

COMMITMENT FOR TITLE INSURANCE T-7

ISSUED BY

FIDELITY NATIONAL TITLE INSURANCE COMPANY

SCHEDULE A

Effective Date: **March 24, 2022, 8:00 am**

GF No. **2022030923B-OC**

Commitment No. _____, issued **March 28, 2022, 9:55 am**

1. The policy or policies to be issued are:

- a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED:
- b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED: **To Be Determined and each successor in
ownership of the indebtedness secured by the
insured mortgage, except a successor who is an
obligor under the provisions of Section 12(c) of the
Conditions**

Proposed Borrower:

- d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE
(Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN
(Form T-13)
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
- f. OTHER
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is: **Fee Simple**

3. Record title to the land on the Effective Date appears to be vested in:

As to Tract I: Ranchette Park 4 Partners at 281, LLC

As to Tract II: Ranch Park 4 Partners at 281, LLC

As to Tract III: Commercial Park 4 Partners at 281, LLC

4. Legal description of land:

Being approximately 1003.57 acres of land out of the following three (3) tracts:

Tract I:

Being 383.62 acres of land, more or less, out of the Rafael Padilla Survey No. 7, Abstract No. 666, Burnet County, Texas, and being more fully described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Tract II:

Being 409.70 acres of land, more or less, out of the Rafael Padilla Survey No. 7, Abstract No. 666, Burnet County, Texas, and being more fully described by metes and bounds in Exhibit "B" attached hereto and made a part hereof.

Tract III:

Being 210.25 acres of land, more or less, out of the Rafael Padilla Survey No. 7, Abstract No. 666, Burnet County, Texas, and being more fully described by metes and bounds in Exhibit "C" attached hereto and made a part hereof.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

Restrictions set out in Clerk's File No. [202116144](#) Official Public Records of Burnet County, Texas.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.(Applies to the Owner's Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year **2022**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is

issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
 - a. **Regulations and ordinances of Burnet County, The State of Texas and all departments and political subdivisions thereof, including Burnet County Subdivision Regulations, dated April 25, 2000, recorded in [Volume 943, Page 399](#), and amended in [Volume 993, Page 620](#), [Volume 1043, Page 85](#), [Volume 1377, Page 722](#), [Clerk's File No. 201100417](#), and corrected in [Clerk's File No. 201100547](#), Official Public Records of Burnet County, Texas.**
 - b. **Undivided forty percent (40%) interest in all minerals as reserved in Partition Deed, recorded in [Volume 336, Page 432](#), Deed Records of Burnet County, Texas. (Seller Compliance Item)**
 - c. **As To Tract III: Channel easement granted to the State of Texas by instrument recorded in [Volume 100, Page 638](#), Deed Records of Burnet County, Texas.**
 - d. **As To Tract III: Right-of-way easement granted to the State of Texas recorded in [Volume 120, Page 453](#), Deed Records of Burnet County, Texas.**
 - e. **As To Tract III: Channel easement granted to the State of Texas by instrument recorded in [Volume 126, Page 407](#), Deed Records of Burnet County, Texas.**
 - f. **As To Tract III: Easement for pipeline purposes granted to Lone Star Gas Company by instrument recorded in [Volume 103, Page 483](#), Deed Records of Burnet County, Texas. NOTE: A portion of said easement was partially released in [Volume 119, Page 31](#), Deed Records of Burnet County, Texas.**
 - g. **As To Tract III: Transmission line easement as granted to Texas Public Utilities Company by instrument recorded in [Volume 74, Page 190](#), Deed Records of Burnet County, Texas.**

- h. As To Tract III: Transmission line easement as granted to Texas Power & Light Company by instrument recorded in [Volume 1, Page 369](#), Miscellaneous Records of Burnet County, Texas.**
- i. As To Tract III: Communication line easement as granted to GTE Southwest Incorporated by instrument recorded in [Volume 724, Page 124](#), Official Public Records of Burnet County, Texas.**
- j. Conveyance of underground water rights in and to 285.17 acres of the subject property, together with the right to access and produce said water rights as set out in deed from Capitol Aggregates, Inc. to Knife River Corporation--South filed under [Clerk's File No. 201901983](#), Official Public Records of Burnet County, Texas, and as set out in Memorandum of Groundwater Agreement recorded under [Clerk's File No. 201901984](#), Official Public Records of Burnet County, Texas and Memorandum of Groundwater Lease recorded under [Clerk's File No. 201901985](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**
- k. Amended and Restated Memorandum of Groundwater Lease set out under [Clerk's File No. 202107479](#) and [Clerk's File No. 202107480](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**
- l. As to Tract I: Reservation of underground water rights located on 383.62 acres of the subject property called "Reserved Groundwater Rights" set out in Deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Ranchette Park 4 Partners at 281, LLC recorded under [Clerk's File No. 202116141](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**
- m. As to Tract II: Reservation of underground water rights located on 409.79 acres of the subject property called "Reserved Groundwater Rights" set out in Deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Ranch Park 4 Partners at 281, LLC recorded under [Clerk's File No. 202116142](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**
- n. As to Tract III: Reservation of underground water rights located on 210.25 acres of the subject property called "Reserved Groundwater Rights" set out in Deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Commercial Park 4 Partners at 281, LLC recorded under [Clerk's File No. 202116143](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**
- o. Easement, Covenant and Condition Agreement dated September 24, 2021, executed by Ranchette Park 4 Partners at 281, LLC, Ranch Park 4 Partners at 281, LLC and Commercial Park 4 Partners at 281, LLC and Capitol Aggregates, Inc. recorded under [Clerk's File No. 202116144](#), Official Public Records of Burnet County, Texas. (Seller Compliance Item)**

- p. Deleted**
- q. Deleted**
- r. Rights of parties in possession. (Owner's Title Policy Only) (Deleted Upon Inspection)**
- s. Tract I and III: Overhead electric lines shown on plat of survey dated September 16, 2021, prepared by John A. Ables, Registered Professional Land Surveyor No. 6102.**
- t. Tract III: Water lines shown on plat of survey dated September 16, 2021, prepared by John A. Ables, Registered Professional Land Surveyor No. 6102.**
- u. This policy expressly does not guarantee title to that property lying within the fences evidently bounding the property, but outside the boundary lines of the subject property, as shown on survey dated September 16, 2021, prepared by John A. Ables, Registered Professional Land Surveyor 6102.**
- v. Unrecorded Grazing Lease executed by Capitol Aggregates, Inc. as Lessor, and Heston S. McBride, Jr and Sons, as Tenant, as affected by Assignment of Lease, by and between Capitol Aggegates, Inc. as Assignor and Ranchette Park 4 Partners at 281, LLC, Ranch Park 4 Partners at 281, LLC, and Commercial Park 4 Partners at 281, LLC, collectively as Assignee.**

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **ARBITRATION. The policy of title insurance to be issued under this Commitment for Title Insurance provides for arbitration which is a common form of alternative dispute resolution. The rules of the Texas Department of Insurance allow you to request that such provision be deleted from the policy at no additional charge to you. Unless you notify us prior to settlement that you wish to have the arbitration provision deleted, it will be in the policy which we issue to you. (Not Applicable to the Texas Residential Owner Policy)**
6. **Execution by sellers of Seller's Affidavit as to Debts and Liens. We reserve the right to make additional requirements on the basis of this affidavit.**
7. **"Rights of parties in possession" shown in Schedule B of this commitment will be deleted from the Owner's Title Policy ONLY if an inspection is made and paid for which shows no parties in possession other than the owner or purchaser. If such an inspection is not required, the purchaser(s) must sign a Waiver of Inspection and acknowledge that they understand that the Owner's Title Policy will be subject to rights of parties of possession.**
8. **STATE TITLE GUARANTY FEE. Payment to Highland Lakes Title of \$2.00 per each owner policy and mortgagee policy issued for "State of Texas Policy**

Guaranty Fee".

9. **Title Company is to be reimbursed for tax certificate fees at closing or upon cancellation of this file.**
10. **SURVEY COVERAGE.** Upon receipt of survey acceptable to Title Company and payment of all the expenses in connection with the survey and the applicable premium, if any, Item No. 2 of Schedule B will be deleted (except for "shortages in area") and subject to any additional exceptions revealed by the survey. If a previous survey is to be used in order to amend the area and boundary exception, the title company must be provided with an original previous land title survey and upon the title company's approval of said survey and upon the execution of a T-47 Survey Affidavit executed by owners, this item will be amended in the policy(ies) to read "shortages in area".
11. **NOTE TO ALL BUYERS, LENDERS AND ALL PARTIES HAVING A VESTED INTEREST IN THE TRANSACTION COVERED BY THIS COMMITMENT:** The Texas Department of Insurance Procedural Rule P-27 requires that "GOOD FUNDS" be received and deposited before a title agent may disburse from its trust fund account. "GOOD FUNDS" is defined as: (1) cash or wire transfers; (2) cashier's checks as defined in P-27 A 1b; (3) certified checks as defined in Procedural Rule P-27A 1c; (4) checks drawn on an insured financial institution and for which a transaction code has been issued pursuant to, and in compliance with a fully executed Immediately Available Funds Procedural Agreement (Form T-37 or T-37A); (5) State of Texas Warrants; (6) United States Treasury Checks; (7) uncertified funds in amounts less than \$1,500.00, including checks, traveler's checks, money orders, and negotiable orders of withdrawal; provided multiple items shall not be used to avoid the \$1,500.00 limitation; (8) uncertified funds in amounts of \$1,500.00 or more, drafts, and any other items when collected by the financial institution; (9) checks by city and county governments located in the State of Texas. An official check may be accepted as good funds if issued by any financial institution to a purchaser or borrower for their down payment/closing costs. The purchaser or borrower must be identified as the remitter on the official check. An official check issued by a financial institution to fund a loan or issued to a purchaser on a cash transaction to purchase the property may be accepted as good funds if the financial institution is a National Bank or Federal Savings Bank. Please note that ACH transfers are NOT GOOD FUNDS and will not be accepted by title company as such.
12. **IDENTIFICATION.** Unless exempt, sellers will be required to furnish a social security number and/or a federal ID number. A copy of photo identification from all parties who execute documents at the time of closing will also be required.
13. **POWER OF ATTORNEY.** If an agent of one or more owners of the property will act on behalf of an owner under a power of attorney, then **PRIOR TO CLOSING** Title Company must be provided with a copy of or the original of owner's Power of

Attorney for review and approval. IF APPROVED, Title Company requires that the original of the Power of Attorney be filed for record in the Official Public Records of Burnet County, Texas, and that agent execute at closing an affidavit regarding agent's authority concerning use of the Power of Attorney.

If any party to the transaction will execute documents by a durable power of attorney Company requires that the agent of each such power of attorney provide the Company with a Certification of Durable Power of Attorney by Agent, pursuant to Texas Estates Code, Sect. 751.203, on or before the date of closing.

- 14. CONSTRUCTION. If any portion of the proposed loan and/or the Owner's Title Policy coverage amount includes funds for immediately contemplated improvements, the following exceptions will appear in Schedule B of any policy issued as indicated:**

Owner and Loan Policy(ies): Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this policy if such liens have been filed with the County Clerk of Burnet, Texas, prior to the date hereof.

Owner Policy(ies) Only: Liability hereunder at the date hereof is limited to \$_____. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the Insured in improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

Loan Policy(ies) Only: Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule B, or any printed provision of this policy.

- 15. FOREIGN FUNDS. Title Company WILL NOT accept any foreign money and/or checks of any kind initiated from a foreign bank or foreign financial institution. Checks or currency MUST BE initiated from a United States financial institution.**

- 16. BANKRUPTCY. Title Company has not received any information that any party to the transaction to be insured hereunder has filed for bankruptcy or any other**

form of protection from creditors. Company reserves the right to amend this commitment and to make additional requirements should any party to such transaction be subject to bankruptcy proceedings or any other form of protection from creditors. Company will require all parties to confirm at or prior to closing that they are not subject to any such proceedings.

17. Please furnish to title company evidence that all of the taxes have been paid.
18. Payment of any and all Burnet County taxes that may be due and payable.
19. Payment of any and all Burnet County ESD taxes that may be due and payable.
20. Payment of any and all Marble Falls ISD taxes that may be due and payable.
21. Copies of settlement statements and loan instructions to be furnished.
22. As to Tract I: Release of vendor's lien retained in deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Ranchette Park 4 Partners at 281, LLC, recorded under Clerk's File No. 202116141, Official Public Records of Burnet County, Texas, securing the payment of one note of even date therewith in the principal sum of \$4,725,000.00, payable to the order of Horizon Bank, SSB, and being additionally secured by a Deed of Trust of even date therewith to James Dyess, Trustee, filed for record September 27, 2021, recorded under Clerk's File No. [202116145](#), Official Public Records of Burnet County, Texas.
23. As to Tract II: Release of vendor's lien retained in deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Ranch Park 4 Partners at 281, LLC, recorded under Clerk's File No. 202116142, Official Public Records of Burnet County, Texas, securing the payment of one note of even date therewith in the principal sum of \$4,725,000.00, payable to the order of Horizon Bank, SSB, and being additionally secured by a Deed of Trust of even date therewith to James Dyess, Trustee, filed for record September 27, 2021, recorded under Clerk's File No. [202116146](#), Official Public Records of Burnet County, Texas.
24. As to Tract I: Release of vendor's lien retained in deed dated September 24, 2021, executed by Capitol Aggregates, Inc. to Commercial Park 4 Partners at 281, LLC, recorded under Clerk's File No. 202116143, Official Public Records of Burnet County, Texas, securing the payment of one note of even date therewith in the principal sum of \$4,725,000.00, payable to the order of Horizon Bank, SSB, and being additionally secured by a Deed of Trust of even date therewith to James Dyess, Trustee, filed for record September 27, 2021, recorded under Clerk's File No. [202116147](#), Official Public Records of Burnet County, Texas.
25. Title Company requires a copy of the Articles of Organization for Ranchette Park 4 Partners at 281, LLC, including copies of the Certificate of Formation and Company Agreement and any requirements disclosed thereby, and satisfactory

evidence from the Texas Comptroller of Public Accounts that the entity is eligible to transact business in Texas.

26. Title Company requires Company Resolution executed by all members/managers/officers of Ranchette Park 4 Partners at 281, LLC, authorizing the designated member/manager to execute all documents including the note and deed of trust on behalf of the corporation.
27. Title Company requires a copy of the Articles of Organization for Ranch Park 4 Partners at 281, LLC, including copies of the Certificate of Formation and Company Agreement and any requirements disclosed thereby, and satisfactory evidence from the Texas Comptroller of Public Accounts that the entity is eligible to transact business in Texas.
28. Title Company requires Company Resolution executed by all members/managers/officers of Ranch Park 4 Partners at 281, LLC, authorizing the designated member/manager to execute all documents including the note and deed of trust on behalf of the corporation.
29. Title Company requires a copy of the Articles of Organization for Commercial Park 4 Partners at 281, LLC, including copies of the Certificate of Formation and Company Agreement and any requirements disclosed thereby, and satisfactory evidence from the Texas Comptroller of Public Accounts that the entity is eligible to transact business in Texas.
30. Title Company requires Company Resolution executed by all members/managers/officers of Commercial Park 4 Partners at 281, LLC, authorizing the designated member/manager to execute all documents including the note and deed of trust on behalf of the corporation.
31. Title Company requires a copy of the Articles of Organization for Decicorn, LLC, including copies of the Certificate of Formation and Company Agreement and any requirements disclosed thereby, and satisfactory evidence from the Texas Comptroller of Public Accounts that the entity is eligible to transact business in Texas.
32. Title Company requires Company Resolution executed by all members/managers/officers of Decicorn, LLC, authorizing the designated member/manager to execute all documents including the note and deed of trust on behalf of the corporation.

FOR YOUR INFORMATION: Burnet County Appraisal District property report indicates that the "Ag Use Value Reduction" has been applied to the valuation and taxation of this property.

Countersigned
Highland Lakes Title-Outside Closing

By 

Authorized Counter Signature

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. **2022030923B-OC**

Effective Date: **March 24, 2022, 8:00 am**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

- 1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

Shareholders: Fidelity National Title Group, Inc., which is owned 100% by FNTG Holdings, LLC, which is owned 100% by Fidelity National Financial, Inc., a publicly held company.

Directors: Steven G. Day, Marjorie Nemzura, Michael J. Nolan, Anthony J. Park, Raymond R. Quirk

Officers: President/CEO, Raymond R. Quirk; EVP/CFO/Treasurer, Anthony J. Park; VP/Corporate Secretary, Marjorie R. Nemzura

- 2. The following disclosures are made by the Title Insurance Agent issuing this commitment:

Highland Lakes Title, Ltd.
DBA Highland Lakes Title Company

Ownership:

WTH Management, LLC-General Partner

Lynx1 Properties, LLC-General Partner

Wade Hutto-Limited Partner

Mike Lucksinger-Limited Partner

- 3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	\$102,235.00
Loan Policy	\$100.00
Endorsement Charges	\$0.00
Other	\$0.00
Total	\$102,335.00

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
50.00%	Rigbyslack, AAL	Close
50.00%	Highland Lakes Title - Marble Falls	Title exam and issue

" *The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."

COMMITMENT FOR TITLE INSURANCE (Form T-7)

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment of Title insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

- **MINERALS AND MINERAL RIGHTS** may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions

section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at (800) 654-7041 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

SIGNATURE

DATE

Fidelity National Title Insurance Company

Premium Amount	Rate Rules	Property Type	County Code	Liability at Reissue Rate	6	7	8
1 \$102,335.00	2 1200 3210	3 50	4 53	5	6	7	8