

Collin College

Delinquent Property Taxes

Foreclosure and Sale Process Description

- Delinquent tax collection attorneys, Gay, McCall, Isaacks & Roberts, PC (“Gay, McCall”) file suit against the property owners & lienholders on behalf of the taxing jurisdictions
- Gay, McCall gets a judgment against the property on behalf of the taxing jurisdictions
- the property is auctioned at a Sheriff’s sale (“tax sale”) held on the first Tuesday of each month
 - the minimum bid amount is the judgment amount or the market value of the property, whichever is lower
- If the property does not sell at the auction, it is “struck back” to one or more of the taxing entities on behalf of itself and the other entities
- The list of current available struck off properties and information about each property is online at http://public1.co.collin.tx.us/struck_off/default.aspx
 - Property Tax account number
 - Legal description
 - Link to Collin Central Appraisal records
 - Map
 - Value History
 - Deed History
- Gay, McCall may then accept private bids on the property and submit them to each taxing entity for consideration
 - Anyone can bid on the “struck-back” properties
 - Bids are submitted to Erin Minett at Gay, McCall in writing and must contain the bidders’ name, mailing address, bid amount and the property account number.
 - If the bid is above or at the minimum amount, approval by one entity is required
 - If the bid is below the minimum amount, approval by all entities is required

LAW OFFICES
GAY, McCALL, ISAACKS & ROBERTS, P.C.
A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS

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DAVID McCALL +
LEWIS L. ISAACKS ♦+
WILLIAM J. ROBERTS +
JENNIFER T. PETTIT
ERIN MINETT
JOHN RAPIER
JAMES W. WILSON

SUITE 310, LB 40
1919 S. SHILOH ROAD
GARLAND, TEXAS 75042
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♦ BOARD CERTIFIED -- CIVIL TRIAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
+ ATTORNEY - MEDIATOR

October 6, 2016

Mr. Kenneth Lynn
3452 Spur 399
McKinney, TX 75069

Re: Offer from Gene Grimes to purchase
402 N. McDonald St., McKinney, Texas

Dear Mr. Lynn

Gene Grimes has offered to purchase 402 N. McDonald St., McKinney, Collin County, Texas (BEING LOTS 782C & 783C OF THE McKINNEY OUTLOTS ADDITION, AN ADDITION TO THE CITY OF McKINNEY, COLLIN COUNTY, TEXAS, AS RECORDED IN VOL. 423, PAGE 14, OF THE COLLIN COUNTY DEED RECORDS, aka 402 N. McDONALD ST., McKINNEY, TEXAS.) for \$18,822.00.

This property was sold at a Sheriff's Sale on March 4, 2014 pursuant to delinquent tax collection suit number 380-00980-98. There were no bidders and the property was struck off to the CCCCD for itself and on behalf of the other taxing jurisdictions.

The property's most recent value according to the Appraisal District is \$22,736.00. The property was struck off for the assessed value in the Judgment, \$18,822.00. The total Judgment amount at the sale was \$26,589.20.

As the offer is for the minimum bid at the Sheriff's Sale, if any taxing jurisdictions agree to accept \$18,822.00 for the property, the property may be sold for that amount. To date, all other taxing entities have approved the bid, so the property may be sold for this amount. However, the College must also execute the deed. A breakdown of what each entity will receive is enclosed.

Please execute and return the enclosed deed to our office so that I may finalize the sale.

If you have any questions or need additional information, please do not hesitate to call me.

Sincerely,


Erin Minett

Enclosure

Distribution of Proceeds

402 N. McDonald St., McKinney, Texas

R0926000782C1

Cause no.: 380-00980-98

Judgment date: October 14, 1999

Sheriff's sale: March 4, 2014

Taxes in Judgment:	MISD	\$9,871.11
	City	5,588.93
	County	1,279.59
	CCCCD	<u>515.49</u>
	Total	<u>\$17,255.12</u>

Other Judgment Amounts:

District Clerk Fees	\$1,607.67
Demolition Lien	4,323.58

Post Judgment Taxes/Costs: 3,402.83

Minimum Bids at Sale: \$18,822.00

Resale price: \$18,822.00

Settlement Costs:

Constable Fee	1,805.29
Publication Fee	391.65
District Clerk Fees	1,607.67
Maintenance Fee	
Demolition Lien	0.00
Lien Release Fee	<u>125.00</u>

Total Costs: 3,929.61

Proceeds to be Distributed: \$14,892.39

Percentage of Judgment Taxes: 86%

Distributed to Collin County Tax Assessor on Behalf of:

MISD	\$8,519.47
City	4,823.64
County	1,104.38
CCCCD	<u>444.90</u>

Total \$14,892.39

SPECIAL WARRANTY DEED

Date: _____, 2016

Grantor: McKINNEY INDEPENDENT SCHOOL DISTRICT, COLLIN COUNTY, COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, and CITY OF McKINNEY

Grantor's Mailing Address (including county):

P.O. Box 517
McKinney, Texas 75070
Collin County

Grantee: Gene Grimes

Grantee's Mailing Address (including county):

911 Lindsey St.
McKinney, TX 75069
Collin County

Consideration: TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration.

Property (including any improvements):

Property described in Exhibit "A" attached hereto and made a part hereof for all purposes.

Reservations from and Exceptions to Conveyance and Warranty:

1. Rights of the public to any portion of the above described property lying within the boundaries of dedicated or existing roadways or which may be used for road or street purposes.
2. Visible and apparent easements over or across subject property.
3. Rights of parties in possession.
4. Any and all easements, restrictions, covenants, conditions and reservations of record, if any, applicable to the herein conveyed property or any part hereof.
5. Any right of redemption as specified in Chapter 34, Subchapter B, Texas Property Tax Code.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's successors, or assigns forever. Grantor binds Grantor and Grantor's successors to warrant and forever defend all and singular the property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, except as to the reservations from and exceptions to conveyance and warranty.

The intent of this Special Warranty Deed is to transfer the property foreclosed on by the Grantor taxing jurisdictions in Cause No. 380-00980-98 in the 380th Judicial District Court, Collin County, Texas, and no more.

When the context requires, singular nouns and pronouns include the plural.

McKINNEY INDEPENDENT SCHOOL DISTRICT

By: [Signature]
Title: Board President

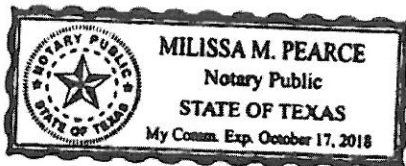
ATTEST:

[Signature]
(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on the 24th day of May ⁽²⁰¹⁶⁾, 2015, by Amy Dankel,
Board President of the McKinney Independent School District as
the act and deed of said McKinney Independent School District.



Milissa M. Pearce
Notary Public, State of Texas
Notary's name, (printed): Milissa M. Pearce
Notary's commission expires: 10/17/18

COLLIN COUNTY, TEXAS

By: _____

Title: _____

ATTEST:

Georgia Shepherd

(Acknowledgment)

THE STATE OF TEXAS

§

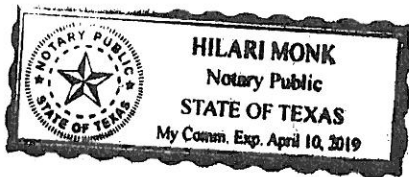
COUNTY OF COLLIN

§

This instrument was acknowledged before me on the 15th day of

January, 2016 by Keith Self,

County Judge of Collin County, Texas as the act and deed of
said Collin County, Texas.



Hilari Monk

Notary Public, State of Texas

Notary's name, (printed): Hilari Monk

Notary's commission expires: 4-10-19

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

By: _____

Title: _____

ATTEST:

(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of
_____, 2015, by _____,

_____ of the Collin County Community College District
as the act and deed of said Collin County Community College District.

Notary Public, State of Texas

Notary's name, (printed):

Notary's commission expires: _____

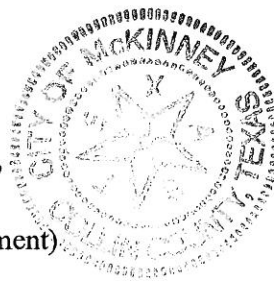
CITY OF MCKINNEY

By: Thomas Muehlenbeck
Title: Interim City Manager

ATTEST:

Sandy Dent H & B

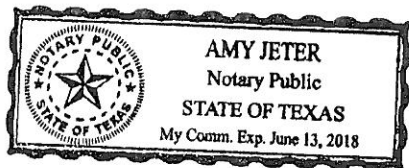
(Acknowledgment)



THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on the 18 day of
Feb, 2015, by Tom Muehlenbeck,
Interim City Manager of the City of McKinney as the act and deed of
said City of McKinney.



Amy Jeter
Notary Public, State of Texas
Notary's name, (printed):

Notary's commission expires: 2018

EXHIBIT A

BEING LOTS 782C & 783C OF THE McKINNEY OUTLOTS ADDITION, AN ADDITION TO THE CITY OF McKINNEY, COLLIN COUNTY, TEXAS, AS RECORDED IN VOL. 423, PAGE 14, OF THE COLLIN COUNTY DEED RECORDS, aka 402 N. McDONALD ST., McKINNEY, TEXAS.

LAW OFFICES
GAY, MCCALL, ISAACKS & ROBERTS, P.C.
A PROFESSIONAL CORPORATION

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DAVID MCCALL +
LEWIS L. ISAACKS ♦+
WILLIAM J. ROBERTS +
JENNIFER T. PETTIT
ERIN MINETT
JOHN RAPIER
JAMES W. WILSON

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♦ BOARD CERTIFIED -- CIVIL TRIAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
+ATTORNEY - MEDIATOR

November 16, 2016

Mr. Kenneth Lynn
3452 Spur 399
McKinney, TX 75069

Re: Offer from Chad Hicks to purchase
9465 County Road 626, Blue Ridge, Texas

Dear Mr. Lynn:

Chad Hicks has offered to purchase 9465 County Road 626, Blue Ridge, Collin County, Texas (TRACT 1: 9465 COUNTY ROAD 626, BEING ALL THAT CERTAIN 1.00 ACRE, MORE OR LESS, FOUND IN TRACT 10 OF ABSTRACT 639 OF THE NATHAN MITCHELL SURVEY LOCATED IN COLLIN COUNTY, TEXAS AND BEING PARTICULARLY DESCRIBED IN THAT CERTAIN DEED RECORDS IN VOLUME 4562, PAGE 588, OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS) for \$5,109.00.

This property was sold at a Sheriff's Sale on 40911 pursuant to delinquent tax collection suit number 416-04365-2009. There were no bidders and the property was struck off to the College for itself and on behalf of the other taxing jurisdictions.

The property's most recent value according to the Appraisal District is \$16,000.00. The property was struck off for the total judgment amount, \$18,424.13, which includes taxes, penalties and interest, costs of court, and costs of sale.

Pursuant to the Texas Property Tax Code the court costs and costs of sale must be paid first out of the proceeds of a resale. The remainder would be distributed to the taxing jurisdictions pro-rata. Those costs total \$3,844.47. A breakdown of amounts each taxing entity will receive is enclosed.

If all taxing jurisdictions agree to accept \$5,109.00 for the property, the property may be sold for that amount. Each jurisdiction must execute the deed. **The County has already approved this bid.**

If your entity decides to accept this offer, enclosed for execution is a Special Warranty Deed our office prepared for this resale. When the Deed is executed, please return it in the enclosed self-addressed, stamped envelope.

If you have any questions or need additional information, please do not hesitate to call me.

Sincerely,



Erin Minett

Enclosure

Distribution of Proceeds

9465 County Road 626, Blue Ridge, Texas

R663900001001

Cause no.: 416-04365-2009

Judgment date: 40772

Sheriff's sale: 40911

Taxes in Judgment:	BRISD	\$13,790.86
	City	0.00
	County	2,023.67
	CCCCD	<u>737.14</u>
	Total	<u>\$16,210.13</u>

Other Judgment Amounts:

District Clerk Fees	\$2,214.00
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Minimum Bid at Sale:	\$16,000.00
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Resale price:	\$5,109.00
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Settlement Costs:

Constable Fee	\$1,319.07
Publication Fee	\$311.40
District Clerk Fees	<u>\$2,214.00</u>

Total Costs:	<u>\$3,844.47</u>
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Proceeds to be Distributed:	<u>\$1,264.53</u>
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Percentage of Judgment Taxes: 8%

Distributed to Collin County Tax Assessor on Behalf of:

BRISD	\$1,053.61
City	\$0.00
County	\$154.61
CCCCD	<u>\$56.31</u>
Total	<u>\$1,264.53</u>

SPECIAL WARRANTY DEED

Date: _____, 2016

Grantor: BLUE RIDGE INDEPENDENT SCHOOL DISTRICT, COLLIN COUNTY, COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, and CITY OF BLUE RIDGE

Grantor's Mailing Address (including county):

318 W. School St.
Blue Ridge, Texas 75424
Collin County

Grantee: Chad Hicks

Grantee's Mailing Address (including county):

P.O.Box 827
Fate, TX. 75132
Rockwall County

Consideration: TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration.

Property (including any improvements):

Property described in Exhibit "A" attached hereto and made a part hereof for all purposes.

Reservations from and Exceptions to Conveyance and Warranty:

1. Rights of the public to any portion of the above described property lying within the boundaries of dedicated or existing roadways or which may be used for road or street purposes.
2. Visible and apparent easements over or across subject property.
3. Rights of parties in possession.
4. Any and all easements, restrictions, covenants, conditions and reservations of record, if any, applicable to the herein conveyed property or any part hereof.
5. Any right of redemption as specified in Chapter 34, Subchapter B, Texas Property Tax Code.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's successors, or assigns forever. Grantor binds Grantor and Grantor's successors to warrant and forever defend all and singular the property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, except as to the reservations from and exceptions to conveyance and warranty.

The intent of this Special Warranty Deed is to transfer the property foreclosed on by the Grantor taxing jurisdictions in Cause No. 416-04365-2009 in the 416TH Judicial District Court, Collin County, Texas, and no more.

When the context requires, singular nouns and pronouns include the plural.

BLUE RIDGE INDEPENDENT SCHOOL DISTRICT

By: _____

Title: _____

ATTEST:

(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

 This instrument was acknowledged before me on the _____ day of
_____, 2016, by _____,
_____ of the Blue Ridge Independent School District as
the act and deed of said Blue Ridge Independent School District.

Notary Public, State of Texas

Notary's name, (printed):

Notary's commission expires: _____

COLLIN COUNTY, TEXAS

By: _____

Title: _____

ATTEST:

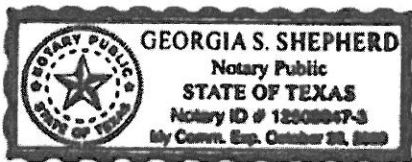
Nicole Gillispie

(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on the 7th day of
November, 2016, by Keith Self,
County Judge of Collin County, Texas as the act and deed of
said Collin County, Texas.



Georgia S. Shepherd
Notary Public, State of Texas

Notary's name, (printed):

Notary's commission expires: _____

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

By: _____

Title: _____

ATTEST:

(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of
_____, 2016, by _____,

_____ of the Collin County Community College District as
the act and deed of said Collin County Community College District.

Notary Public, State of Texas

Notary's name, (printed):

Notary's commission expires: _____

CITY OF BLUE RIDGE

By: _____

Title: _____

ATTEST:

(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF COLLIN §

 This instrument was acknowledged before me on the _____ day of
_____, 2016, by _____,
_____ of the City of Blue Ridge as the act and deed of
said City of Blue Ridge.

Notary Public, State of Texas
Notary's name, (printed):

Notary's commission expires: _____

EXHIBIT A

TRACT 1: 9465 COUNTY ROAD 626, BEING ALL THAT CERTAIN 1.00 ACRE, MORE OR LESS, FOUND IN TRACT 10 OF ABSTRACT 639 OF THE NATHAN MITCHELL SURVEY LOCATED IN COLLIN COUNTY, TEXAS AND BEING PARTICULARLY DESCRIBED IN THAT CERTAIN DEED RECORDS IN VOLUME 4562, PAGE 588, OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS

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ERIN MINETT
JOHN RAPIER
JAMES L. WILSON

^BOARD CERTIFIED - CIVIL TRIAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
+ATTORNEY - MEDIATOR

November 21, 2016

Mr. Ken Lynn
Collin College
klynn@collin.edu

RE: Sale of 10.11 acre tract out of Smallwood
Owens Survey, Abstract A0578, Sheet 2, Tract
23, Collin County, Deleted Cottonseed Tract

Dear Mr. Lynn,

As per our discussion I have received a contract to purchase the above referenced property for the sale price of \$100,000.00, a copy of the contract is attached hereto.

As you may recall from our discussions this is the tract that has had an environmental issue in that the tract was highly contaminated due to the last owners actions. The Texas Commission on Environmental Quality (TCEQ) has at great expense cleaned the property from those hazards and placed a lien on the property in the amount of \$1,000,000.00 (One Million Dollars). The proposed Buyer has negotiated a settlement with TCEQ for the payment of \$230,000.00 if paid within 45 days of November 14, 2016, a copy of that letter is included for your use.

The amount of taxes that are showing to be owned now is \$80,850.75 plus court costs of \$442.00. Although, under this scenario I do not believe it is actually necessary for your government approval to sell this property since each of the three governmental entities are receiving the full amount now owed to them, I believe that because of the TCEQ issue it prudent to get approval before proceeding to sale.

Without your having to pour over the entire contract the important parts are as follows:

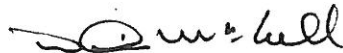
- 1.) Sales price \$100,000.00

- 2.) Buyer to pay all closing costs
- 3.) Buyer to have paid and received a release of lien from the TCEQ prior to or at closing or has tendered the funds to the TCEQ satisfying Sellers attorney (me) that the TCEQ has received the funds required to release the lien. TCEQ has indicated it will take them 7 to 10 days to get release after receipt of the funds.
- 4.) Buyer agrees to indemnify and hold Seller harmless from any claims concerning the property.

Additionally, judgement on this property in 1986 was for approximately \$140,000.00 and some of those taxes have rolled off due to the twenty year statute of limitations on property taxes. However I believe the overage between the sales price and the taxes now owing can be applied to the partial roll-off of the previous years' taxes.

Because of the forty-five day requirement for payment by the TCEQ, if you feel it necessary please place this issue on your first available agenda for approval. Please advise if you believe it would be necessary for me or another attorney in our firm to attend to answer any questions concerning this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "David McCall".

David McCall



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
 ©Texas Association of REALTORS®, Inc. 2016

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Farmersville ISD, Collin County, Collin County Community College

Address: 499 Highway 78 N., Farmersville, TX 75442

Phone: _____ E-mail: _____

Fax: _____ Other: _____

Buyer: Durrie. L. Caldwell

Address: PO Box 812, Princeton, TX 75407-0812

Phone: (214)244-9642 E-mail: _____

Fax: _____ Other: _____

2. **PROPERTY:**

- A. "Property" means that real property situated in Collin County, Texas at 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX (address) and that is legally described on the attached Exhibit A or as follows: being a 10.11 acre tract of land out of the Smallwood Owens Survey, Abs. A0678, Sheet 2, Tract 21.

This property is further described as the property outlined in red on the attached Exhibit A. Seller is not required to furnish a survey nor a title policy as a part of this transaction. Buyer may purchase either at his expense.

Note: There is no personal property on the premises.

- B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) ~~all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights of way;~~
- (3) ~~Seller's interest in all leases, rents, and security deposits for all or part of the Property;~~
- (4) ~~Seller's interest in all licenses and permits related to the Property;~~
- (5) ~~Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;~~
- (6) ~~Seller's interest in any trade names, if transferable, used in connection with the Property; and~~
- (7) ~~all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except:~~

~~Any personal property not included in the sale must be removed by Seller prior to closing.~~

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

- A. Cash portion payable by Buyer at closing \$ 100,000.00
- B. Sum of all financing described in Paragraph 4 \$ _____
- C. Sales price (sum of 3A and 3B) \$ 100,000.00

(TAR-1801) 1-1-16

Initialed for Identification by Seller _____, _____ and Buyer DLC

Page 1 of 14

Caldwell Fisher Realty, 264 CR 490 Princeton, TX 75407
 J. Duane Fisher

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.zipLogix.com

Phone: 214.449.5535

Fax: 972.734.1988

Caldwell / FISD, C

Commercial Contract - Improved Property concerning 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- ☐ A. ~~Third Party Financing:~~ One or more third party loans in the total amount of \$ _____ . This contract:
- ☐ (1) ~~is not contingent upon Buyer obtaining third party financing.~~
- ☐ (2) ~~is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).~~
- ☐ B. ~~Assumption:~~ In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____ .
- ☐ C. ~~Seller Financing:~~ The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____ .

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$5,000.00 as earnest money with Capital Title Company (title company) at 2713 Virginia Parkway #100, McKinney, TX (address) Tim McWilliams (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

- A. ~~Title Policy:~~
- (1) ~~Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:~~
- ~~(a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and~~
- ~~(b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.~~
- (2) ~~The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:~~
- ☐ (a) ~~will not be amended or deleted from the title policy.~~
- ☐ (b) ~~will be amended to read "shortages in areas" at the expense of~~ ☐ Buyer ☐ Seller.
- (3) ~~Within _____ days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.~~

Commercial Contract - Improved Property concerning 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX

B. Survey: Within _____ days after the effective date:

- ☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UGG Search:

- ☐ (1) Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- ☐ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within _____ days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within _____ days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

☐ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$_____ that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller \$_____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within _____ days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

Commercial Contract - Improved Property concerning 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX

- ☐ (a) ~~a current rent roll of all leases affecting the Property certified by Seller as true and correct;~~
- ☐ (b) ~~copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;~~
- ☐ (c) ~~a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;~~
- ☐ (d) ~~copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;~~
- ☐ (e) ~~copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;~~
- ☐ (f) ~~copies of current utility capacity letters from the Property's water and sewer service provider;~~
- ☐ (g) ~~copies of all current warranties and guaranties relating to all or part of the Property;~~
- ☐ (h) ~~copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;~~
- ☐ (i) ~~copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;~~
- ☐ (j) ~~a copy of the "as built" plans and specifications and plat of the Property;~~
- ☐ (k) ~~copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;~~
- ☐ (l) ~~a copy of Seller's income and expense statement for the Property from _____ to _____;~~
- ☐ (m) ~~copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;~~
- ☐ (n) ~~real & personal property tax statements for the Property for the previous 2 calendar years; and~~
- ☐ (o) ~~Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and~~
- ☐ (p) _____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 40 days after the termination date: *(Check all that apply.)*

- ☐ (a) ~~return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;~~
- ☐ (b) ~~delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and~~
- ☐ (c) ~~deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.~~

This Paragraph 7D(2) survives termination of this contract.

E: Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A: Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;

- (3) ~~any non-occupancy of the leased premises by a tenant;~~
(4) ~~any advance sums paid by a tenant under any lease;~~
(5) ~~any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
(6) ~~any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: J. Duane Fisher

Caldwell Fisher Realty, LLC

Agent: _____

Address: 264 C. R. 490

Princeton, TX 75407

Phone & Fax: (214)449-5535

E-mail: duane@fisheremail.net

License No.: 0105775

Cooperating Broker: None

Agent: _____

Address: _____

Phone & Fax: _____

E-mail: _____

License No.: _____

Principal Broker: (Check only one box.)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

☐ (1) ~~Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.~~

☐ (2) ~~At the closing of this sale, Seller will pay:~~

~~Principal Broker a total cash fee of:~~

~~☐ _____ % of the sales price.~~

~~☐ _____~~

~~Cooperating Broker a total cash fee of:~~

~~☐ _____ % of the sales price.~~

~~☐ _____~~

~~The cash fees will be paid in _____ County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.~~

~~NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.~~

G. ~~The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.~~

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

- (1) ☐ _____ days after the expiration of the feasibility period;
(2) ☐ _____ (specific date);
☒ on or before December 23, 2016

(2) ~~7 days after objections made under Paragraph 6D have been cured or waived.~~

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) ~~a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;~~
- (3) ~~an assignment of all leases to or on the Property;~~
- (4) ~~to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:~~
 - (a) ~~licenses and permits;~~
 - (b) ~~maintenance, management, and other contracts; and~~
 - (c) ~~warranties and guaranties;~~
- (5) ~~a rent roll current on the day of the closing certified by Seller as true and correct;~~
- (6) ~~evidence that the person executing this contract is legally capable and authorized to bind Seller;~~
- (7) ~~an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and~~
- (8) ~~any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.~~

E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) ~~sign and send to each tenant in the Property a written statement that:~~
 - (a) ~~acknowledges Buyer has received and is responsible for the tenant's security deposit; and~~
 - (b) ~~specifies the exact dollar amount of the security deposit;~~
- (4) ~~sign an assumption of all leases then in effect; and~~
- (5) ~~execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.~~

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Seller is hereby informed that Buyer is a partner in Caldwell Fisher Realty, but does not hold a Real Estate License of any kind and is acting in this proposed transaction solely as a Principle.

The closing of this contract is subject to Buyer being given a Release of Lien from TCEQ, releasing all claims, monetary and otherwise, against the subject property at or prior to closing, or subject to Seller's attorney being satisfied that TCEQ has received funds allowing TCEQ to release their lien.

Buyer, at closing, accepts the property as is and it shall be Buyer's sole responsibility to satisfy himself as to title to the property, condition of the physical property and improvements and as to any hazardous waste, if any. Buyer releases and indemnifies Seller from any and all claims at closing and from any and all responsibility as to both title and hazardous materials located thereon and use of the property and its improvements.

Buyer will pay all closing costs.

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:**A. Prorations:**

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

- B. Rollback Taxes:** If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

- ~~**G. Rent and Security Deposits:** At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14G survives closing.~~

15. DEFAULT:

- A.** If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)

☒ enforce specific performance, or seek such other relief as may be provided by law.

- ~~**B.** If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:~~

- ~~(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or~~
- ~~(2) extend the time for performance up to 15 days and the closing will be extended as necessary.~~

- C.** Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A.** If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;

- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company 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 the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☐ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos-containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.
- (Describe any exceptions to (1) - (11) in Paragraph 12 or an addendum.)*

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☐ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☐ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☒ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Condominium Addendum (TAR-1930);
 - ☐ (3) Commercial Contract Financing Addendum (TAR-1931);
 - ☐ (4) Commercial Property Condition Statement (TAR-1408);
 - ☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);

Commercial Contract - Improved Property concerning 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX

- ☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- ☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
- ☐ (8) Addendum for Coastal Area Property (TAR-1915);
- ☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- ☒ (10) Information About Brokerage Services (TAR-2501); and
- ☐ (11) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☐ may ☒ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. 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, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) 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 ETJ. To

Commercial Contract - Improved Property concerning 1900 E. Audie Murphy Pkwy. (U.S. Hwy 380), Farmersville, TX

determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Farmersville ISD, Collin County, Collin County

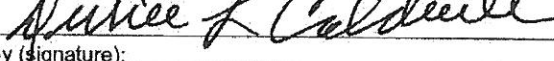
Seller: Community College

Buyer: Durrie L. Caldwell

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: 
By (signature): _____
Printed Name: Durrie L. Caldwell
Title: _____

AGREEMENT BETWEEN BROKERS*(use only if Paragraph 9B(1) is effective)*

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☐ A. the contract on this day _____ (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____

Address: _____

By: _____

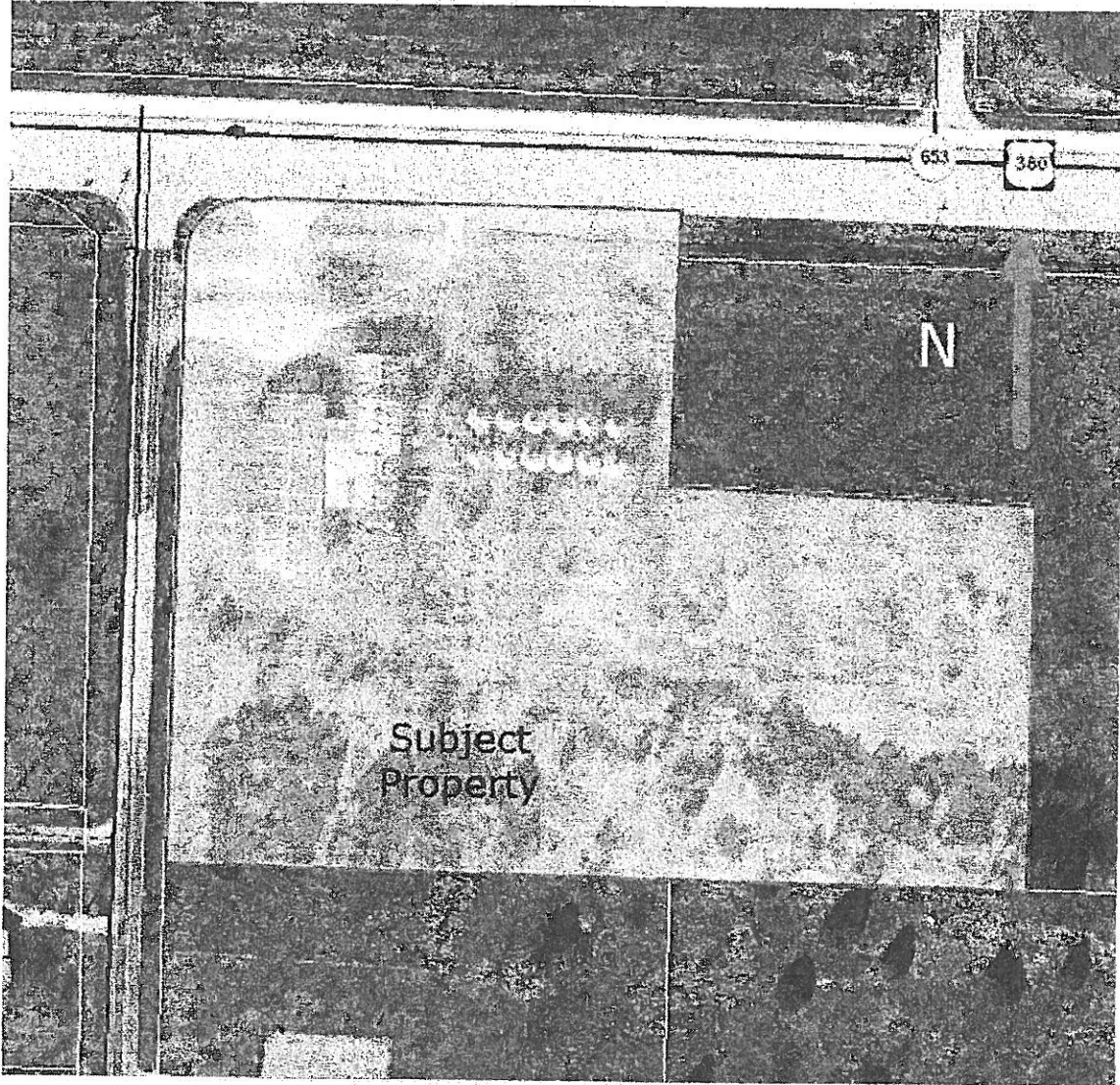
Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____

Exhibit A

Attached to and made a part thereof that certain Contract of Sale dated November 21st. 2016 by and Between D.L. Caldwell as Buyer and Farmersville ISD, Collin County and Collin County Community College (collectively) as Seller



DLC

September 14, 2016

Ms. Barbara Watson, Attorney
Mr. Cole W. Flannery, Staff Attorney
TCEQ
Austin, Texas

RE: 10.11 acre tract out of Smallwood Owens Survey
Abstract A0678, Sheet 2, Tract 21, Collin County, Texas

Dear Ms. Watson and Mr. Flannery:

This Letter of Intent expresses my desire to purchase the above captioned property from the Farmersville Independent School District, Collin County, and Collin County Community College. These entities are the owners of record through foreclosure for nonpayment of ad valorem taxes. As you are aware, TCEQ also has a lien against the property for the cost of remediation of various environmental issues.

In previous telephone conversations with my agent, J. Duane Fisher, it was related to you that the entities above are averse to enter into any sort of binding agreement without having an assurance that TCEQ will agree, under separate document, to convey clear title simultaneously with the other three entities. As previously discussed, I would like to reach an agreement with TCEQ for the release of their lien and within that agreement be allowed 45 days in which to negotiate a release price for the other outstanding liens.

I would propose to pay TCEQ \$230,000.00 for the release of their lien and all claims to the property. Upon agreement of a settlement price with all lienholders and TCEQ, all claims would be settled and title would pass to me or an entity of my choosing.

If this arrangement would be agreeable to TCEQ, please notify me and/or my agent, J. Duane Fisher, and we will proceed to have the proper documentation drafted.

Cordially,


Durrie L. Caldwell
P. O. Box 812
Princeton, TX 75407

Received by
Barbara Watson,
TCEQ attorney

9/14/16
3:43pm