE with a curve to the left having a radius of 50.00 feet, a central angle of 73° 44' 23" and an arc length of 64.35 feet, upon said cul-de-sac to a found 1/2" iron rod in the west line of Lot 1, Weidner Subdivision Unit 1;

THENCE south 05° 32' 43" west, a distance of 120.18 feet with the west line of said Lot 1 to a found 1/2" iron rod at a point of curvature;

THENCE with a curve to the left having a radius of 70.00 feet, a central angle of 89° 17' 14" and an arc length of 109.08 feet, continuing with said west line of Lot 1, to a found ½" iron rod at a point of tangency;

THENCE south 83° 44' 30" east, a distance of 435.39 feet continuing with said west line of Lot 1, to a found ½" iron rod;

THENCE south 03° 34' 51" west, a distance of 1090.98 feet continuing with said west line of Lot 1, to a found ½" iron rod;

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THENCE south 02° 52' 21" east, a distance of 202.07 feet to a found ½" iron rod for the southwest corner of said Lot 1;

THENCE south 89° 42' 45" east, a distance of 1613.74 feet with the south line of said Lot 1 and continuing with the west line of a called 391.663 acre tract of record in Volume 329, page 12 of the Deed Records of Comal County, Texas and also being the east line of said 176.074 acre tract, to a set ½" iron rod at fence corner;

THENCE south 01° 04' 45" west, a distance of 1809.27 feet continuing with the west line of said 391.663 acre tract same being the east line of said 176.074 acre tract to a set 1/2" iron rod at a fence corner;

THENCE south 25° 48' 28" east, a distance of 247.39 feet continuing with the east line of said 176.074 acre tract to a set ½" iron rod at an angle in fence;

THENCE south 32° 41' 17" east, a distance of 263.74 feet to a found ½" iron rod for the southeast corner of said 176.074 acre tract and this tract;

THENCE north 89° 46' 26" west, a distance of 1775.35 feet with the south line of said 176.074 acre tract, same being the north line of a called 47.31 acre and a called 49.20 acre tract of record in Volume 705, page 106 and a called 13.00 acre tract of record in Volume 327, page 881, all in the Deed Records of Comal County, Texas, to the POINT OF BEGINNING and containing 86.53 acres of land, more or less, in Comal County, Texas.

along with all improvements and appurtenances thereto and commonly known as 29530, Ancestral Trail, Bulverde, Comal County, Texas (the "Property"). The hearing had previously been scheduled by order of this Court dated June 5, 2006, and notice of same was published in the *San Antonio Business Journal* as required by said order and as required by 28 U.S.C. § 2001, and was also served upon Sandra Thompson as also required by said order. By the Motion, the Receiver seeks

confirmation of the sale of the Property as described in the Motion to MCW Properties, Ltd. (the “Buyer”) for a gross sales price of \$1,335,000.00.

The court finds that three qualified and disinterested persons have appraised the Property. Their appraisal reports are attached to the Motion as Exhibits E, F and G. The Court accepts said appraisals as the opinions of three disinterested persons in accordance with 28 U.S.C. § 2001, and further finds that the average value of the Property is \$1,378,333.34. The Court finds that the purchase price of \$1,335,000.00 is more than 2/3rds of the appraised value of the Property, as required by 28 U.S.C. § 2001(b).

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At the hearing, although duly noticed to appear, Sandra Thompson did not appear, however, indicated her agreement to the proceedings by signing this Agreed Order, as indicated, below.

Additionally, the court was informed at the hearing that the Receiver, the Buyer and Greg and Sandra Thompson (the “Thompsons”) had entered into an arrangement whereby the Thompsons could continue in possession of the Property until noon on July 29, 2006, at which time they would vacate the Property, leaving it in a broom clean condition, taking with them such matters as the Thompsons and the Receiver had agreed may be taken. Finally, it has been agreed between the Receiver and the Buyer that the closing of the Contract that is the subject of the Motion shall close on June 23, 2006, or as soon thereafter as is reasonably possible and agreeable between the Receiver and the Buyer.

Accordingly,

IT IS ORDERED that the Receiver’s motion to sell real property free and clear of all liens, claims and encumbrances is GRANTED.

IT IS FURTHER ORDERED that the Receiver is hereby authorized to sell the Property, in its entirety, for a gross sales price of \$1,335,000.00, less normal and appropriate closing costs, and the deed of trust liens on the Property. Such sale shall be free and clear of all other liens, claims, and encumbrances of any nature, including any title claim of Sandra Thompson. To the extent that any other liens, claims, or encumbrances exist, they shall attach to the proceeds of the sale held by the Receiver subject to further order of the Court.

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IT IS FURTHER ORDERED that the Contract attached to the Motion as Exhibit "A" is hereby approved, and that the Receiver may proceed to close said contract, and his attorney, Clark B. Will, is hereby confirmed as his attorney in fact to sign such documents and conveyances as are necessary to effectuate the intent of the Contract. The Receiver is also authorized to pay a reasonable real estate sales commission, as set forth in the Contract, and such other reasonable closing costs in the Receiver's discretion.

IT IS FURTHER ORDERED that the Thompsons shall provide to the Receiver, through his counsel, Clark B. Will, a complete list of such personal items as they intend to take with them when they surrender possession of the Property on or before July 22, 2006. In the event the Receiver and the Thompsons are unable to agree with regard to what is or is not an Estate Asset, then either party may seek a ruling of this court by filing an appropriate motion.

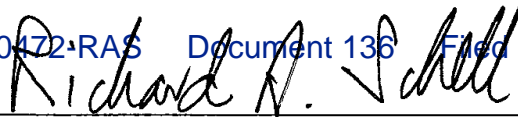
IT IS FURTHER ORDERED that the Thompsons shall surrender possession of the Property to the Buyer or its designee, no later than noon on July 29, 2006.

After the closing, and after possession of the Property has been obtained by the Buyer, the Receiver shall file a report with the court on the final closing of the contract, and the details, if any, of the surrender of possession.

IT IS SO ORDERED.

Signed this 22nd day of June, 2006.

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Richard A. Schell, United States District Judge

AGREED:
QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.
2001 Bryan, Suite 1800
Dallas, Texas 75201
(214) 871-2100 (Telephone)
(214) 871-2111 (Telecopy)

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Clark B. Will, P.C.
State Bar No. 21502500

ATTORNEYS FOR S. GREGORY HAYS,
RECEIVER

AGREED:

SCOTT R. BAKER
State Bar No. 01594000
10830 North Central Expressway, Suite 475, LB 4
Dallas, Texas 75231
(214) 750-4444
(214) 363-1058 (facsimile)

ATTORNEY FOR GREGORY THOMPSON

AGREED:

Sandra Thompson

AGREED:

Gregory Thompson