

Appendix B

Real Estate Documentation

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Falls City, Texas UMTRA Site
Texas Department of Health
Cooperative Agreement No.
DE-FC04-87 W0532

DEED WITHOUT WARRANTY

STATE OF TEXAS

COUNTY OF KARNES

REC-0705 FROM 417

WHEREAS, the United States of America, acting through the Department of Energy and the State of Texas, acting through its Department of Health entered into a Cooperative Agreement No. DE-FC04-87AL20532, for the Falls City, Texas, Uranium Mill Tailings Remedial Action (UMTRA) Project and:

WHEREAS, under Article 3 of said cooperative agreement, the Texas Department of Health agreed that at the conclusion of said remedial action, to convey, without additional consideration, to the United States of America and it assigns, all of its right, title and interest in and to the real property hereinafter described lying within the project limits of said UMTRA project;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That TEXAS DEPARTMENT OF HEALTH, a State agency, for and in consideration of the foregoing premises and the benefits to the Parties as set

Return Deed to
COUNTY CLERK
BY NOTARY PUBLIC
JUL 19 1997
JUL 19 1997

out in Cooperative Agreement No. DE-FC04-87AL20532, the sufficiency of which is hereby acknowledged, does by these presents bargain, sell, grant and convey without warranty, express or implied, unto the UNITED STATES OF AMERICA and its assigns, all of its right, title and interest in the land described in Exhibit "A", attached hereto and made a part of this document as if set out in full.

TO HAVE AND TO HOLD the premises, together with all and singular the right, privileges and appurtenances thereto in any manner belonging unto the United States of America and its assigns, forever, so that neither Texas Department of Health, or its assigns, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof

The title hereinabove conveyed is subject to the following:

Existing easements for public roads and highways, public utilities, railroads, and pipelines.

Mineral Reservation retained in Deed dated July 5, 1944, executed by B. W. Nuhn to Clyburn Montgomery, recorded in Volume 148, at Page 157, Deed Records of Karnes County, Texas.

Mineral Reservation retained in Deed dated February 24, 1945, executed by B. W. Nuhn to Clyburn Montgomery, recorded in Volume 149, at Page 437, Deed Records of Karnes County, Texas.

The acquiring agency is the U. S. Department of Energy. Its address shall be: U. S. Department of Energy, Albuquerque Operations Office, P.O. Box 5400, Albuquerque, NM 87185-5400.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, A.D., 1997.

TEXAS DEPARTMENT OF HEALTH

By Patti J. Patterson M.D.
Patti J. Patterson, M. D.
Commissioner of Health
Texas Department of Health

V 00 0700 PART 419

ACKNOWLEDGMENT

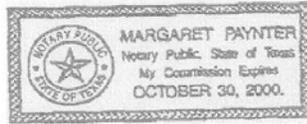
STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared Patti J. Patterson, M. D., as the Commissioner of Health for the Texas Department of Health, a state agency, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me the same was the act of the said Texas Department of Health, a state agency, that she was duly authorized to perform the same and that she executed the same as the act of such state agency for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day
of May, 1997.

(Seal)



Margaret Paynter
Notary Public, State of Texas
Notary's name printed:
Margaret Paynter
Notary's Commission expires:
October 30, 2000

NOL 0700 PAGE 420

EXHIBIT A

0700411121

The land referred to in this Policy is situated in the County of Karnes State of Texas and is described as follows:

Being a tract of land containing 231.15 acres, more or less, out of the Samuel A.J. Mays Survey, A-212, Karnes County Texas and being comprised of 34.32 acres out of that 249.88 acre tract conveyed by Jimmie E. Nix to the Texas Department of Health by Warranty Deed dated March 6, 1991, recorded in Volume 618, Page 615, of the Deed Records of Karnes County, Texas and all of that 43.68 acre tract conveyed by Solution Engineering, Inc., to the Texas Department of Health by Warranty Deed dated March 13, 1991, recorded in Volume 618, Page 422, of said Deed Records and 153.15 acres out of that 186.59 acre tract conveyed by Solution Engineering, Inc. to the Texas Department of Health by Warranty Deed dated April 27, 1990, recorded in Volume 597, Page 617, of said Deed Records and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found in a fence corner in the northwest line of said 249.88 acre tract and the southeastern boundary of a 40 ft. wide private road for the west corner of the tract herein described, also being the northerly north corner of a 514.98 acre tract "A" surveyed this date, whence a 5/8" iron rod found at the west corner of said 249.88 acre tract at the north corner of a called 180.10 acre tract conveyed by Rodney Seidel, et ux, to Concord Oil Company by Deed dated November 26, 1982, recorded in Volume 532, Page 563, of said Deed Records bears S 57° 2,728.19 ft.;

THENCE N 37° E 667.69 ft. with the fence and the northwest line of said 249.88 acre tract and the southeastern boundary of said private road to a 5/8" iron rod found at the north corner of said 249.88 acre tract and the west corner of said 43.68 acre tract for an interior corner of this tract;

THENCE N 30° E 2,161.51 ft. continuing with the fence and the southeastern boundary of said private road and the northwest line of said 43.68 acre tract to a concrete right-of-way monument found at the intersection of same with the southwestern boundary of Texas Farm to Market Highway No. 1344 at the north corner of said 43.68 acre tract for the north corner of this tract;

THENCE with the fence along the southwestern boundary of said FM Highway No. 1344 and the northeast line of said 43.68 acre tract and the northeast line of said 186.59 acre tract with the following seven (7) calls:

1. S 82° E 14820 ft. to a concrete right-of-way monument found at an angle to the right in same, being a point in a curve to the left, whence the center of said curve bears N 50°16' E 11,509.20 ft.;
2. 154.28 ft. with the arc of said curve having a central angle of 00°46' 05" and a radius of 11,509.20 ft. to a concrete right-of-way monument found at a point of tangency for a corner of this tract, whence the center of said curve bears N 49°30' E 11,509.20 ft.;

EXHIBIT A

W 0700 PAGE 422

3. S 40°30' E 870.66 ft. to a concrete right-of-way monument found at the point of curvature of a curve to the right for a corner of this tract, whence the center of said curve bears S 49°30' W 11,459.20 ft.;

4. 308.60 ft. with the arc of said curve having a central angle of 01°32'35" and a radius of 11,459.20 ft. to a 5/8" iron rod found at the point of tangency for a corner of this tract, whence the center of said curve bears S 51°03' W 11,459.20 ft.;

5. S 38°57' E 1 568.39 ft. to a concrete right-of-way monument found at an angle to the right in same for a corner of this tract;

6. S 41°31' E 194.85 ft. to a concrete right-of-way monument found at an angle to the left for same for a corner of this tract; and

7. S 38°34' E 244.98 ft. to a 5/8" iron rod found in a fence corner at the east corner of said 186.59 acre tract for the east corner of this tract and the lower north corner of said Tract "A", also being the North corner of a 265.98 acre tract conveyed by Corpus Christi National Bank (formerly MBank) to the Texas Department of Health by Warranty Deed dated February 8, 1991, recorded in Volume 616, Page 770, of said Deed Records;

THENCE S 51°24' W with the fence and a southeast line of said 186.59 acre tract and the lower northwest line of said Tract "A" and a northwest line of said 265.98 acre tract, at 1,671.40 ft. Pass an exterior corner of said 265.98 acre tract and an interior corner of said 186.59 acre tract, at 2,770.73 ft. crossing a portion of said 186.59 acre tract pass an interior corner thereof and the east corner of said 249.88 acre tract, and continuing with the fence and a northwest line of said 186.59 acre tract and a southeast line of said 249.88 acre tract for a total distance of 2,821.22 ft. to a 5/8" steel fence post in concrete found at an exterior corner of said 186.59 acre tract and an exterior corner of said 249.88 acre tract for an exterior corner of this tract and an interior corner of said Tract "A".

THENCE S 51°11' W 100.00 ft. with the fence and a northwest line of said Tract "A" and said 265.98 acre tract and a southeast line of said 249.88 acre tract to a 5/8" iron rod found at an interior corner of said Tract "A" for the south corner of this tract;

THENCE N 39°45' W 3,421.96 ft. with the fence and a northeast line of said Tract "A" to the place of BEGINNING.

The bearings recited hereon are based on the called bearing between two (2) 5/8" iron rods found on the southeast line of said 265.98 acre tract conveyed by Corpus Christi National Bank (formerly MBank) to the Texas Department of Health by Warranty Deed dated February 8, 1991, recorded in Volume 616, Page 770, of said Deed Records (called S 51°14' W). Distances are surface.

VOL 0700 PAGE 423

RECORDED IN OFFICIAL RECORDS
FILE DATE June 5, 1997
FILE TIME 4:20 O'CLOCK P.M.
VOL. 700 PAGE 417

RECORDING DATE
June 5, 1997
ELIZABETH SWIZE
COUNTY CLERK, KARNES COUNTY
BY Marilyn Bedney

Filed For Record the 5th
day of June A.D. 19 97
At 4:20 o'clock P.M.
ELIZABETH SWIZE
Clerk, County Court, Karnes County, Texas
By Marilyn Bedney Deputy

REGISTERED

48379

*Copy - Act.
Jb. Worth Whit
Corp of Engineers
Address Guide*

NOTICE OF CONFIDENTIALITY: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORD: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

DEED WITHOUT WARRANTY

STATE OF TEXAS
COUNTY OF KARNES

§
§
§

KNOW ALL BY THESE PRESENTS:

That the STATE OF TEXAS, by and through JERRY E. PATTERSON, COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE, on behalf of THE DEPARTMENT OF STATE HEALTH SERVICES, successor in interest to the TEXAS DEPARTMENT OF HEALTH, ("GRANTOR"), whose address is P.O. Box 12873, Austin, Texas 78711-2873, by virtue of the authority set forth in the provisions of Chapters 31 and 32, Texas Natural Resources Code, Annotated, for and in consideration of Three Hundred Thirty Eight Thousand Six Hundred and NO/100 Dollars (\$338,600.00), the receipt and sufficiency of which is hereby acknowledged, and for which no lien is either expressed or implied, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY to the ALAMO FUNDING GROUP, INC., a Texas Corporation ("GRANTEE"), whose mailing address is 100 W. Houston Street, Suite 1500, San Antonio, Texas 78205-1424, the following described land in Karnes County, Texas, to-wit:

513.01 acres of land, more or less, out of the DON GASPAR FLORES GRANT, ABSTRACT NO. 1, AND THE SAMUEL A.J. MAYS SURVEY, ABSTRACT NO 212, Karnes County, Texas, the said 513.01 acre tract being described in Deeds recorded in Volume 616, Page 770, Volume 597, Page 617, and Volume 618, Page 615, all in the Deed Records of Karnes County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all pertinent purposes, hereinafter called the "Land".

TO HAVE AND HOLD the above described Land, together with any and all buildings and other improvements now located on said Land and together with all and singular the rights and appurtenances pertaining to such Land, including any right, title or interest of Grantor to adjacent roads, streets, alleys and easements of right of way, if any, unto the GRANTEE, its successors and assigns forever.

This conveyance is made subject to all covenants, conditions, reservations, rights-of-way, easements, and leases, if any, that are valid, in existence, and of record, or visible and apparent upon the ground of the above described Land, together with the "Permitted Exceptions" on Exhibit "B" attached hereto and made a part hereof for all pertinent purposes.

The Grantor hereby reserves any and all oil, gas, and all other minerals, mineral royalty rights that may lie beneath the Land, together with the right to explore and develop said minerals. Notwithstanding the foregoing, Grantor hereby waives its right to use the surface of the Land for the purpose of exploration or development of the reserved oil, gas and other minerals, mineral royalty rights, which shall be by directional drilling or pooling. The GRANTOR also reserves and retains, for the use and benefit of the Permanent School Fund, all rights to groundwater and groundwater leasing, except GRANTEE shall have the right to use groundwater for residential

and domestic purposes only. The GRANTOR hereby waives its right to use the surface of the Land for the purpose of exploration or development of the reserved rights to groundwater and groundwater leasing, which shall be by directional drilling or pooling. Grantee, its successors, and assigns covenant and agree not to use any groundwater underlying the Land conveyed herein for commercial or industrial purposes.

Grantee herein named assumes liability and responsibility for any and all ad valorem taxes which may be assessed for the current year.

This conveyance is further made subject to the following Covenants, Conditions and Restrictions to the Land and running with the Land, to-wit:

The Grantee covenants to hold harmless the Grantor and the Department of Energy for any liability associated with disruption of any public purpose ventures on the property conveyed by this deed, the disruption of any improvement on said property made by the Grantee, its successors and assigns, and any temporary or permanent limitations to the use of the property, should the Grantor and the Department of Energy be required to perform additional surface remedial activities on the property by this deed.

The Grantee covenants (i) to comply with the applicable provisions of the Uranium Mill Tailings Radiation Control Act (UMTRCA), 42 U.S.C. sec. 7901 et seq., as amended; (ii) not to use ground water in near surface aquifers from the site for any purpose, and not to construct wells or any means of exposing ground water to the surface unless prior written approval for such use is given by the Grantor and the U.S. Department of Energy; however, this provision (ii) would not apply to aquifers located below the Dilworth formation; (iii) that any sale or transfer of the property described in this deed shall have prior written approval from the Grantor and the U.S. Department of Energy, and that any deed or other document created for such sale or transfer and any subsequent sale or transfer will include information stating that the property was once used as a uranium milling site and all other information regarding the extent of residual radioactive materials removed from the property as required by Section 104(d) of the UMTRCA, 42 U.S.C. sec. 7914 (d), and as set forth in the annotation attached hereto; (iv) not to perform construction and/or excavation or soil removal of any kind on the property without permission from the Grantor and the U.S. Department of Energy unless prior written approval of construction plans (e.g., facilities type and location), is given by the Grantor and the U.S. Department of Energy; (v) no human habitation structures shall be constructed on the property; and (vi) that its use of the property shall not adversely impact ground water quality, nor interfere in any way with ground water remediation under UMTRCA activities.

Grantee shall provide the Grantor and the U.S. Department of Energy free and unlimited ingress and egress to the property, which is the subject matter of this sale, in order to perform any necessary monitoring, well sampling, drilling of wells, or any other necessary surface and/or subsurface work as required to implement UMTRCA, 42 U.S.C. sec. 7901, et seq.

These covenants are made in favor and to the benefit of Grantor and the U.S. Department of Energy. They shall run with the land and be binding upon the Grantee and its successors and assigns, and shall be enforceable by the Grantor and its successors and assigns.

THE PROPERTY IS OFFERED FOR SALE "AS IS", WITHOUT WARRANTY, WITH ANY AND ALL LATENT AND PATENT DEFECTS. PURCHASER HAS INSPECTED, OR WILL HAVE INSPECTED AS OF THE DATE OF CLOSING, THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE PROPERTY (INCLUDING THE IMPROVEMENTS LOCATED THEREON, IF

ANY) AND SHALL ACCEPT TITLE TO THE SAME "AS IS" IN ITS EXISTING PHYSICAL AND TOPOGRAPHIC CONDITION. PURCHASER ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATION, WARRANTY, STATEMENT, OR OTHER ASSERTION OF THE STATE OF TEXAS AS SELLER, INCLUDING THE GENERAL LAND OFFICE, U.S. DEPARTMENT OF ENERGY, U.S. NUCLEAR REGULATORY COMMISSION, OR ANY OF THEIR OFFICIALS, AGENTS, REPRESENTATIVES OR EMPLOYEES, WITH RESPECT TO THE PROPERTY CONDITION, BUT IS RELYING ON PURCHASER'S OWN EXAMINATION OF THE PROPERTY. THE STATE, INCLUDING THE GENERAL LAND OFFICE AND THE TEXAS HEALTH AND HUMAN SERVICES COMMISSION, DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY MAKES NO WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, OR ANY OTHER WARRANTY WHATSOEVER. PURCHASER IS HEREBY PUT ON NOTICE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCE MAY BE OF RECORD AND PURCHASER IS ADVISED TO EXAMINE ALL PUBLIC RECORDS AVAILABLE REGARDING THE PROPERTY. THE PROVISIONS OF THIS SECTION 7 SHALL SURVIVE CLOSING OR EARLIER TERMINATION OR EXPIRATION OF THIS CONTRACT. THE DEED IS MADE AND ACCEPTED WITHOUT ANY WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, THAT WHICH MAY ARISE BY COMMON LAW OR THE WARRANTIES IN §5.023, TEXAS PROPERTY CODE, AS NOW WRITTEN OR HEREAFTER AMENDED.

Witness my hand this Thirty-First day of October 2005.

By: Jerry E. Patterson
Jerry E. Patterson, Commissioner,
Texas General Land Office, on Behalf of
The Department of State Health Services



APPROVED:

Contents [Signature]
Legal Services awa
Deputy Comm. SP
General Counsel [Signature]
Chief Clerk [Signature]

After recording return to:

Alamo Funding Group, Inc.
100 W. Houston Street, Suite 1500
San Antonio, Texas 78205-1424

Archive File No. QA 000078

FIELD NOTES FOR 513.01 ACRES OF LAND

BEING 513.01 acres of land of which approximately 55.72 acres are out of the Don Gaspar Flores Grant, A-1 and approximately 457.29 acres are out of the Samuel A. J. Mays Survey, A-212, Karnes County, Texas; being all of the land described in a conveyance to the Texas Department of Health by Warranty Deed of record in Volume 616, Page 770, Karnes County Deed Records; parts or portions of the land described in conveyances to the Texas Department of Health by Warranty Deed of record in Volume 597, Page 617 and Volume 618, Page 615, Deed Records of Karnes County, Texas and being more particularly described as follows:

BEGINNING at a found steel pin on the southeast right-of-way line of a private road for the north corner of the Concord Oil Company land described in Volume 532, Page 563, Karnes County Deed Records; the west corner of the Texas Department of Health land and of this tract.

THENCE; North 50° 37' 09" East, with said right-of-way line of the private road and northwest line of the Texas Department of Health land, 2728.19 feet to a set ½ inch rebar for the westerly north corner of this tract.

THENCE: South 39° 05' 17" East, into the Texas Department of Health land, along existing fence, 3422.04 feet to a set ½ inch rebar for an interior corner of this tract.

THENCE: North 51° 12' 40" East, continuing along existing fence, 2972.12 feet to a set ½ inch rebar for the easterly north corner of this tract on the southwest right-of-way line of F.M. Highway No. 1344.

THENCE: South 39° 13' 03" East, with said highway right-of-way line, 282.56 feet to a found steel pin for an easterly corner of this tract and north corner of the Bruce and Nora Tilley land described in Volume 635, Page 615, Karnes County Deed Records.

THENCE: South 50° 23' 07" West, with the common line of the Tilley land and of this tract, 186.10 feet to a found steel pin for a common corner.

THENCE: South 39° 06' 17" East, continuing with last said common line, 416.57 feet to a found steel pin for a common corner.

THENCE: North 50° 37' 57" East, continuing with last said common line, 186.74 feet to a found steel pin for a common corner on the southwest right-of-way line of F.M. Highway No. 1344.

THENCE: South 39° 10' 31" East, with said highway right-of-way line, 1597.33 feet to a found steel pin for the lower east corner of this tract and north corner of the Teresa Jane Lowak land described in Volume 492, Page 212, Deed Records of Karnes County, Texas.

THENCE: South 51° 04' 24" West, with the common line of the Lowak land and of this tract, generally along fence, 5700.14 feet to a found steel pin for the west corner of the Lowak land and south corner of this tract on the northeast line of the aforementioned Concord Oil Company land.

THENCE: North 39° 07' 24" West, with the common line of the Concord Oil Company land and of this tract, generally along fence, 2303.05 feet to a found steel pin for an angle point.

THENCE: North 39° 07' 51" West, continuing with last said common line, generally along fence, 3401.76 feet to the POINT OF BEGINNING containing 513.01 acres of land.

THE basis of the bearing system is WGS '84.

POLLOK & SONS SURVEYING, INC.


Norman L. Pollok, R.P.L.S. No. 4031
June 21, 2005
Ref: TX. Dept. of Health
07200501



Exhibit "B"
Permitted Exceptions

1. Easement shown in instrument from Vincent Lyssy, et ux, to Central Power & Light Co., dated May 23, 1951, recorded in Volume 209, Page 277, Deed Records of Karnes County, Texas.
2. Mineral interest, royalties, bonuses, rentals and all other rights in connection with said mineral rights, bonuses and rentals, described in instrument from B.W. Nuhn to Clyburn Montgomery dated July 5, 1944 and recorded in Volume 148, Page 157 of the Deed Records of Karnes County, Texas.
3. Mineral interest, royalties, bonuses, rentals and all other rights in connection with said mineral rights, bonuses and rentals, described in instrument from B.W. Nuhn to Clyburn Montgomery dated February 24, 1945 and recorded in Volume 149, Page 437 of the Deed Records of Karnes County, Texas.

Filed for Record in:
Karnes County

On: Nov 04, 2005 at 02:48P

As a:
Recording Official Record

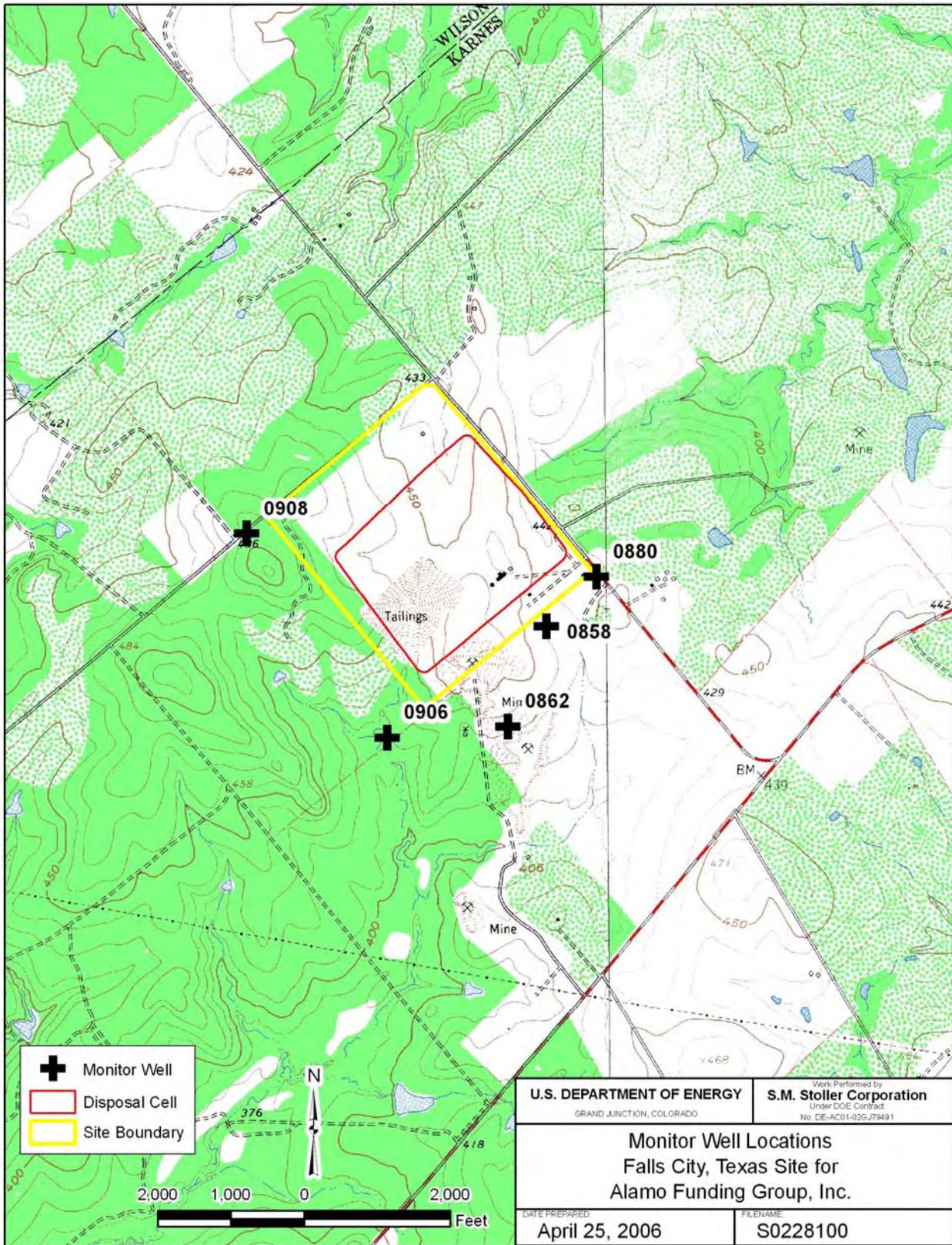
Document Number: 00070411

Amount: 36.00

Receipt Number - 6440
By
Frances Guerra

STATE OF TEXAS COUNTY OF KARNES
I hereby certify that this instrument was
filed on the date and time stated hereon by me
and was duly recorded in the volume and page
of the deed records of:
Karnes County
as stated hereon by me.
Nov 04, 2005

Honorable Alva Jones, County Clerk
Karnes County



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