

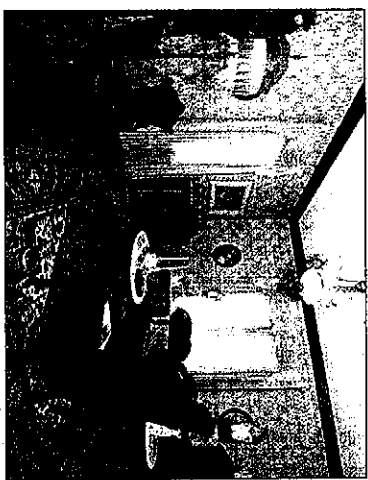
PRIME PROPERTY

Historic Heights home includes quarters

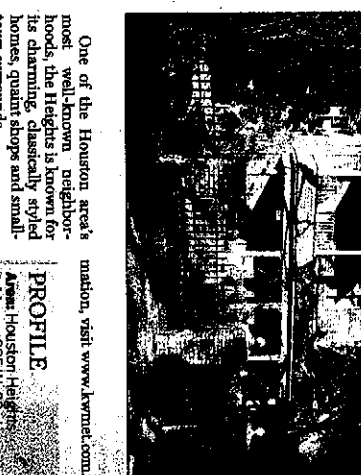
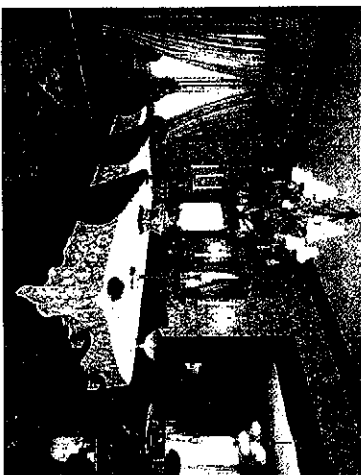
By LISA ZAPALAC
Real Estate Correspondent

ORIGINALITY built in 1926, this classic two-story home in Houston's Heights has been beautifully updated and ap-

pointed and encloses a timeless charm. Just minutes from downtown, the property, highlighted by towering trees, includes guest quarters with a kitchenette, a parlor, sunroom and a separate entrance. The home includes six bed-



rooms and 3 1/2 baths, and all systems have been updated within the last 10 years. The formal living and dining rooms, which are spacious and open, offer elegance to the residence. The private master suite is on the first floor of the home and features a bath with a bidet, shower, and a separate room for the laundry. An oversized den offers easy access to a large eat-in kitchen. Listed by Keller Williams Metropolitan Realty, this property is described as ideal for residential or commercial use.



One of the Houston area's most well-known neighborhoods, the Heights is known for its charming, classically styled homes, quaint shops and small-town surroundings. Located in the shadows of downtown, the Heights remains one of the Houston area's most sought-after locations because of its location and numerous attributes. This home at 225 W. 29th is priced at \$1,070,000 and is offered by Keller Williams Realty Metropolitan. For more information, visit www.lvrml.com.

PROFILE
Area: Houston Heights
Address: 225 W. 29th
Listing agency: Keller Williams Metropolitan Realty
Price: \$1,070,000
Square footage: 3,775
Bedrooms: 6
Baths: 3 1/2
Year constructed: 1926
Recent updates

REAL ESTATE LAW

Guaranties galore — What are they all about?

In a typical real estate development transaction, developers will borrow funds from a lender in order to purchase land and construct improvements on the land. Additionally, developers (or a third party) often will have to guaranty payment of the developer's indebtedness to the lender, and/or guaranty performance of all covenants made under the loan documents. What exactly is a guaranty, who or what makes guaranties and what types of guaranties are there?

A guaranty has been defined as "a promise of one party to answer for the debts or obligations of another." A guarantor promises to perform an act of the same kind and content as another is contractually bound to perform. Generally speaking, a lender will choose the developer, or a principal of the developer (if the developer is an entity such as a

corporation or a limited liability company) to guaranty the debt. Additionally, lenders may assert a guaranty against the developer's debt from a third party. Third parties may desire to guaranty the debt of the developer if the third party has a financial interest in the being paid by the developer to guaranty the developer's debt.

Often, the decision of who shall be the guarantor is made largely upon the financial strength of the to-be guarantor. The lender desires to have a guarantor that possesses enough financial strength to credibly support the guaranty. The two main types of guaranties are payment and collection guaranties. Assume that a developer has borrowed money from a bank to purchase land and construct improvements on the land. Moreover, a guarantor has agreed to execute a guaranty of payment to the bank in the developer's favor. This means that if the developer defaults on its debt to the bank, then the guarantor will incur immediate liability. In other words, the guarantor's obligation to guaranty the developer's indebtedness does not require the bank to take action against the developer before the guarantor must pay the bank. The guaranty is a guaranty of payment, is absolute, and therefore the guarantor's obligation to pay the bank can be enforced upon a default by the developer without the satisfaction of any other conditions. Unlike a guaranty of payment, a guarantor that executes a guaranty of collection to a lender will only become liable to that lender if a contingency or condition occurs in addition to the default of the developer. Assume in the previous scenario that the guarantor executed a guaranty of collection to the bank in favor of the developer. Assume further that the developer subsequently defaulted

to execute guaranties of collection rather than of payment. However, and unfortunately for guarantors, most lenders will require the execution of a guaranty of payment rather than of collection. Guarantors should attempt to execute guaranties of collection rather than of payment. However, and unfortunately for guarantors, most lenders will require the execution of a guaranty of payment rather than of collection.

Bert L. Stobin is an attorney in the Houston law firm of Stobin & Stobin P.C., and he can be reached at 281-441-1111. He focuses on commercial and residential real estate. The information contained in this article is not intended as a general understanding of the law. Readers with legal problems, including those with ongoing litigation, should consult with their attorneys for advice on their particular circumstances.

Fire safety should be priority

Any time of year can be the right time to make sure your home is as fire safe as possible. One simple way to start is to replace the batteries in each smoke detector in the home. Smoke detectors are the first line of defense — every level of the home needs to have properly working smoke alarms. It's also important to install one in every sleeping area. Test each smoke alarm once a month.

Another step is to hire a professional to inspect and clean your home's heating system — whether it's a furnace, kerosene heater or woodburning stove — and make sure it's in good working condition. Replace your furnace's filter regularly — they're inexpensive and can be picked up at a home-improvement warehouse. Never use fuel-burning appliances without proper ventilation — they produce toxic gases such as carbon monoxide. Keep any combustible items at least 3 feet away from any heat source and ensure that all heat sources have the proper guards installed to prevent burns. Inspect electrical cords for frays or other damage.

Another increasingly popular option for homeowners is home fire sprinkler systems. Fire sprinklers help save lives by putting a small amount of water on the flames when the fire starts. Fire sprinklers can also save money on insurance premiums. It's an important option to discuss with builders during the home-construction process. Installing a home fire sprinkler system when building a home typically costs less than \$2 per square foot — a small price to pay for protecting family and property," said Darren Pedersen, manufacturer of the Rapid Response home fire sprinkler system. Should a fire break out, stay low because the poisonous gases produced in a fire are often the cause of death, not the fire itself. Have an escape plan in place with two exit routes and practice it at least once a month with your family. Communication is essential. North American Precis Syndicate