

EARNEST MONEY CONTRACT

THIS IS A CONTRACT whereby _____ and _____, herein called Seller, agrees to sell to _____, herein called Buyer, who agrees to purchase, upon the terms and provisions hereof, the following described real property, in its present condition, situated in Angelina County, Texas, to-wit:

_____ more fully described
in attached Exhibit "A".

The total sales price is \$_____, payable as follows:

\$_____ cash, of which Buyer agrees to forthwith deposit with _____, the sum of \$_____, as Earnest Money, to bind this sale, and the balance to be paid in cash at closing.

Any note to be executed by Buyer hereunder shall be secured by Vendor's Lien and Deed of Trust with Power of Sale upon said property and with the usual covenants and provisions as to taxes, hazard insurance, acceleration of maturity on account of default and for attorney's fees and such Note and Deed of Trust with the Trustee named by Seller, are to be upon current forms of the State Bar of Texas. Unless hereinafter otherwise provided, the furnishing of such Note and Deed of Trust and the recording thereof, shall be at the expense of Buyer.

Seller is to furnish Buyer an Owner's Policy of Title Insurance issued by a Title Company licensed to do business in Texas and tax certificates showing no delinquent taxes, (current taxes, insurance and rents, if any, to be prorated to date of closing), a General Warranty Deed to be recorded at Buyer's expense, conveying good and marketable title subject only to the following:

1. Present restrictions, if any, existing against said property.
2. Existing Building and Zoning Ordinances, if any.
3. Rights of Parties in Possession.
4. Any and all reservations, of oil, gas and minerals, exceptions, covenants, conditions and restrictions contained in the chain of title of said premises; including sales or reservations of oil, gas and minerals.
5. Any visible and apparent, or recorded easements and roadways for roads or utility lines over and across said premises.

If Owner's Policy of Title Insurance is to be furnished hereunder the same is to be delivered as and when the sale is closed, which shall be within forty five (45) days from date hereof unless attorneys for said Title Company discover objections to title, in which case sale is to be closed when objections are removed, provided the objections are removed within a reasonable time, which in no event shall extend beyond ninety (90) days from date hereof. It is agreed that by the delivery of Owner's Policy of Title Insurance (form prescribed by State Board of Insurance of the State of Texas) under the terms of this Contract, dated as of the date of closing and issued to Buyer in the amount of the total sales price, guaranteeing Buyer's title to be good and indefeasible subject only to the foregoing exceptions and the following:

1. Restrictive covenants affecting the land described or referred to above;
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or any overlapping of improvements;

3. All taxes for the current and subsequent years;

all duties of the Seller as to the sufficiency of title required hereunder shall be deemed to be fully performed by Seller, however, Seller shall not thereby be released from the warranties of his Deed.

If the property that is the subject of this contract is located outside the limits of a municipality, 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.

IF FOR THE CURRENT AD VALOREM TAX YEAR THE TAXABLE VALUE OF THE LAND THAT IS THE SUBJECT OF THIS CONTRACT IS DETERMINED BY A SPECIAL APPRAISAL METHOD THAT ALLOWS FOR APPRAISAL OF THE LAND AT LESS THAN ITS MARKET VALUE, THE PERSON TO WHOM THE LAND IS TRANSFERRED MY NOT BE ALLOWED TO QUALIFY THE LAND FOR THAT SPECIAL APPRAISAL IN A SUBSEQUENT TAX YEAR AND THE LAND MAY THEN BE APPRAISED AT ITS FULL MARKET VALUE. IN ADDITION, THE TRANSFER OF THE LAND OR A SUBSEQUENT CHANGE IN THE USE OF THE LAND MAY RESULT IN THE IMPOSITION OF AN ADDITIONAL TAX PLUS INTEREST AS A PENALTY FOR THE TRANSFER OR THE CHANGE IN THE USE OF THE LAND. THE TAXABLE VALUE OF THE LAND AND THE APPLICABLE METHOD OF APPRAISAL FOR THE CURRENT TAX YEAR IS PUBLIC INFORMATION AND MAY BE OBTAINED FROM THE TAX APPRAISAL DISTRICT ESTABLISHED FOR THE COUNTY IN WHICH THE LAND IS LOCATED.

It is understood and agreed that neither Seller nor Seller's successors or assigns will be liable to Buyer, Buyer's heirs or assigns, for any "roll back" taxes, penalty or interest imposed on said land under the provisions of Section 23.76 as amended, of the Tax Code of the State of Texas, as the result of any change hereafter in the use of said land; that the responsibility to satisfy any lien on the property thereby created will be that of the Buyer, Buyer's heirs and assigns.

Time is of the essence of this Contract.

Upon failure of Buyer to comply herewith, Seller may at his option enforce specific performance, or retain the earnest money as liquidated damages. If title is found objectionable and is not cleared within the time herein provided, or upon failure of Seller to comply herewith for any other reason, Buyer may demand back the earnest money, thereby releasing Seller from this Contract, or Buyer may either enforce specific performance hereof or seek such other relief as may be provided by law.

In accordance with the terms of the Real Estate License Act of Texas, you, as Buyer, are

advised that you should have the abstract covering the herein described real estate examined by an attorney of your selection, or be furnished with or obtain a policy of title insurance.

If Buyer, under the terms hereof, is to secure a loan from a third party, all expenses and conditions of securing and closing such loan shall be Buyer's obligation. If Buyer, under the terms hereof, is to assume an existing loan, any transfer fee charged for the transfer thereof shall be paid by Buyer and Buyer shall execute, at the option and expense of Seller, a Deed of Trust to Secure Assumption (upon current State Bar of Texas form) with Trustee named by Seller.

Escrow Agent. It is understood and agreed that Escrow Agent is not a party to this agreement, that Escrow Agent can rely upon any communications received by either party to this contract and that Escrow Agent shall have no liability hereunder for any action taken except for Escrow Agent's gross negligence or willful misconduct.

SPECIAL PROVISIONS:

SELLER(S)

BUYER(S)

Seller and buyer designate the following Attorneys to represent their respective interests.

By Seller: _____

By Buyer: _____

Receipt of cash/check in the amount of \$ _____ is hereby acknowledged.
