

OPTION CONTRACT BETWEEN  
BOBBY TRANT, PATSY T. LANGFORD, AND ROBIN T. JOHNSON, OPTIONORS,  
AND THE CITY OF BRYAN, TEXAS AND  
THE CITY OF COLLEGE STATION, TEXAS, OPTIONEES

EXHIBIT C

FARM AND RANCH CONTRACT

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

09-22-97



FARM AND RANCH CONTRACT

1. **PARTIES:** Bobby Trant, Patsy T. Langford, and Robin T. Johnson (Seller) agrees to sell and convey to the City of Bryan, Texas and the City of College (Buyer) and Buyer agrees to buy from Seller the property described below. Station, Texas

2. **PROPERTY:** The land situated in Grimes County, Texas, described as follows:  
1 tract of land, being referred to herein as Tract 1 or as the "Property"  
as shown on the map attached hereto as Exhibit A and more particularly  
described on Exhibit B.

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~~ <sup>and</sup> permits, ~~leases,~~ <sup>and</sup> easements, ~~all rights and obligations of applicable government programs and cooperative or association memberships.~~ Included with the sale are the following items, if any: windmills and tanks, domestic water systems, curtains and rods, draperies and rods, valances, blinds, window shades, screens, shutters, awnings, wall-to-wall carpeting, mirrors fixed in place, ceiling fans, attic fans, mail boxes, television antennas and satellite dish with controls and equipment, permanently installed heating and air conditioning units, window air conditioning units, built-in security and fire detection equipment, plumbing and lighting fixtures, including chandeliers, water softener, stove, built-in kitchen equipment, garage door openers with controls, built-in cleaning equipment, all swimming pool equipment and maintenance accessories, shrubbery, landscaping, permanently installed outdoor cooking equipment, built-in fireplace screens, artificial fireplace logs and all other property owned by Seller and attached to the above described real property.

The following crops and equipment are included: \_\_\_\_\_

The following property is not included: all property is included

All property sold by this contract is called the "Property." The Property will be conveyed subject to the to the following exceptions, reservations, conditions and restrictions (if none, insert "none"):

A. Minerals, Royalties, and Timber Interests:

(1) Presently outstanding in third parties:

Tract 1 - unknown

(2) To be additionally retained by Seller:

Tract 1 - none from surface to depth of 1,500 feet; Seller retains all deeper than 1,500 feet; Seller transfers all rights to develop as may burden any surface rights.

B. Mineral Leases:

Tract 1 - oil and gas lease with Chesapeake Operating, Inc.

C. Surface Leases:

Tract 1 - None

D. Easements:

Tract 1 - None

E. Restrictions, Zoning Ordinances or other Exceptions:

Tract 1 - None

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing \$3,200/acre  
/estimated to be ... \$ 64,000
- B. (1) Sum of all financing described in Paragraph 4 ..... \$ \_\_\_\_\_  
(2) Less: face amount of any lender required stock ..... < \_\_\_\_\_ >  
(3) Difference between B(1) and B(2) ..... \$ \_\_\_\_\_
- C. Sales Price [sum of A and B(3)] \$3,200/acre estimated to be ..... \$ 64,000
- D. The Sales Price  will  will not be adjusted based on the survey required by Paragraph 6B, and the number of acres over or under 400 acres will be multiplied by \$ 3,200 per acre. The result thereof will be added to or subtracted from the Sales Price, and the cash amount set out in 3A will be adjusted accordingly, however, if the amount set out in 3A is to be adjusted by more than 10%, either party may terminate this contract and the earnest money will be refunded to Buyer.

4. FINANCING: Within \_\_\_\_\_ days after the effective date of this contract Buyer shall apply for all third party financing or noteholder's approval of any assumption and make every reasonable effort to obtain financing or assumption approval. Financing or assumption approval will be deemed to have been obtained when the lender determines that Buyer has satisfied all of lender's financial requirements (those items relating to Buyer's net worth, income and creditworthiness). If financing (including the face amount of any lender required stock) or assumption approval is not obtained within \_\_\_\_\_ days after the effective date hereof, this contract will terminate and the earnest money will be refunded to Buyer. Each note to be executed hereunder must be secured by vendor's and deed of trust liens.

The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

A. THIRD PARTY FINANCING:

- (1) This contract is subject to approval for Buyer of a third party first lien note of \$ \_\_\_\_\_ (including the face amount of any lender required stock) payable at \_\_\_\_\_ intervals for not less than \_\_\_\_\_ years with the initial interest rate not to exceed \_\_\_\_\_ % per annum.
- (2) This contract is subject to approval for Buyer of a third party second lien note of \$ \_\_\_\_\_ (including the face amount of any lender required stock) payable at \_\_\_\_\_ intervals for not less than \_\_\_\_\_ years with the initial interest rate not to exceed \_\_\_\_\_ % per annum.

B. SELLER FINANCING: A promissory note from Buyer to Seller of \$ \_\_\_\_\_ bearing \_\_\_\_\_ % interest per annum, secured by vendor's and deed of trust liens, in accordance with the terms and conditions set forth in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

C. ASSUMPTION:

- (1) Buyer shall assume the unpaid principal balance of a first lien promissory note payable to \_\_\_\_\_ dated \_\_\_\_\_ which unpaid balance at closing will be \$ \_\_\_\_\_ (including the face amount of any lender required stock). The total current monthly payment including principal, interest and any reserve deposits is \$ \_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.
- (2) Buyer shall assume the unpaid principal balance of a second lien promissory note payable to \_\_\_\_\_ dated \_\_\_\_\_ which unpaid balance at closing will be \$ \_\_\_\_\_ (including the face amount of any lender required stock). The total current monthly payment including principal, interest and any reserve deposits is \$ \_\_\_\_\_. Buyer's initial payment will be the first payment due after closing.

If any assumed loan initially required the purchase of lender's stock, the sale of the Property will include such stock.

Buyer's assumption of an existing note includes all obligations imposed by the deed of trust securing the note. If the unpaid principal balance(s) of any assumed loan(s) as of the Closing Date varies from the loan balance(s) stated above, the  cash payable at closing  Sales Price will be adjusted by the amount of any variance, provided, if the total principal balance of all assumed loans

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO.25-2

~~varies in an amount greater than \$500.00 at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless the other party elects to eliminate the excess in the variance by an appropriate adjustment at closing. If the noteholder on assumption requires (a) Buyer to pay an assumption fee in excess of \$ \_\_\_\_\_ in C(1) above or \$ \_\_\_\_\_ in C(2) above, and Seller declines to pay such excess or (b) an increase in the interest rate to more than \_\_\_\_\_ % in C(1) above or \_\_\_\_\_ % in C(2) above, or (c) any other modification of the loan documents, Buyer may terminate this contract and the earnest money will be refunded to Buyer. A vendor's lien and deed of trust to secure assumption will be required, which will automatically be released on execution and delivery of a release by noteholder. If Seller is released from liability on any assumed note, the vendor's lien and deed of trust to secure assumption will not be required.~~

~~NOTICE TO BUYER: The payments, interest rates or other terms of some loans may be adjusted by the lender at or after closing. If you are concerned about the possibility of future adjustments, do not sign the contract without examining the notes and deeds of trust.~~

~~NOTICE TO SELLER: Your liability to pay the note assumed by Buyer will continue unless you obtain a release of liability from the lender. If you are concerned about future liability, you should use the TREC Release of Liability Addendum.~~

- D. CREDIT APPROVAL ON ASSUMPTION OR SELLER FINANCING: Within \_\_\_\_\_ days after the effective date of this contract, Buyer shall deliver to Seller  credit report  verification of employment, including salary  verification of funds on deposit in financial institutions  current financial statement to establish Buyer's creditworthiness for assumption approval or seller financing and  \_\_\_\_\_

~~If Buyer's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If this contract is not so terminated, Seller will be deemed to have accepted Buyer's credit. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Buyer's credit is unacceptable, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery and the earnest money will be refunded to Buyer. If Seller does not so terminate this contract, Seller will be deemed to have accepted Buyer's credit. Buyer hereby authorizes any credit reporting agency to furnish to Seller at Buyer's sole expense copies of Buyer's credit reports.~~

- 5. EARNEST MONEY: ~~There is no earnest money. Property is subject of an Option Contract~~ Buyer shall deposit \$ \_\_\_\_\_ as earnest money with \_\_\_\_\_ at \_\_\_\_\_

~~(Address), as escrow agent, upon execution of this contract by both parties. Additional earnest money of \$ \_\_\_\_\_ must be deposited by Buyer with escrow agent on or before \_\_\_\_\_ 19\_\_\_\_. 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  Seller's  Buyer's expense an owner policy of title insurance (the Title Policy) issued by Navasota Abstract Co. for Stewart Title (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 will be automatically extended up to 15 days.

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO. 25-2

B. SURVEY: (Check one box only)

- (1) Within \_\_\_\_ days after the effective date of this contract, Buyer shall obtain a survey at Buyer's expense.
- (2) Within \_\_\_\_ days after the effective date of this contract, Seller shall cause a survey to be delivered to Buyer at Seller's expense.
- (3) Within \_\_\_\_ days after the effective date of this contract, Seller will deliver to Buyer the existing survey plat of the Property dated \_\_\_\_\_, 19\_\_\_\_, which  
 will  will not be recertified to a date subsequent to the effective date of this contract at the expense of  Buyer  Seller.

The survey must be made by a Registered Professional Land Surveyor acceptable to the Title Company and any lender.

Buyer will have 7 days after the receipt of the latter of the Commitment or survey to object in writing to matters disclosed in the Commitment or survey except for those matters specifically described in Paragraph 2. Buyer's failure to object under Paragraph 6 within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment will not be deemed to have been waived. Seller shall cure the timely objections of Buyer or any third party lender within 20 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured by the extended Closing Date, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer elects to waive the objections.

- C. ABSTRACT OF TITLE: TREC Addendum for Abstract of Title, or an addendum required by the parties, is attached.

**NOTICE TO SELLER AND BUYER:**

- (1) Broker advises Buyer 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 the 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 substances, 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 abuts the tidally influenced submerged lands 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.
- (6) 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.
- (7) 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, licenced 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.

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO.25-2

- B. SELLER'S DISCLOSURE NOTICE PURSUANT TO SECTION 5.008, TEXAS PROPERTY CODE (Notice) (check one box only):
- (1) Buyer has received the Notice.
- (2) Buyer has not received the Notice. Within \_\_\_\_\_ days after the effective date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs.
- (3) 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  is not attached.

- D. ACCEPTANCE OF PROPERTY CONDITION: (check one box only):

- (1) In addition to any earnest money deposited with escrow agent, Buyer has paid Seller \$\_\_\_\_\_ (the "Option Fee") for the (i) right to inspect the Property at Buyer's cost, (ii) right to conduct feasibility studies as Buyer deems necessary and (iii) unrestricted right to terminate this contract by giving notice of termination to Seller within \_\_\_\_\_ days after the effective date of this contract. If Buyer gives notice of termination within the time specified, the Option Fee will not be refunded, however, any earnest money will be refunded to Buyer. If Buyer does not give notice of termination within the time specified, Buyer will be deemed to have accepted the Property in its current condition and the Option Fee  will  will not be credited to the Sales Price at closing.
- (2) Buyer accepts the Property in its present condition. ~~provided Seller, at Seller's expense, shall complete the following repairs and treatment: \_\_\_\_\_~~

~~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 or 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. **BROKERS' 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 July 15 2005 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 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.*

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO.25-2

**11. SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to this sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)

None

**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 (including any Texas Veterans' Housing Assistance Program Participation Fee) 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; tax statements or certificates; preparation of deed; one-half of escrow fee; 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, recording fees, tax service and research fees, warehouse or underwriting fees, copies of restrictions and easements, amortization schedule, premiums for mortgagee 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 notes from date of disbursements to one month prior to dates of first monthly payments; customary Program Loan costs for Buyer; one-half of 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 Veterans' 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 a loan is assumed* and the lender maintains an escrow account, the escrow account must be transferred to Buyer without any deficiency. Buyer shall reimburse Seller for the amount in the transferred account. Buyer shall pay the premium for a new insurance policy. 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

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO.25-2

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.

- ~~option proceeds as its sole and exclusive remedy~~
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 nonperformance 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 Price unless securing payment of any loans assumed by Buyer and (b) assumed loans will be without 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 of this contract are (list): \_\_\_\_\_

Initialed for identification by Buyer \_\_\_\_\_ and Seller \_\_\_\_\_

02A

TREC NO 25-2

22. CONSULT YOUR ATTORNEY: Real estate licensees cannot give legal advice. This is intended to be a legally binding contract. READ IT CAREFULLY. If you do not understand the effect of this contract, consult your attorney BEFORE signing.

Buyer's Attorney is: \_\_\_\_\_ Seller's Attorney is: \_\_\_\_\_

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

To Buyer at: \_\_\_\_\_ To Seller at: \_\_\_\_\_

Telephone: ( ) \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_
Facsimile: ( ) \_\_\_\_\_ Facsimile: ( ) \_\_\_\_\_

EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ (THE EFFECTIVE DATE). (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Buyer \_\_\_\_\_ Seller \_\_\_\_\_
Buyer \_\_\_\_\_ Seller \_\_\_\_\_

The form of this contract has been approved by the Texas Real Estate Commission. Such approval relates to this contract form only. No representation is made as to the legal validity or adequacy of any provision in any specific transaction. It is not suitable for complex transactions. Extensive riders or additions are not to be used. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (http://www.trec.state.tx.us) TREC NO. 25-2. This form replaces TREC NO. 25-1.

BROKER INFORMATION AND RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker \_\_\_\_\_ of the total sales price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

Other Broker License No. Listing Broker License No.
represents [ ] Seller as Listing Broker's subagent
[ ] Buyer only as Buyer's agent [ ] Seller and Buyer as an intermediary
[ ] Seller only as Seller's agent

Associate Telephone Listing Associate Telephone
Selling Associate Telephone
Broker Address Broker Address
Telephone Facsimile Telephone Facsimile

RECEIPT

Receipt of [ ] Contract and [ ] \$ \_\_\_\_\_ Earnest Money in the form of \_\_\_\_\_ is acknowledged.

Escrow Agent: \_\_\_\_\_ Date: \_\_\_\_\_ 19\_\_\_\_

By: \_\_\_\_\_ Telephone: ( ) \_\_\_\_\_

Address \_\_\_\_\_ Facsimile: ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_



FARM AND RANCH CONTRACT BETWEEN  
BOBBY TRANT, PATSY T. LANGFORD, AND ROBIN T. JOHNSON, SELLERS,  
AND THE CITY OF BRYAN, TEXAS AND  
THE CITY OF COLLEGE STATION, TEXAS, BUYERS

**EXHIBIT B**  
**DESCRIPTION OF OPTION PROPERTY**

As used in this Option Contract, the term "Property" includes the following:

1. TRACT ONE: being (i) all of Optionors' surface rights; (ii) all of Optionors' interest in oil, gas, and other minerals from the surface to a depth of 1,500 feet below the surface; and (iii) all Optionors' right to explore from the surface of such property oil, gas, and other minerals at any depth in the real property in Grimes County, Texas owned by Optionors, whether such ownership is outright or in undivided interests, which is located in the Joseph T. Robinson A-390 Survey and which is located south of Hwy 30, together with all improvements thereon and all rights, privileges, and appurtenances pertaining thereto, including but not limited to, water rights, claims, permits, and easements. Optionors would retain the right to develop the retained minerals from off the Property using directional drilling or other recovery methods that do not require the use and/or occupancy of the surface.

At the date of this contract both Seller and Buyer understand that the real property interests owned by Sellers in the Property consist of those acquired by a General Warranty Deed, dated November 8, 2000, from Clare Moore Stanton to Sellers of record in Volume 965, Page 01 of the Real Property Records of Grimes County, Texas, and the General Warranty Deed, dated November 7, 2000, from Roy W. Moore to Sellers of record in Volume 964, Page 848 of the Real Property Records of Grimes County, Texas.