



FARM AND RANCH CONTRACT

1. **PARTIES:** JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the BOB MARSHALL DENISON TRUST created under the terms and provisions of the Last Will and Testament of IDA BALWIN DENISON, Deceased (Seller) agrees to sell and convey to TERRY POLDRACK and MELVIN POLDRACK (Buyer) and Buyer agrees to buy from Seller the property described below.
2. **PROPERTY:** The land situated in Williamson County, Texas, described as follows: SEE EXHIBIT A; or as described on attached Exhibit, together with all improvements thereon and all rights, privileges and appurtenances pertaining thereto, including but not limited to: water rights, claims and permits, easements, all rights and obligations of applicable government programs and cooperative or association memberships. Included with the sale of the following items, if any: windmills and tanks, domestic water systems, and all other property owned by Seller and attached to the above described real property. The following crops and equipment are included: NONE. The following property is not included: NONE. All property sold by this contract is called the "Property." The Property shall be subject, however, to the following exceptions, reservations, conditions and restrictions:
 - A. Minerals, royalties, and timber interests:
 - (1) Presently outstanding in third parties:

Any of record.
 - (2) To be additionally retained by Seller:

NONE
 - B. Mineral Leases:

Any of record.
 - C. Surface Leases:

Any existing leases.
 - D. Easements:

Any of record or apparent on the ground.
 - E. Restrictions, Zoning Ordinances or other Exceptions:

Any of record.

3. **CONTRACT SALES PRICE:**

- A. Cash portion of Sales Price payable
by Buyer at closing \$ 88,272.50
- B. (1) Sum of all financing
described in Paragraph 4 \$ 0
- (2) Less: Face amount of any
Lender required stock <0>
- (3) Difference between B(1) and B(2) \$ 0.00
- C. Sales Price [Sum of A and B(3)] \$ 88,272.50
- D. The Sales Price may be adjusted as provided in Paragraph 11.

4. **FINANCING:** Not Applicable

5. **EARNEST MONEY:** Buyer shall deposit \$1,000.00 as Earnest Money with LELAND ENOCHS at 700 N. Main St., Taylor, TX 76574, as Escrow Agent, upon execution of this contract by both parties. If Buyer fails to deposit the Earnest Money as required by this contract, Buyer will be in default.

6. **TITLE POLICY AND SURVEY:**

- A. **TITLE POLICY:** Seller shall furnish to Buyer at Buyer's expense an owner policy of title insurance (the Title Policy) issued by a reputable title company (the Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) The standard printed exception for standby fees, taxes and assessments.
 - (2) Liens created as part of the financing described in Paragraph 4.
 - (3) Those matters specifically described in Paragraph 2.
 - (4) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.

- (5) The standard printed exception as to marital rights.
- (6) The standard printed exception as to waters, tidelands, beaches, streams and related matters.

Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for Title Insurance (the Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment other than the standard printed exceptions. Seller authorizes the Title Company to mail or hand deliver the Commitment and related documents to Buyer at Buyer's address shown below. If the Commitment is not delivered to Buyer within the specified time, the time for delivery shall be automatically extended up to 15 days.

- B. SURVEY: None Required
- C. ABSTRACT OF TITLE: None Required

NOTICE TO SELLER AND BUYER:

- (1) Buyer is advised to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) 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 of the Texas Water Code requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (3) Eligibility for government farm program benefits may depend upon compliance with a soil conservation plan for the property. Buyer is advised to determine whether the property is subject to and in compliance with a plan before signing this contract.
- (4) Buyer is advised that the presence of wetlands, toxic substance including asbestos and wastes or other environmental hazards or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum either promulgated by TREC or required by the parties should be used.
- (5) If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to

annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

- (6) If the property abuts the tidally influenced waters of the state, Section 33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum either promulgated by TREC or required by the parties should be used.
- (7) Unless expressly prohibited in writing by the parties, Seller may continue to show the Property for sale and to receive, negotiate and accept back up offers.
- (8) Any residential service contract that is purchased in connection with this transaction should be reviewed for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

7. **PROPERTY CONDITION:**

A. **INSPECTIONS, ACCESS AND UTILITIES:** Buyer may have the property inspected by an inspector selected by Buyer, licensed by TREC or otherwise permitted by law to make such inspections. Seller shall permit access to the Property at reasonable times for inspection, repairs and treatment and for reinspection after repairs and treatment have been completed. Seller shall pay for turning on utilities for inspection and reinspection.

B. **SELLER'S DISCLOSURE NOTICE PURSUANT TO SECTION 5.008, TEXAS PROPERTY CODE ("Notice")**

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

C. **SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS** is required by Federal Law for a residential dwelling constructed prior to 1978. An addendum providing such disclosure is not attached.

D. **ACCEPTANCE OF PROPERTY CONDITION**

Buyer accepts the Property in its present condition; provided Seller, at Seller's expense, shall complete the following repairs and treatment: None.

E. **LENDER REQUIRED REPAIRS AND TREATMENTS (REPAIRS):** Unless otherwise agreed in writing, neither party is obligated to pay for lender required

repairs or treatments for wood destroying insects. If the cost of lender required repairs exceeds 5% of the Sales Price, Buyer may terminate this contract.

F. **COMPLETION OF REPAIRS AND TREATMENT.** Unless otherwise agreed by the parties in writing, Seller shall complete all agreed repairs and treatment prior to the Closing Date. Repairs and treatments must be performed by persons who regularly provide such repairs and treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatment prior to the Closing Date, Buyer may do so and the Closing Date will be extended up to 15 days, if necessary, to complete repairs and treatment.

8. **BROKER'S REPRESENTATION AND FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. **CLOSING:** The closing of the sale will be on or before February 15, 2000, or within 7 days after objections to matters disclosed in the Commitment or by the survey have been cured, whichever date is later (the Closing Date). If financing or assumption approval has been obtained pursuant to Paragraph 4, the Closing Date will be extended up to 15 days if necessary to comply with lender's closing requirements (for example, appraisal, survey, insurance policies, lender-required repairs, closing documents). If either party fails to close this sale by the Closing Date, the non-defaulting party will be entitled to exercise the remedies contained in Paragraph 15. At closing Seller shall furnish tax statements or certificates showing no delinquent taxes, and a general warranty deed conveying good and indefeasible title showing no additional exceptions to those permitted in Paragraph 6.

10. **POSSESSION:** Seller shall deliver possession of the Property to Buyer on closing and funding in its present or required repaired condition, ordinary wear and tear excepted. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a temporary lease form promulgated by TREC or required by the Parties will establish a tenancy at sufferance relationship between the parties. *Consult your insurance agent prior to change of ownership or possession as insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.*

11. **SPECIAL PROVISIONS:** It is understood that the property described in Exhibit A may not accurately describe the property in Williamson County, Texas, owned by the Estate of Ida Baldwin Denison, Deceased. However, it is the intent of the parties that the Property herein shall include all of the property located in Williamson County, Texas, owned by the Estate of Ida Baldwin Denison, Deceased. The Sales Price will be adjusted, and the number of acres over or under 103.85 acres shall be multiplied by \$850.00 per acre. The result thereof shall be added to or subtracted from the Sales Price, and the cash amount set out in subparagraph 3A shall be adjusted accordingly.

12. **SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

- (1). Appraisal fees will be paid by N/A.
- (2). The total of loan discount fees may not exceed N/A% of the loan of which Seller shall pay N/A and Buyer shall pay the remainder. The total of any buydown fees may not exceed N/A which will be paid by N/A.
- (3). Seller's Expenses: Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; preparation of deed; and other expenses stipulated to be paid by Seller under other provisions of this contract.
- (4). Buyer's Expenses: Loan application, origination and commitment fees; loan assumption costs; preparation and recording of deed of trust to secure assumption; lender required expenses incident to new loans, including PMI premium, preparation of loan documents, loan related inspection fee, recording fees, tax service and research fees, warehouse or underwriting fees, copies of restrictions and easements, amortization schedule, premiums for title policies and endorsements required by lender, credit reports, photos; required premiums for flood and hazard insurance; required reserve deposit for insurance premiums and ad valorem taxes; interest on all monthly installment payment notes from date of disbursements to one (1) month prior to dates of first monthly payments; customary Program Loan costs for Buyer; escrow fee; and other expenses stipulated to be paid by Buyer under other provisions of this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. In no event will Buyer pay charges and fees expressly prohibited by the Texas Veteran's Housing Assistance Program or other governmental loan program regulations.

13. **PRORATIONS AND ROLLBACK TAXES:**

A. **PRORATIONS:** Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer will be obligated to pay taxes for the current year.

B. **ROLLBACK TAXES:** If this sale or Buyer's use of the Property after closing results in

the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in Assessments for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. **CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty loss after the effective date of the contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may either (a) terminate this contract and the Earnest Money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition and accept an assignment of insurance proceeds. Seller's obligations under this paragraph are independent of any obligations of Seller under Paragraph 7.
15. **DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the Earnest Money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs or deliver the Commitment, Buyer may either (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the Earnest Money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the Earnest Money, thereby releasing both parties from this contract.
16. **DISPUTE RESOLUTION:** It is the policy of the State of Texas to encourage the peaceable resolution of disputes through alternative dispute resolution procedures. The parties are encouraged to use an addendum approved by TREC to submit to mediation disputes which cannot be resolved in good faith through informal discussion.
17. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to the transaction described in this contract is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.
18. **ESCROW:** The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent is not (a) a party to this contract and does not have any liability for the performance or non-performance of any party to this contract, (b) liable for interest on the Earnest Money and (c) liable for any loss of earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent. At closing, the earnest money must be applied first to any cash down payment, then to Buyer's closing costs and any excess refunded to Buyer. If

both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties. If one party makes written demand for the earnest money, escrow agent shall give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 30 days after notice to the other party, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money. Escrow agent's notice to the other party will be effective when deposited in the U.S. Mail, postage prepaid, certified mail, return receipt requested, addressed to the other party at such party's address shown below. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. **REPRESENTATIONS:** Seller represents that as of the Closing Date (a) there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing payment of any loans assumed by Buyer and (b) assumed loans will not be in default. If any representation in this contract is untrue on the Closing Date, this contract may be terminated by Buyer and the earnest money will be refunded to Buyer. All representations contained in this contract will survive closing.
20. **FEDERAL TAX REQUIREMENT:** If Seller is a "foreign person", as defined by applicable law, or if Seller fails to deliver an affidavit that Seller is not a "foreign person", then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. IRS regulations require filing written reports if cash in excess of specified amounts is received in the transaction.
21. **AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part for this contract are (list): NONE
22. **CONSULT YOUR ATTORNEY:** This is intended to be legally binding. **READ IT CAREFULLY.** If you do not understand the effect of this contract, consult your attorney **BEFORE** signing.

BUYER'S ATTORNEY AND ADDRESS:

LELAND ENOCHS
700 N. MAIN ST.
TAYLOR, TX 76745

SELLER'S ATTORNEY AND ADDRESS:

ISAAC M. CASTRO
212 S. CENTRAL
HAMLIN, TX 79520

23. **NOTICES:** All notices from one party to the other party must be in writing and are effective when mailed to, or hand delivered at, or transmitted by facsimile machine as follows:

EXECUTED in multiple originals on February 17, 2000 (THE EFFECTIVE DATE.)

BUYER

Terry Poldrack
TERRY POLDRACK

Melvin Poldrack
MELVIN POLDRACK

ADDRESS AND TELEPHONE:

Telephone: _____

SELLER

John Wayne Denison
JOHN WAYNE DENISON

John Wayne Denison
JOHN WAYNE DENISON
Independent Executor of the Estate of IDA BALWIN
DENISON, Deceased

John Wayne Denison
JOHN WAYNE DENISON
Trustee of the BOB MARSHALL DENISON TRUST

ADDRESS AND TELEPHONE:

Rt 1, Box 84
Old Glory, TX 79540
Telephone: (940) 989-2938

RECEIPT

Receipt of ☒ Contract and ☒ \$1,000.00 Earnest Money in the form of CK 10865
is acknowledged.

Date: 2 - 11, 2000.

LELAND ENOCHS
Escrow Agent

BY: [Signature]

ESCROW AGENT'S ADDRESS: 700 N. Main St., Taylor, TX 76574

PREPARED IN THE OFFICE OF:
CASTRO & DAVIS, L.L.P.
PO BOX 608
212 S. CENTRAL
HAMLIN, TX 79520
(915) 576-2797
FAX (915) 576-2799

EXHIBIT A

TRACT ONE:

An undivided .1666 interest in 513.1 acres, more or less. ID: R005467, R-01-0014-000-0020
AW0014 Zarza, P. Survey, Williamson County, Texas.

TRACT TWO:

An undivided .1666 interest in 110.00 acres, more or less. ID: R012603, R-12-0014-000-
0005 AW0014 Zarza, P. Survey, Williamson County, Texas.