

**EXHIBIT B TO UNIMPROVED PROPERTY CONTRACT /
FARM AND RANCH CONTRACT (the "Contract")**

SELLER'S DISCLOSURES

1. **The Property.** Seller is selling to Buyer(s) a tract or tracts of land out of the following real property:

All, or part of that 112.82 acre tract of land, more or less, lying and being situated about 20 miles N 45' 30" east of Pearsall in Frio and Medina Counties, Texas, out of Survey No 57, Abstract No 666 in Frio County and Abstract No 1961 P. Weber in Medina County, being more particularly described by metes and bounds in Exhibit A attached hereto (The Property).

2. **Property Condition.** The conveyance of the Property shall be made "AS IS", "WHERE IS" and "WITH ALL FAULTS" without warranty of any kind, except the general warranty of title set forth in the Deed to be delivered by Seller to Buyer at Closing. Buyer acknowledges that but for the acceptance of the property "AS IS". Seller would not have executed and delivered this Contract. Buyer agrees to accept the conveyance of the Property subject to the following provision which shall be included in the Deed delivered by Seller to Buyer at Closing.

GRANTOR IS CONVEYING, AND GRANTEE IS ACCEPTING, THE ABOVE-DESCRIBED PROPERTY IN ITS "AS IS", "WHERE IS" PHYSICAL CONDITION, "WITH ALL FAULTS". GRANTOR MAKES ABSOLUTELY NO REPRESENTATION OR WARRANTIES AS TO THE PHYSICAL CONDITION, LAYOUT, FOOTAGE, EXPENSES, ZONING, OPERATION, OR ANY OTHER MATTER AFFECTING OR RELATING TO THE PROPERTY, AND GRANTEE HEREBY EXPRESSLY AGREES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. WITHOUT LIMITING THE LIMITED WARRANTY OF TITLE HEREIN CONTAINED GRANTOR AND GRANTEE AGREE THAT BY THE CONVEYANCE OF THE PROPERTY, GRANTOR MAKES NO WARRANTIES OR REPRESENTATIONS, ORAL, OR WRITTEN, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OR VALUE OF THE PROPERTY HEREIN DESCRIBED, OR ANY IMPROVEMENTS RELATED THERETO, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF SAFETY, HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. TO THE EXTENT ANY SUCH REPRESENTATIONS OR WARRANTIES ARE NEVERTHELESS DEEMED GIVEN, GRANTEE HEREBY WAIVES SAME. GRANTEE HAS CAREFULLY INSPECTED THE PROPERTY (OR HAS BEEN AFFORDED A REASONABLE OPPORTUNITY TO DO SO) AND, BY THE ACCEPTANCE OF THIS DEED, ACCEPTS THE PROPERTY "AS IS" AND "WHERE IS", WITH ALL FAULTS AND IN ITS PRESENT CONTITION, INCLUDING, BUT NOT LIMITED TO, ANY LATENT FAULTS OR DEFECTS, WHETHER ABOVE, ON, OR BELOW GROUND, AND FURTHER INCLUDING ALL RISK OR DANGER (IF ANY) RELATED TO ELECTRO-MAGNETIC OR HIGH VOLTAGE FIELDS, EXPOSURE TO RADON, AND ALL OTHER ENVIRONMENTAL CONDITIONS WHATSOEVER, IN NO EVENT SHALL GRANTOR BE LIABLE TO GRANTEE, ITS SUCCESSORS OR ASSIGNS IN TITLE, FOR ANY DAMAGES TO PROPERTY OR PERSONS, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, OR ANY LOSS OF VALUE OR ECONOMIC BENEFIT WHATSOEVER, RELATED TO ANY PRESENT OR FUTURE CONDITON OF OR AFFECTING THE PROPERTY OR IMPROVEMENTS, EXCEPT SOLELY TO THOSE MATTERS RELATING TO GRANTOR'S GENERAL WARRANTY OF TITLE.

3. **Restrictive Instruments.** The Property is subject to the following:

Declaration of Restrictions filed of record as File Number _____ in the Official Public Records of Frio County, Texas and the Declaration of Restrictions filed of record as File Number _____ in the Official Public Records of Medina County, Texas (the "Declaration").

Seller has provided a copy of the Declaration and the Rules to Buyer before Closing and Buyer acknowledges receipt of a copy of such Declaration.

4. **Exceptions.** The Property shall be conveyed to Buyer subject to any outstanding pre-existing rights, title, and interests relating to the Property to which Seller's ownership is also subject, including, but not limited to, the following, all of which shall be included in the conveyance deed:

- A. Customary utility easements pertinent to said tract use.
- B. Any rules and regulations of any governmental agency, including the Frio County and Medina, Texas Subdivision Regulations and the Frio and Medina County, Texas Floodplain Management Regulations.
- C. Right of parties in possession.
- D. Any and all leases recorded and unrecorded and rights of parties therein.
- E. Any visible or apparent roadway or easement over or across the subject property.
- F. Tenants in possession under leases and tenancy agreements.
- G. Easements or claims of easements which are not recorded in the public records.

5. **Utilities.** Buyer shall be responsible for obtaining all utilities and the related utility fees.

- A. **Septic System.** Sewer service is not available except by a private sewage disposal system regulated by the State of Texas and Frio and Medina Counties. Buyer shall be responsible for the cost, installation, registration, licensing and maintenance of a septic system or other on-site sewage system. Buyer must meet all requirements of all governmental authorities related to the on-site system.
- B. **Electric Service.** Seller shall provide Medina Electric Cooperative electric service to the Tracts. Tract 6 is currently provided electrical power by Central Power and Light but will have access to Medina Electric Cooperative service. Buyer is responsible for all charges and fees to those power companies related to electric service and connection to the Tract. Buyer is responsible to comply with all building codes and requirements of Frio and Medina Counties and these power companies and the cost of this compliance shall be at the Buyer's expense.
- C. **Water.** The Property is served by Benton City Water Supply Corporation. Seller is to provide an approved water line to those tracts along the north side of State Highway 173, and to Tracts 8, 9 and 10 fronting on Medina County Road 7718. Tract 6 has an existing Benton City Water Supply Corporation water meter. Seller shall provide the necessary infrastructure of the water line, per the approval and specifications of Benton City Water Supply Corporation to each Tract. **It will be the responsibility of each tract owner (Buyer) to pay for and install their own water box and water meter.** Buyers shall establish service and pay any connection fees, membership fees or other costs which may be required by Benton City Water Supply Corporation. It shall be the responsibility of each Tract owner to run the water line from the water meter to the final use location. Other water service may be available by private water well. Seller makes no representations or warranties regarding the availability of additional water sources for a specified use. The Property has two known water wells on Tract 6; and one known water well on Tract 10; all in unknown condition. It is believed that suitable fresh water may be 375 feet from the surface. At its own cost and expense, Buyer should satisfy itself as to the accessibility and availability of water for Buyer's particular use and purposes. Buyer may wish to consult with a water well driller for water dept and quality for the area. If the Buyer chooses to drill a water well for supplemental water, **it will be the responsibility of each tract owner (Buyer) to drill and equip its own private water well.** Seller makes no representations or warranties regarding the availability of additional

water sources for a specified use. At Buyer's request, Seller will make available the names of water well service companies which will provide Buyer with water strata and other information regarding cost to drill and install equipment for the particular tract of interest. Such information is provided as a convenience to Buyer. Seller makes no recommendations or endorsements of any water well service company or provider.

- D. **Fiber Optics.** It is believed that, along a utility easement along S.H. 173 (Only Tracts 1-7), there may be an overhead fiber optic cable owned and serviced by AT & T and a buried underground buried fiber optic cable. Seller makes no representations or warranties regarding access to or availability of fiber optics to any Tract. It is Buyer's responsibility to satisfy for itself that the availability and accessibility to fiber optics is adequate for its own purposes. Buyer understands and acknowledges that all arrangements for connection with AT & T or other associated companies for fiber optic service is Buyer's responsibility alone.
6. **Oak Wilt.** There may or may not be oak wilt/decline on the property. Oak Wilt/Declines a disease that has long been recognized as causing massive tree loss in the Texas Hill Country. It is caused by a fungus called *Ceratocystis Fagacearum* that clogs the water conduction vessels of infected trees, causing them to wilt and die. It has now been identified in 55 Texas Counties. Losses vary with location, with the greatest losses occurring in the Hill Country. A management program has been developed by the Research and Extension faculty at Texas A&M University. This program involves the use of cultural and chemical controls. Live oak, Shumard red oak. Southern red oak, Spanish oak. Blackjack oak. Pin oak and Water oak are native species that are susceptible to the oak wilt fungus. They are member of the red oak group and will normally die in a few weeks to months after symptoms are observed. Members of the white oak group, including Bur oaks. White oaks and Post oaks, rarely become infected. The have a high level of resistance and, when infected, seldom die. For more information regarding Oak Wilt you may call your County Agricultural Extension Service, or visit this website for more details: <http://www.texasoakwilt.org> Seller makes no representations or guarantees regarding the condition of the trees on the Property and recommends that Buyer have the property inspected by experts in the field of plant disease if it has concerns regarding Oak Wilt on the Property.
7. **MINERALS.** Based on information and belief, Seller owns one-quarter of the mineral estate. At closing, Seller is willing to convey to Buyer one-half of whatever Seller's interest in and to the mineral estate may be. Seller is willing to convey this mineral interest without rights of ingress and egress. It is the responsibility of Buyer (1) to include an addendum in the earnest money contract for the conveyance of one-half of Seller's interest in the mineral estate; and (2) to satisfy itself as to the extent of the mineral estate that may be subject to conveyance.
8. **ADDITIONAL LAND (TRACTS 3, 4, AND 10).** Buyers should note that, along the eastern boundary of the Property and most particularly along the eastern boundary of Tracts 3, 4 and 10, there is a strip of land – about 14 feet wide – that the recent surveyor has determined is not part of the Property and is not owned by the neighbor. This land may be without title. The relevant strip lies within the fencing of Tract 10 (possibly 1/3 acre) and possibly part of Tracts 3 and 4. This strip is not shown in the recent surveys as it lies outside the boundaries of the Property. Seller makes no representations or warranties as to any property lying outside of the boundaries of the Property as reflected on the survey plat(s). Buyers of these Tracts should make their own inspections as to the Property's condition and title. Buyers of these Tracts should consider contacting the State of Texas General Land Office regarding possible purchase and acquisition of lands without title.
9. **Brush Piles.** Seller has directed the bulldozer driver in clearing the individual perimeter property lines and internal roads on the individual tracts to clear the brush and trees away for possible fence building and to facilitate passage. The bulldozer has attempted to pile the brush in a manner so that in wetter

times with no burn ban in effect that the individual owners (Buyers) may mulch, or, burn those brush piles safely at their leisure. It is understood that it shall be the responsibility of the Buyer to dispose of those piles carefully and not the responsibility of the Seller.

10. **Survey.** With respect to Seller's obligation to provide a survey under Paragraph 6.C. of the Contract, Seller agrees to provide a new survey plat of the entire 112.82 acre tract of land, reflecting the division all of the tracts within the Nockanut Woods, LLC development, plus a metes and bounds description of the specific tract or tracts that Buyer is purchasing under the Contract. In the event Buyer and/or Buyer's lender requests or requires a separate survey of the specific tract or tracts, such additional survey shall be at Buyer's expense
11. **No Reliance.** Buyer should make his/her/its own assessment of the Property and its fitness or suitability for Buyer's purposes. In closing this transaction, Buyer shall not rely and is not relying, upon any information, document, sales brochures, or other literature, maps or sketches, projection, proforma, statements, representation, guarantee or warranty (whether expressed or implied, oral or written, material or immaterial) that may have been given or made by or on behalf of Seller.
12. **Real Estate Brokers.** J. Frank Childress, partner of the selling entity, Nockanut Woods, LLC, holds an active Real Estate Brokers License regulated by the Texas Real Estate Commission; however, said members are not presenting or negotiating offers on the Property. Seller's agent for purposes of presenting and responding to offers relating to the Property is disclosed on the Contract. The selling agents are independent companies responsible for their own actions and are not employees of Nockanut Woods, LLC.
13. **General Warranty Deed.** Notwithstanding anything in contract to the contrary, this property shall be sold and conveyed by General Warranty Deed.
14. **No Representations.** Except as set forth in these Disclosures, Seller makes no representation, express or implied warranties, or guarantees, statements or information regarding the Property, including, but not limited to, the following: the Property's condition, including whether any or all of the Property has been identified as having flood or geological hazards or whether there are any environmental condition or environmental noncompliance with respect to the Property; whether there is any unsafe or other condition which presents risk of injury to persons or loss of or damage to property; whether there are any soil conditions adversely affecting the Property; whether the Property is suitable for a particular purpose; or whether there are any and the condition of any improvements on the Property. Buyer shall make and rely on his/her/its own inspection of the Property.
15. **Conflicts.** These disclosures shall control in the event of a conflict between the Contract and any provision herein.

BUYERS:

(Signature)
Printed name: _____
Date: _____
Tract No. _____

(Signature)
Printed name: _____
Date: _____