

Property Report

PURCHASER

NOTICE AND DISCLAIMER BY OFFICE OF
INTERSTATE LAND SALES REGISTRATION*

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Interstate Land Sales Full Disclosure Act specifically prohibits any representation to the effect that the Federal Government has in any way passed upon the merits of, or given approval to this subdivision, or passed upon the value, if any, of the property.

It is unlawful for anyone to make, or cause to be made to any prospective purchaser, any representation contrary to the foregoing or any representations which differ from the statements in this property report. If any such representations are made, please notify the Office of Interstate Land Sales Registration at the following address.

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street SW.,
Washington, D. C. 20410

Inspect the property and read all documents. Seek Professional advice.

You have the option to cancel your contract or agreement by notice to the seller until midnight of the seventh day following the signing of the contract or agreement of sale.

If you did not receive a Property Report prepared pursuant to the rules and regulations of the office of Interstate Land Sales Registration, U.S. Department of Housing and Urban Development, in advance of your signing the contract or agreement of sale, the contract or agreement may be cancelled at your option for two years from the date of signing.

1. Name[s] of Developer: Wiggins Land Company of Texas, Inc.
Address: 400 Pan American Dr., Livingston, Texas 77351
 2. Name of Subdivision: HAWG HEAVEN
Location: Trinity County, State of Texas
- [a] Effective Date of Property Report: August 7, 1979

IMPORTANT — READ CAREFULLY

Name of Subdivision: Hawg Heaven

By signing this receipt you acknowledge that you have received a copy of the property report prepared pursuant to the Rules and Regulations of the Office of Interstate Land Sales Registration, U. S. Department of Housing and Urban Development.

Received by _____

Street Address _____

Date _____

City _____ State _____

Zip _____

Notwithstanding your signature by which you acknowledge that you received the Property Report you still have other important rights under the Interstate Land Sales Full Disclosure Act.

ORIGINAL

~~YOU WILL NOT BE ALLOWED TO RECORD YOUR SALES CONTRACT IN THE COUNTY RECORDS. SEE QUESTIONS 4a AND 4b FOR ADDITIONAL INFORMATION.~~

THERE IS NO ASSURANCE THAT THE AVAILABLE WATER IS OF ADEQUATE QUANTITY, QUALITY OR PURITY.

THE DEVELOPER ANTICIPATES THAT IT WILL TRANSFER MANY OF THE LOT SALES CONTRACTS TO A FINANCIAL INSTITUTION. THEREFORE, YOU MAY BE REQUIRED TO PAY THE FULL AMOUNT OF YOUR OBLIGATION TO A BANK OR OTHER THIRD PARTY EVEN THOUGH THE DEVELOPER MAY HAVE FAILED TO FULFILL PROMISES HE HAS MADE. THE FINANCIAL INSTITUTION WOULD NOT BE REQUIRED TO FULFILL ANY PROMISE MADE BY THE DEVELOPER.

b. THIS OFFERING CONSISTS OF:

Section 1, Hawg Heaven Subdivision, Trinity County, Texas, as shown upon plat of record in Volume 2, Page 126 of the Plat Records of Trinity County, Texas.

Lots 1 - 330 Total of 330 Lots

Section 2, Hawg Heaven Subdivision, Trinity County, Texas, as shown upon plat of record in Volume 2, Page 126 of the Plat Records of Trinity County, Texas.

Lots 1 - 446 Total of 446 Lots

Section 3, Hawg Heaven Subdivision, Trinity County, Texas, as shown upon plat of record in Volume 2, Page 126 of the Plat Records of Trinity County, Texas.

Lots 1 - 497 Total of 497 Lots

3. LIST NAMES AND POPULATIONS OF SURROUNDING COMMUNITIES AND LIST DISTANCES OVER PAVED AND UNPAVED ROADS TO THE SUBDIVISION.

Name of Community	Population	Distance over paved roads	Unpaved roads	Total
a. Sebastapol	100	6 miles	1 mile	7 miles
b. Onalaska	200	6 miles	1 mile	7 miles
c. Trinity	2,300	15 miles	1 mile	16 miles
d. Livingston	4,200	20 miles	1 mile	21 miles
e. Groveton*	2,400	21 miles	1 mile	22 miles
f. Houston	1,250,000	95 miles	1 mile	96 miles

*County seat

4. COMPLETE ALL ITEMS UNDER THIS PARAGRAPH REGARDLESS OF WHETHER THE SALE WILL BE AN INSTALLMENT OR CASH SALE.

a. WILL THE SALES CONTRACT BE RECORDABLE? YES OR NO?

No. The sales contract will not be recordable.

b. IN THE ABSENCE OF RECORDING THE CONTRACT OR DEED, COULD THIRD PARTIES OR CREDITORS OF ANY PERSON HAVING AN INTEREST IN THE LAND ACQUIRE TITLE TO THE PROPERTY FREE OF ANY OBLIGATION TO DELIVER A DEED? YES OR NO?

Yes. In the absence of recording the contract or deed your right to title of the land may be defeated by such third parties as subsequent purchasers or creditors of any person having an interest in the land.

- c. STATE WHETHER AND/OR WHEN THE CONTRACT OR DEED WILL BE RECORDED, AND WHO WILL RECORD IT. STATE WHO WILL BEAR THE COSTS OF RECORDATION, AND THE AMOUNT IF THOSE COSTS ARE TO BE BORNE BY THE PURCHASER.

The sales contract is not recordable. The developer will provide you with a deed when the purchase price of the lot and all due assessments are fully paid. You will bear the cost of recording the deed, and recording fees will range from \$3.00 to \$5.00. The deed will be delivered by the developer to you within 60 days after final payment of the purchase price and all due assessments.

- d. WHAT PROVISION, IF ANY, HAS BEEN MADE FOR REFUNDS IF BUYER DEFAULTS? IF NONE, AND THE BUYER'S PAYMENTS ARE TO BE RETAINED, STATE WHETHER HIS LOSS WILL BE LIMITED TO THE AMOUNT OF HIS PAYMENTS TO DATE, OR WHETHER HE WILL BE RESPONSIBLE TO THE DEVELOPER OR HIS ASSIGNEES FOR ADDITIONAL DAMAGES OR FOR THE BALANCE OF HIS CONTRACT.

No provision has been made for refunds if you default upon your obligations under the sales contract. All money paid by you to the developer will be retained by the developer as liquidated damages. Your loss will be limited to the amount of your payments to date, and you will not be responsible to the developer or its assignees for additional damages or for the balance of your contract.

- e. STATE PREPAYMENT PENALTIES OR PRIVILEGES, IF ANY.

There are no prepayment penalties, and the contract may be prepaid at any time.

- 5. IS THERE A BLANKET MORTGAGE OR OTHER LIEN ON THE SUBDIVISION OR PORTION THEREOF IN WHICH THE SUBJECT PROPERTY IS LOCATED? YES OR NO? IF YES, LIST BELOW AND DESCRIBE ARRANGEMENTS, IF ANY, FOR PROTECTING INTERESTS OF THE BUYER IF THE DEVELOPER DEFAULTS IN PAYMENT OF THE LIEN OBLIGATION. IF THERE IS SUCH A BLANKET LIEN, DESCRIBE ARRANGEMENTS FOR RELEASE TO A BUYER OF INDIVIDUAL LOTS WHEN THE FULL PURCHASE PRICE IS PAID.

Yes. There is one lien on the property renewing and extending two prior liens on the property.

TYPE OF LIEN

Deed of Trust Lien created by Deed of Trust, Security Agreement and Assignment of Rents from Wiggins Land Company of Texas, Inc. to Robert B. Morrison, Trustee, dated April 7, 1977, and recorded in Volume A49, Pages 226 et seq of the Deed of Trust Records of Trinity County, Texas, securing payment of one promissory note of even date therewith made by Wiggins Land Company of Texas, Inc. and payable to the order of Mercantile National Bank at Dallas in the original principal sum of \$500,000.00, together with all renewals and extensions thereof. The aforesaid lien is in renewal and extension of a vendor's lien and superior title retained in deed dated May 14, 1976,

EFFECT ON BUYERS IF DEVELOPER DEFAULTS

You may lose your financial interest in the property.

from E. Raymond Jensen, Trustee, and H. H. Townsend, Jr., Trustee, to Wiggins Land Company of Texas, Inc., recorded in Volume 238, Pages 52 et seq of the Deed Records of Trinity County, Texas, and a deed of trust dated May 14, 1976, from Wiggins Land Company of Texas, Inc. to Tom Turner, Trustee, recorded in Volume A44, Pages 52 et seq of the Deed of Trust Records of Trinity County, Texas.

There are release provisions for the lien described above that allow the developer to convey good title to you within 60 days after you pay the purchase price and all assessments then due in full. The release provisions are stated in a Dedication and Partial Release Agreement, dated November 18, 1977, executed by the Mercantile National Bank at Dallas, and filed for record in the office of the County Clerk of Trinity County, Texas, on November 21, 1977, under Clerk's File No. 5538. If the developer is in default or is unable to pay the release amounts before delivery of your deed, you may lose your financial interest in the property. There are no provisions by which you may pay the release fees. If the lien is foreclosed against the developer, the holder of such lien will not be obligated to perform the purchase agreement with you. Your payments and investments in the property are not protected through an escrow or by other means.

6. DOES THE OFFERING CONTEMPLATE LEASES OF THE PROPERTY IN ADDITION TO, OR AS DISTINGUISHED FROM, SALES? YES OR NO? IF YES, A LEASE ADDENDUM MUST BE COMPLETED, ATTACHED, AND MADE A PART OF THE PROPERTY REPORT.

No. There will be no leases in the subdivision.

7. IS BUYER TO PAY TAXES, SPECIAL ASSESSMENTS, OR TO MAKE PAYMENTS OF ANY KIND FOR THE MAINTENANCE OF COMMON FACILITIES IN THE SUBDIVISION (a) BEFORE TAKING TITLE OR (b) AFTER TAKING TITLE? IF YES, COMPLETE THE SCHEDULE BELOW:

- (a) Yes, before taking title.
- (b) Yes, after taking title.

	APPROXIMATE AMOUNT OF BUYER'S ANNUAL PAYMENTS
TAXES	Consult local taxing authorities
SPECIAL ASSESSMENTS	None
PAYMENTS TO PROPERTY OWNERS' ASSOCIATION	None. There is no property owners' association currently in existence or proposed.
OTHER	\$20.00 per lot annual payment to the developer or its nominee or a civic group for maintenance of the roads and other common facilities within the subdivision. Such assessment will be collected

APPROXIMATE AMOUNT OF
BUYER'S ANNUAL PAYMENTS

as set forth in the subdivision restrictions, a copy of which is attached hereto as "Exhibit B". Such restrictions provide for discontinuance of the assessment after ten years at the option of the owners of a majority of the lots sold. The restrictions also provide for an increase in such assessment from time to time at the option of the developer.

SPECIFY

Not applicable.

8. a. WILL BUYER'S DOWNPAYMENT AND INSTALLMENT PAYMENTS BE PLACED IN ESCROW OR OTHERWISE SET ASIDE? YES OR NO? IF YES, WITH WHOM? IF NOT, WILL TITLE BE HELD IN TRUST OR IN ESCROW?

No. Your downpayment and installment payments will not be placed in escrow or otherwise set aside. Title will not be held in trust or in escrow.

- b. EXCEPT FOR THOSE PROPERTY RESERVATIONS WHICH LAND DEVELOPERS COMMONLY CONVEY OR DEDICATE TO LOCAL BODIES OR PUBLIC UTILITIES FOR THE PURPOSE OF BRINGING PUBLIC SERVICES TO THE LAND BEING DEVELOPED, WILL BUYER RECEIVE A DEED FREE OF EXCEPTIONS? YES OR NO? IF NO, LIST ALL RESTRICTIONS, EASEMENTS, COVENANTS, RESERVATIONS AND THEIR EFFECT UPON BUYER.

No. There are restrictions of record for the subdivision. These restrictions, in their entirety, are attached to this Property Report and are hereby incorporated into the Report by this reference. These restrictions are for your general benefit.

All minerals and access rights thereto have been or will be reserved by the developer or its predecessors in title. This reservation may seriously affect you if exploration were to take place either on the surface or beneath the surface of your lot. There is no provision for compensating you if you are affected by this reservation.

A 10 foot wide utility easement is reserved inside lots adjacent to and parallel to all roadways, and across Lots 312 and 313, Section 1, as shown upon the plat thereof. A right-of-way is reserved for guys and service poles as required.

Parts of the following lots lie within a pipeline right-of-way:

Section 1 - Lots 152 through 157; 189 through 194; 204 through 208; 226 through 230; 255 through 259; 263 through 267; and 304 through 307.

Section 2 - Lots 22 and 23.

No buildings may be constructed on said right-of-way and the pipeline company has rights of ingress and egress in and over said right-of-way for the purpose of repairing, replacing, maintaining, operating, using and removing said pipeline.

Parts of the following lots lie within electrical power line rights-of-way:

Section 1 - Lots 25, 26; 72 through 108; 130, 131; 174, 175; 218, 219; 262, 263; 312, 313.

Section 2 - Lots 22, 23; 66, 67; 110, 111; 163 through 166; 170; 192, 193; 236, 237; 280, 281; 324, 325; 368, 369.

Section 3 - Lots 22, 23; 66, 67; 110, 111; 154, 155; 198, 199; 242, 243; 286, 287; 347, 348.

No use may be made of said rights-of-way which would unreasonably interfere with the use of said rights-of-way for electrical power lines, and the electrical power company has rights of ingress and egress in and over said rights-of-way for the purpose of maintaining, operating and removing said electrical power lines, and may trim, cut or remove trees and underbrush upon said rights-of-way. Also, the electrical power company may fence off a part of Lot 25, Section 1, for use as an electric power switching station.

Those parts of the following lots below an elevation of 135 feet, mean sea level, lie within a flood control or flowage easement in favor of the Trinity River Authority of Texas:

Section 3 - Lots 362 through 415.

The parts of the aforesaid lots within said flood control or flowage easement may be overflowed, flooded or covered with water from time to time by the Lake Livingston Reservoir, and no structures or improvements may be constructed within said easement without first obtaining a permit from and executing a release and hold harmless agreement to the Trinity River Authority of Texas, P. O. Box 360, Livingston, Texas 77351.

c. LIST THE PERMISSIBLE USES OF THE PROPERTY BASED UPON THE RESTRICTIVE COVENANTS, AND WHICH ARE CONSISTENT WITH LOCAL ZONING ORDINANCES.

There is not an Architectural Control Committee set up for this subdivision at this time; however, there may be one formed in the future.

The restrictions limit the use of the lots being sold to one private single family residence with a minimum of 500 square feet of floor space, exclusive of porches and garage. All permanent structures must be approved in writing by the developer or by a civic group prior to the construction thereof, as set forth in the restrictions. A copy of the restrictions is attached hereto. The restrictions are the controlling regulations as there are no zoning ordinances affecting the area.

Building permits will be required as set forth below:

You will be required to obtain a permit from and execute a release and hold harmless agreement to the Trinity River Authority of Texas, P. O. Box 360, Livingston, Texas 77351,

You will be required to obtain a permit from the Trinity River Authority of Texas, P. O. Box 360, Livingston, Texas 77351, and the Department of the Army, Corps of Engineers, Galveston District, P. O. Box 1229, Galveston, Texas 77553, prior to constructing piers, bulkheads, floating boathouses, boatramps and storage buildings in Lake Livingston.

You will be required to obtain a permit and/or certification from the Texas Department of Water Resources, P. O. Box 13087, Capitol Station, Austin, Texas 78711, and the Department of the Army, Corps of Engineers, Galveston District, P. O. Box 1229, Galveston, Texas 77553, prior to dredging, filling or discharging in Lake Livingston.

- d. LIST ALL EXISTING OR PROPOSED UNUSUAL CONDITIONS RELATING TO THE LOCATION OF THE SUBDIVISION AND TO NOISE, SAFETY OR OTHER NUISANCES WHICH AFFECT OR MIGHT AFFECT THE SUBDIVISION.

Those parts of Lots 362 through 415, Section 3, below an elevation of 135 feet, mean sea level, lie within a flood control or flowage easement in favor of the Trinity River Authority of Texas, and are subject to flooding from time to time by the Lake Livingston Reservoir. Such flooding depends on many factors affecting the operation of the Lake Livingston Reservoir, but is estimated to be infrequent. Flood insurance is available for new construction in the area, but is not now required by Federal agencies. The cost of flood insurance will vary in inverse proportion with the elevation of the lot. Prior to construction, you should satisfy yourself that the elevation of your proposed structure is sufficient to prevent flooding and qualify for flood insurance. The developer has no responsibility or liability for injuries or damages resulting from flooding.

The lots are subject to brush fires, forest fires and tornadoes. Brush fires occur infrequently and are not severe. The possibility of forest fires is extremely remote due to "fire lanes" which serve to isolate fires. The streets and roads within and adjacent to the subdivision act as "fire lanes" and protect the subdivision from forest fires to a great extent. The subdivision is in an area which averages between 1.0 and 1.5 tornadoes annually. Insurance against such hazards is available. The developer has no responsibility or liability for injuries or damages resulting from brush fires, forest fires, or tornadoes.

The subdivision is traversed by a petroleum pipeline operating underground at high pressure. Any break or leak in this pipeline could create a danger of fire or explosion and could injure persons and property. This pipeline is an existing and permanent installation. The developer has no responsibility or liability for injuries or damages resulting from such pipeline.

The subdivision is traversed by electrical power lines operating at high voltages. Any breaking or collapsing of or contact with these electrical power lines could create a hazard and could injure persons and property. These electrical power lines are existing and permanent installations. The developer has no responsibility or liability for injuries or damages resulting from electrical power lines.

The area in which the subdivision is located has not been formally identified by any Federal, State, or local agency as being in an area subject to a special natural hazard and is not subject to any special land use requirements which will restrict development or entail unusual development or maintenance expense, except as set forth in 8.c. above.

9. LIST ALL RECREATIONAL FACILITIES CURRENTLY AVAILABLE, PROPOSED, OR PARTLY COMPLETED (e.g., SWIMMING POOLS, GOLF COURSES, SKI SLOPES, etc.) AND COMPLETE THE FOLLOWING FORMAT FOR EACH FACILITY:

i. Facility	ii. Complete	iii. Estimated Completion Date	iv. Financial Assurance of Completion	v. Developer Obligated?	vi. Buyer's Costs or Assess- ments
Park lot and boat ramp	100	Not Applicable	Not Applicable	No	\$20.00 per lot per year for maintenance of roads and other common facilities

Such assessment will be collected as set forth in the subdivision restrictions, a copy of which is attached hereto as "Exhibit B". Such restrictions provide for discontinuance of the assessment after ten years at the option of the owners of a majority of the lots sold. The restrictions also provide for an increase in such assessment from time to time at the option of the developer. When the lake is very low the boat ramp is not usable.

10. STATE AVAILABILITY OF THE FOLLOWING IN THE SUBDIVISION: STATE ANY ESTIMATED COSTS OR ASSESSMENTS TO BUYER. IF ONLY PROPOSED OR PARTLY COMPLETED, STATE ESTIMATED COMPLETION DATE, STATE PROVISIONS TO ASSURE COMPLETION, AND GIVE AN ESTIMATE OF ALL COSTS TO BUYER, INCLUDING MAINTENANCE COSTS.

a. ROADS:

1. ACCESS:

PAVED -

The present condition of the single access road to the border of the subdivision is good. State Farm Road No. 356, which leads to the subdivision, has two lanes and is paved with asphalt topping to a width of 24 feet. The access road is complete.

UNPAVED -

None.

2. ROAD SYSTEM WITHIN THE SUBDIVISION:

PAVED -

None.

UNPAVED -

The roads within the subdivision are under construction and are 70% complete at the present time. All right-of-way has been cleared and some of the roads graded. The road surface is dirt (natural surface, natural base) and is 24 feet wide with 2 lanes, where graded. The approximate dedicated width of the roads is 60 feet. All of the lots in the subdivision cannot be reached by conventional automobile at the present time.

The roads within the subdivision are not complete, therefore, after rain they may become impassable and need maintenance. The roads should be complete by 1982.

The developer has not set aside any money or entered into any bond, escrow or trust arrangement to assure completion of the roads within the subdivision. Accordingly, there is no assurance, other than the promise of the developer, that the roads within the subdivision will be completed.

The roads within the subdivision have not been accepted by a public authority responsible for maintenance. You will be assessed \$20.00 per lot per year for maintenance of roads and other common facilities. Such assessment will be collected as set forth in the subdivision restrictions, a copy of which is attached hereto as "Exhibit B." Such restrictions provide for discontinuance of the assessment after ten years at the option of the owners of a majority of the lots sold. The restrictions also provide for an increase in such assessment from time to time at the option of the developer. The assessment will be collected by the developer or its nominee or a civic group will be responsible for maintenance of roads within the subdivision, but only to the extent that maintenance can be provided and paid for out of funds collected by the developer or its nominee or the civic group.

The developer has not set aside any money or entered into any escrow or trust arrangements in order to assure continued maintenance of the roads during the life of the subdivision. You may be required to pay all or part of the cost of maintaining the roads in the subdivision.

b. UTILITIES:

1. WATER

Water from a central water system is not available in the subdivision at the present time. Water will be available by January 1, 1979, from a central water system that will be owned and operated by Oakridge Water Company, 400 Pan American Drive, Livingston, Texas 77351, a privately owned entity. The water system is 1/3 complete and will serve 65 families. There will be no cost to you for construction of the system other than a tap-on fee of \$125.00. Oakridge Water Company has no development schedule for completion of the water lines to the individual lots in the subdivision, but does promise, after January 1, 1979, to extend the water lines to your lot when you request service and pay the tap-on fee.

However, there can be no assurance whatsoever as to the continued existence of Oakridge Water Company or its financial capability to provide this service. You will be billed monthly for water service by Oakridge Water Company at its regular rates then in effect for the subdivision. Other than the fact that Oakridge Water Company is regulated by the Public Utility Commission of Texas, there is no assurance for continuous service and reasonable rates. The developer is not obligated to complete the water system, and there is no financial assurance of completion. The developer has not set aside any money or entered into any bond, escrow or trust arrangement to assure completion of the water system. Accordingly, there is no assurance that the water system will be completed. The developer and Oakridge Water Company are separate entities, however, they have common stockholders, directors and officers. Therefore, both companies are controlled by the same individuals. The developer has no responsibility regarding water service.

You may drill your own well for your water supply if you wish. The estimated completion cost for such a well is \$2,000.00. There is no data establishing that a sufficient quantity of potable water will be available to you.

Wells dug in this subdivision will probably not produce good, quality water.

The developer has not obtained a letter or report from a cognizant health officer on the quality and purity of water. Accordingly, there is no assurance that the available water will be either pure or of acceptable quality.

2. ELECTRICITY

Electricity is available from Sam Houston Electric Cooperative, Inc., P. O. Box 1121, Livingston, Texas 77351, a public utility company regulated by the Public Utility Commission of Texas and by the Rural Electrification Administration. The electrical system is 95% complete at the present time. Completion of the total system is contingent upon the completion of the total development by the developer. The developer is not obligated to complete the electrical system. When you request service, you will have to pay a \$5.00 membership fee and a \$7.00 connection fee. An additional \$30.00 deposit will be required for mobile homes. You will be billed monthly for electrical service by Sam Houston Electric Cooperative, Inc. at its regular rates then in effect. As is standard in East Texas, the purchaser must furnish his meter loop at his expense prior to hookup. Individual service is provided upon request after a reasonable lapse of time necessary for installation. The developer has no responsibility regarding electrical service.

3. GAS

Natural gas is not available in this subdivision. Liquefied petroleum gas is available from Livingston Plumbing and Sheet Metal Works, Inc., P. O. Box 306, Livingston, Texas 77351, a private utility company regulated by the Railroad Commission of Texas. You will have to install storage facilities for liquefied petroleum gas at an estimated cost of \$400.00. You will be billed by Livingston Plumbing and Sheet Metal Works, Inc. for liquefied petroleum gas purchased by you at its regular rates then in effect. The developer has no responsibility regarding gas service.

4. TELEPHONE

Telephone service is available from General Telephone Company of the Southwest, P. O. Box 1193, Bryan, Texas 77801, a public utility company regulated by the Public Utility Commission of Texas. The telephone system is 0% complete at the present time, and will be completed by General Telephone Company of the Southwest as service is requested by lot owners. The developer is not obligated to complete the telephone system. You will have to pay a hook up charge and deposit when you request service. The developer cannot estimate the amount of the charge and deposit since this is determined by the telephone company on an individual basis, and the telephone company will not supply this information in advance of a request for service. The amount will vary with the customer, the location, and the type of service requested. You will be billed monthly for telephone service by General Telephone Company of the Southwest at its regular rates then in effect for this location. The developer cannot estimate the cost of extending telephone lines to the most distant lot in the subdivision as the telephone company will not supply this information. The developer has no responsibility regarding telephone service.

5. SEWAGE DISPOSAL

Sewers are not available in the subdivision. Septic tanks and drainfields must be used for sewage disposal at an estimated installation cost of \$1500.00 to \$2000.00. Percolation tests have been performed, the results of which indicate that the land within 2000 feet of Lake Livingston is in general suitable for the use of septic tanks; however, there is no information available verifying that each and every lot is suitable for the use of septic tanks. As an alternative, holding tanks may be used for sewage disposal at an estimated installation cost of \$800.00.

The developer has not obtained a letter or report from a cognizant health officer approving the use of an onsite sewerage disposal system on each and every lot in the subdivision. There is no assurance that you will be able to obtain a permit or approval from the health officials for the installation and use of an onsite sewerage disposal system.

Owners of Lots 45 through 490, Section 3, must obtain a license from the Trinity River Authority of Texas, P. O. Box 360, Livingston, Texas 77351, prior to the installation of septic tanks and field lines, holding tanks or other private sewage disposal systems. You must pay an Application, Inspection and License Fee of \$15.00 and have a percolation test performed on your lot. The Trinity River Authority of Texas will perform this test for an additional fee of \$25.00. Your license must be renewed every other year following reinspection of your sewage disposal system. The renewal fee is \$5.00. You are informed (a) that the subdivision is subject to all of the terms and conditions of Order No. 77-0714-1 of the Texas Water Quality Board; (b) that a license will be required for any private sewage facility constructed in the subdivision on Lots 45 through 56 and Lots 72 through 490, Section 3; and (c) that a sewage disposal plan has been filed for the subdivision and that the areas suitable for private sewage facilities have been defined. There is no assurance that you will be able to obtain a license for a private sewage disposal system.

The developer has made no provision for the installation of a central sanitary sewerage system, nor has the developer made any provision to set aside any money to fund the installation of such a system. The developer has no responsibility regarding the sewage disposal.

6. DRAINAGE AND FLOOD CONTROL

No drainage has been or will be required to render any of the lots suitable for construction purposes. No artificial drains, storm sewers or flood control channels have been installed. No drainage facilities will be constructed by the developer. The developer has no responsibility regarding drainage and flood control.

7. TELEVISION

Television reception is available to the lots in the subdivision without reception cost. However, you will have to install a reception antenna at your own expense. The estimated minimum cost of such an antenna is \$100.00. The developer has no responsibility regarding television reception.

c. MUNICIPAL SERVICES:

1. FIRE PROTECTION

Fire protection is available year-round from the Onalaska Volunteer Fire Department located in Onalaska, Texas.

2. POLICE PROTECTION

Police protection is available from the Trinity County Sheriff's Department, Groveton, Texas.

3. GARBAGE AND TRASH COLLECTION

There is no garbage and trash collection service in the subdivision, and no such service is proposed. There are county containers 2 miles from the subdivision entrance furnished at no charge to the purchaser.

4. PUBLIC SCHOOLS

i. ELEMENTARY SCHOOL

The nearest elementary school is located at Groveton, Texas, approximately 22 miles from the subdivision. School bus transportation is available. No public transportation is available.

ii. JUNIOR HIGH SCHOOL

The nearest junior high school is located at Groveton, Texas, approximately 22 miles from the subdivision. School bus transportation is available. No public transportation is available.

iii. HIGH SCHOOL

The nearest high school is located at Groveton, Texas, approximately 22 miles from the subdivision. School bus transportation is available. No public transportation is available.

5. MEDICAL AND DENTAL FACILITIES

i. HOSPITAL FACILITIES

Hospital facilities are available at the Trinity Memorial Hospital, Trinity, Texas. This hospital is publicly owned, offers general services, has a capacity of 30 beds, and is located approximately 16 miles from the subdivision. Ambulance service is available and is furnished by Trinity Funeral Home, Trinity, Texas.

ii. PHYSICIANS AND DENTISTS

Physicians and dentists are available in Trinity, Texas, a distance of 16 miles.

6. PUBLIC TRANSPORTATION

Public transportation is not available from the subdivision to nearby municipalities. The closest public transportation is in Trinity, Texas, a distance of 16 miles.

7. U. S. POSTAL SERVICE

Mail is not now delivered to lots in the subdivision. You may pick up your mail at the entrance to the subdivision if you erect a mailbox. The post office responsible for service to the subdivision is located in Trinity, Texas, a distance of 16 miles.

11. WILL THE WATER SUPPLY BE ADEQUATE TO SERVE THE ANTICIPATED POPULATION OF THE AREA?

The developer has not obtained an engineer's report or a hydrological survey indicating the source and quantity of water in the subdivision and accordingly, there is no assurance that a sufficient quantity of water will be available to serve the anticipated population of the area.

12. IS ANY DRAINAGE OF SURFACE WATER, OR USE OF FILL NECESSARY TO MAKE LOTS SUITABLE FOR CONSTRUCTION OF A ONE-STORY RESIDENTIAL STRUCTURE? YES OR NO? IF YES, STATE WHETHER ANY PROVISION HAS BEEN MADE FOR DRAINAGE OR FILL AND GIVE ESTIMATE OF ANY COSTS BUYER WOULD INCUR.

No.

13. STATE WHETHER SHOPPING FACILITIES ARE AVAILABLE IN THE SUBDIVISION; IF NOT, STATE THE DISTANCE IN MILES TO SUCH FACILITIES AND WHETHER PUBLIC TRANSPORTATION IS AVAILABLE.

No shopping facilities are available in the subdivision. The nearest general shopping facilities are in Trinity, Texas, a distance of 16 miles from the subdivision. Trinity includes all types of stores and consumer services normally available in a rural community of 2,300 population. Complete shopping facilities are available at Houston, Texas, a distance of 96 miles from the subdivision. Public transportation is not available to the shopping facilities from the subdivision.

14. APPROXIMATELY HOW MANY HOMES WERE OCCUPIED AS OF NOVEMBER 22, 1977?

No homes were occupied on such date.

- 15.a. STATE ELEVATION OF THE HIGHEST AND LOWEST LOTS IN THE SUBDIVISION AND BRIEFLY DESCRIBE TOPOGRAPHY AND PHYSICAL CHARACTERISTICS OF THE PROPERTY.

The elevation of the highest lot in the subdivision is 185 feet above sea level. The elevation of the lowest lot in the subdivision is 131 feet above sea level. The terrain is moderately sloping with pine and hardwood timber and sandy loam soil.

- b. STATE IN INCHES THE AVERAGE ANNUAL RAINFALL AND, IF APPLICABLE, THE AVERAGE ANNUAL SNOWFALL FOR THE SUBDIVISION OR THE AREA IN WHICH IT IS LOCATED.

The average annual rainfall is 48 inches. Snowfall is so infrequent as to be negligible.

- c. STATE TEMPERATURE RANGES FOR SUMMER AND WINTER, INCLUDING HIGHS, LOWS AND MEANS.

The temperature range for summer is

high	94 degrees
low	70 degrees
mean	82 degrees

The temperature range for winter is

high	64 degrees
low	39 degrees
mean	51 degrees

16. WILL ANY SUBSURFACE IMPROVEMENT OR SPECIAL FOUNDATION WORK BE NECESSARY TO CONSTRUCT ONE STORY RESIDENTIAL OR COMMERCIAL STRUCTURES ON THE LAND? YES OR NO? IF YES, STATE IF ANY PROVISION HAS BEEN MADE AND ESTIMATE ANY COSTS BUYER WOULD INCUR.

Yes, structures and improvements constructed on the parts of lots 362 through 415, Section 3, within the flood control or flowage easement must be elevated on blocks or pilings high enough to prevent flooding and satisfy the requirements of the Trinity River Authority of Texas. The cost of such special foundation work will vary with the elevation of the lot and the type of structure, but is estimated to range from \$100.00 to \$1,500.00. See the answers to Questions 8.b. and 8.d. of this Property Report for further information regarding the flood control or flowage easement.

17. STATE WHETHER THERE IS PHYSICAL ACCESS (BY CONVENTIONAL AUTOMOBILE) OVER LEGAL RIGHTS-OF-WAY TO ALL LOTS AND COMMON FACILITIES IN THE SUBDIVISION. STATE WHETHER THE ACCESS WILL BE BY PUBLIC OR PRIVATE ROADS AND STREETS AND WHETHER THEY WILL BE MAINTAINED BY PUBLIC OR PRIVATE FUNDS.

There is no physical access by conventional automobile to all lots and common facilities in the subdivision at the present time. However, there is access over legal rights-of-way to all lots and common facilities in the subdivision. Access is by roads dedicated to the public. The roads within the subdivision will be maintained by private funds from maintenance fees paid by the lot owners. Access roads outside of the subdivision will be maintained by public funds. See the reply to Question 10.a. of this report for further information on this subject.

The lots at Hawg Heaven which are not accessible at this time are as follows:

Section 1 - Lots 26 through 42; lots 52, 53; lots 59 through 71; lots 73 through 107; lots 110 through 151; lots 154 through 195; lots 198 through 239; lots 242 through 283.

Section 2 - Lots 2 through 43; lots 46 through 87; lots 90 through 141; lots 144 through 158; lots 172 through 213; lots 216 through 257; lots 260 through 301; lots 304 through 345; lots 348 through 389.

Section 3 - Lots 2 through 43; lots 46 through 87; lots 90 through 131; lots 134 through 219; lots 222 through 263; lots 266 through 286; lots 314 through 319; lots 325 through 333.

18. HAS THE LAND IN THE SUBDIVISION BEEN PLATTED OF RECORD? YES OR NO? IF NOT, HAS IT BEEN SURVEYED? YES OR NO? IF NOT, STATE ESTIMATED COST TO BUYER TO OBTAIN A SURVEY.

Yes. Land in the subdivision has been platted of record.

19. HAVE THE CORNERS OF EACH INDIVIDUAL LOT BEEN STAKED OR MARKED SO THAT THE PURCHASER CAN IDENTIFY HIS LOT? IF NOT STATE THE ESTIMATED COST TO THE PURCHASER TO OBTAIN A SURVEY AND TO HAVE THE CORNERS OF HIS LOT STAKED OR MARKED.

Yes. The corners of each individual lot have been staked or marked so that the purchaser can identify his lot.

20. DOES THE DEVELOPER HAVE A PROGRAM IN EFFECT TO CONTROL SOIL EROSION, SEDIMENTATION AND FLOODING THROUGHOUT THE ENTIRE SUBDIVISION? YES OR NO? DESCRIBE THE PROGRAM, IF ANY. HAS THE PLAN BEEN APPROVED OR MUST THE PLAN BE APPROVED BY OFFICIALS RESPONSIBLE FOR THE REGULATION OF LAND DEVELOPMENT? YES OR NO? IS THE DEVELOPER OBLIGATED TO COMPLY WITH THE PLAN? YES OR NO?

No. The developer does not have a program to control soil erosion, sedimentation and flooding and is not obligated to comply with any official plan. Erosion and flooding could result in property damage and could create a health and safety hazard.

21. STATE WHETHER OR NOT THE DEVELOPER HAS A DEFICIT IN RETAINED EARNINGS OR HAS EXPERIENCED AN OPERATING LOSS DURING THE LAST FISCAL YEAR. YES OR NO. IF YES, YOUR ATTENTION IS DIRECTED TO THOSE ITEMS IN THE PROPERTY REPORT WHEREIN THE DEVELOPER MAY HAVE PROMISED TO COMPLETE CERTAIN FACILITIES OR TO DISCHARGE FINANCIAL OBLIGATIONS.

Yes. The developer has a deficit in retained earnings and has experienced an operating loss during the last fiscal year.

22. STATE WHETHER THE ACCOUNTANT QUALIFIED HIS OPINION ON THE FINANCIAL STATEMENTS. YES OR NO. IF YES, YOUR ATTENTION IS CALLED TO THE COPY OF THAT OPINION IN EXHIBIT A OF THIS PROPERTY REPORT.

Yes.

23. STATE WHETHER THE SUBDIVISION OR ANY OF THE PARTIES INVOLVED IN THE DEVELOPMENT OF THE SUBDIVISION HAVE BEEN OR ARE PARTIES TO DISCIPLINARY PROCEEDING, BANKRUPTCIES OR LITIGATION WHICH MAY MATERIALLY AFFECT LOT PURCHASERS IN THIS SUBDIVISION.

Yes. Bonnie Maud Wiggins, Individually and as Administratrix and Substitute Trustee of the Estate of Barney Wiggins, Deceased, was involved in litigation with the Office of Interstate Land Sales Registration of the Department of Housing and Urban Development. This litigation was resolved by a judgment whereby Bonnie Maud Wiggins was required to register certain subdivisions in compliance with the provisions of the Interstate Land Sales Full Disclosure Act. This litigation fully applies to the developer, a corporation owned by the Wiggins family. The litigation could have an adverse effect on the developer as the developer is required to send notification of rescission rights to certain purchasers of lots in certain subdivisions. The rescissions, if any, could have an adverse financial effect on the developer.

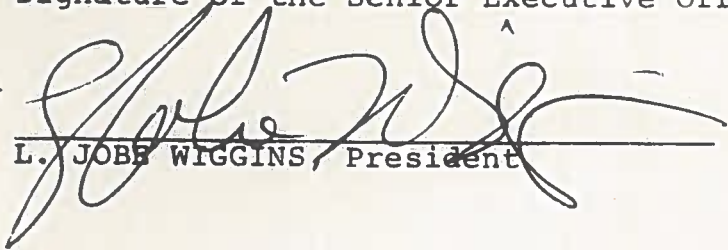
SPECIAL RISK FACTORS

- (a) The future value of land is very uncertain; do NOT count on appreciation.
- (b) You may be required to pay the full amount of your obligation to a bank or other third party to whom the developer may assign your contract or note, even though the developer may have failed to fulfill promises he has made.
- (c) Resale of your lot may be subject to the developer's restrictions, such as limitations on the posting of signs, limitations to the rights of other parties to enter the subdivision unaccompanied, membership prerequisites or approval requirements, or developer's first right of refusal. You should check your contract for such restrictions and also note whether your lien or any other liens on the property would affect your right to sell your lot.
- (d) You should consider the competition which you may experience from the developer in attempting to resell your lot and the possibility that real estate brokers may not be interested in listing your lot.
- (e) Changing land development and land use regulations by government agencies may affect your ability to obtain licenses or permits or otherwise affect your ability to use the land.

FINANCIAL STATEMENTS

You should carefully review the attached financial statements of the developer (see Exhibit A).

Signature of the Senior Executive Officer of the developer.


L. JOBB WIGGINS, President

November 22, 1977
(Date)

"EXHIBIT A"
Wiggins Land Company of Texas, Inc.
Balance Sheet - Unaudited
August 31, 1977

ASSETS

Cash	\$ <u>38,716</u>
Cash in Escrow	<u>95,289</u>
Deferred Sales Expenses	<u>120,252</u>
Contracts Receivable	
Natasha Heights	89,058
Old Snake River	189,115
Wayward Wind	27,706
Lake Run-a-Muck	297,918
Jungle Village	<u>364,703</u>
	<u>968,500</u>
Sales Office - Net of Depreciation	<u>35,474</u>
Land and Improvements	
Natasha Heights	145,546
Old Snake River	77,923
Old Snake River - Acreage	32,743
Wayward Wind	7,372
Lake Run-a-Muck	69,828
Hawg Heaven	520,149
Pinebrook	250,000
	<u>1,103,561</u>
TOTAL ASSETS	<u>\$ 2,361,792</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accrued and Withheld Payroll Taxes	\$ 1,125
Deposits on Option	95,289
Due From Affiliates	465,136
Recision Notes Payable	15,924
Notes Payable	<u>1,050,361</u>
	<u>1,627,835</u>
Unrealized Profits	
Natasha Heights	75,094
Old Snake River	177,500
Wayward Wind	25,450
Lake Run-a-Muck	284,132
Jungle Village	<u>234,917</u>
	<u>797,093</u>
TOTAL LIABILITIES	<u>2,424,928</u>
Stockholders' Equity	
Common Stock, \$ 100 Par Value, 100,000 shares authorized, 400 shares issued and outstanding	40,000
Premium on Capital Stock	<u>56,840</u>
	96,840
Retained Earnings	(159,976)
TOTAL STOCKHOLDERS' EQUITY	<u>(63,136)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,361,792</u>

Wiggins Land Company of Texas, Inc.
 Statements of Income and Retained Earnings - Unaudited
For the Five Months Ended August 31, 1977

Income:

Gross Profit Received from Subdivision Lot Sales	\$ 51,645
Interest Income	21,456
Other Related Land Sales Income	4,872
TOTAL INCOME	<u>77,973</u>

Expenses:

Salaries and Wages	62,604
Commissions	17,209
Taxes	6,234
Insurance	4,413
Advertising & Sales Promotion	7,360
Interest	6,396
Telephone & Utilities	1,135
Depreciation	750
Miscellaneous	4,596
Professional Fees	16,949
Transportation Expenses	2,611
Data Processing	200
TOTAL EXPENSES	<u>130,457</u>

NET (LOSS)	(52,484)
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Retained Earnings (Deficit) April 1, 1976	(159,263)
Prior Period Adjustment	51,771

Retained Earnings (Deficit) August 31, 1977	<u>\$ (159,976)</u>
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Wiggins Land Company of Texas, Inc.
Statement of Changes in Financial Position - Unaudited
For the Five Months Ended August 31, 1977

Funds Provided (Applied) Through Operations	\$ (52,484)
Add Back Expenses not Requiring Outlay of Cash: Depreciation	750
	<u>(51,734)</u>
Sources	
Costs Recovered through Collections of Contracts Receivable	50,216
Intercompany Transfers	273,141
Borrowings	198,028
Increase in Recision Notes Payable	7,843
	<u>477,494</u>
Applications	
Increase in Deferred Sales Expenses	85,656
Acquisition of Fixed Assets	36,224
Subdivision Development	92,283
Debt Retirement	54,561
Decrease in Recision Notes Payable	2,031
Net Increase in Contracts Receivable	224,948
	<u>495,703</u>
Decrease in Cash	<u>\$ (18,209)</u>

Bus. Phone 327-5693

Res. Phone 967-4701

MIKE R. PARKER
CERTIFIED PUBLIC ACCOUNTANT
509 W. Polk
LIVINGSTON, TEXAS 77351

July 13, 1977

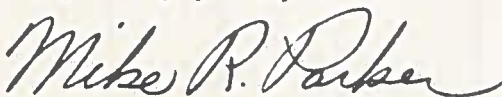
Board of Directors
Wiggins Land Company of Texas, Inc.
304 N. Washington
Livingston, Texas 77351

I have examined the balance sheet of Wiggins Land Company of Texas, Inc. as of March 31, 1977, and the related statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

As of the date of this report, no legal opinions or title policies were available on two of the subdivisions owned by the corporation. Any defect in legal title to these subdivisions might have a material effect on the financial position.

In my opinion, subject to the verification of legal title to the two subdivisions, the aforementioned statements present fairly the financial position of Wiggins Land Company of Texas, Inc., at March 31, 1977, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles.

Very truly yours,



Mike R. Parker
Certified Public Accountant

WIGGINS LAND COMPANY OF TEXAS, INC.
BALANCE SHEET
AS OF MARCH 31, 1977

ASSETS

Current assets:

Cash	\$ 56,925	
Contracts receivable (Note 1)	527,853	
Interest receivable	6,071	
Deferred commission expense (Note 1)	34,596	
Total current assets		\$ 625,445

Fixed assets:

Land and development costs (Note 2)		1,011,278
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Other assets:

Cash surrender values of life insurance policies		73,506
Total assets		<u>\$1,710,229</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Deposits (Note 3)		\$ 253,472
Interest payable		8,561
Accounts payable		9,596
Due to stockholders		14,000
Due to affiliates		177,995
Current maturity of long term debt		53,426
Total current liabilities		<u>\$ 517,050</u>

Long term liabilities:

Notes payable		872,413
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Other liabilities:

Unrealized profit on installment sales (Note 1)		444,350
Total liabilities		<u>\$1,833,813</u>

Stockholders' equity:

Common stock, \$100 par value, 100,000 shares authorized, 400 shares issued and outstanding	\$ 40,000	
Discount on common stock	(4,321)	
Retained earnings (deficit)	(159,263)	
Total stockholders' equity		(123,584)

Total liabilities and stockholders' equity		<u>\$1,710,229</u>
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See accompanying notes to financial statement

WIGGINS LAND COMPANY OF TEXAS, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 1977

Income :

Income realized from sales (Note 1)	\$ 83,050
Interest income	21,913
Transfer fees	580
Gain from contract cancellations	<u>3,878</u>
Total income	<u>\$109,421</u>

Expenses :

Salaries and wages	\$85,130	
Commissions (Note 1)	26,035	
Sales expenses	1,120	
Payroll taxes	2,515	
Insurance	12,787	
Travel and entertainment	3,011	
Stationery and supplies	1,466	
Repairs	1,333	
Advertising and promotion	12,074	
Interest	74,119	
Automobile expenses	5,571	
Property taxes	18,536	
Legal and professional	19,590	
Telephone and utilities	2,885	
Miscellaneous	<u>2,512</u>	
Total expenses		268,684
Net income (loss)		<u><u>\$ (159,263)</u></u>

WIGGINS LAND COMPANY OF TEXAS, INC.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 1977

Retained earnings March 31, 1976	\$ -0-
Net income (loss)	<u>(159,263)</u>
Retained earnings (deficit) March 31, 1977	<u><u>\$ (159,263)</u></u>

See accompanying notes to financial statements

WIGGINS LAND COMPANY OF TEXAS, INC.
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 (APPLICABLE TO RETAIL LAND SALES COMPANIES)
 STATEMENT OF SOURCES AND USES OF CASH
 FOR THE YEAR ENDED MARCH 31, 1977

OPERATIONS:

Cash received from:		
Decrease in interest receivable	\$ 5,579	
Increase in interest payable	2,957	
Increase in accounts payable	9,595	
Increase in unrealized profit on installment sales	<u>138,820</u>	
Cash received from operations		\$ 156,951
Cash expended for:		
Net loss	\$159,263	
Increase in contracts receivable	201,639	
Increase in deferred commission expenses	34,596	
Increase in land and development costs	562,920	
Increase in cash surrender value of life insurance policies	73,506	
Decrease in estimated future development costs	<u>17,693</u>	
Cash expended for operations		<u>1,049,617</u>
Cash used in operations		\$ 892,666

OTHER SOURCES:

Increase in deposits	\$ 92,855	
Increase in amount due to stockholders	14,000	
Increase in amount due to affiliates	177,995	
Increase in notes payable	<u>645,748</u>	930,598

OTHER USES:

Increase in discount on common stock		15,904
Increase in cash		<u>\$ 22,028</u>

See accompanying notes to financial statements

WIGGINS LAND COMPANY OF TEXAS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1977

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Pooling of Interest

Wiggins Land Company of Texas, Inc. commenced operations on April 1, 1976. Four subdivisions were combined and a total of 400 shares of common stock of the corporation were issued to the owners of the subdivisions. The pooling of interest method of accounting was applied to the combination and the basis of the individual assets acquired and liabilities assumed was the same as the basis to the previous owners.

B. Rescindable Sales

Sales of lots since March 31, 1972, in certain of the corporation's subdivisions not registered with the Office of Interstate Land Sales Registration, a division of the United States Department of Housing and Urban Development, may be rescindable if the original contract has not been transferred or cancelled. Accordingly, contracts receivable having an unpaid balance of \$270,247 and unrealized profit thereon of \$262,059 have not been reflected on the balance sheet. No sales have been recorded on unregistered subdivisions since September 1, 1975; however, the corporation has granted options on lots having an aggregate purchase price of \$432,450.

C. Method of Recognizing Revenue

Approximately ninety-five percent of the land sales represented by the contracts receivable were recorded on the cost recovery method with the balance being recorded on the installment method. The Company plans to use the cost recovery method to record all future sales.

WIGGINS LAND COMPANY OF TEXAS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1977

D. Commissions

Commissions paid on options granted on lots during the current fiscal year have been deferred. All other commissions were expensed.

NOTE 2 - LAND AND DEVELOPMENT COSTS

Land and development costs include the cost of the land and the cost of past and estimated future construction to bring land and improvements to a salable condition.

NOTE 3 - DEPOSITS

Deposits include funds received on options in the amount of \$75,506, principal payments received on rescindable contracts in the amount of \$106,220 and interest collected on rescindable contracts in the amount of \$71,746.