

ISSUED BY

FIRST NATIONAL TITLE INSURANCE COMPANY

SCHEDULE A

Effective Date: **February 11, 2019, 7:00 am**

GF No. **24043-LKB**

Issued: **February 26, 2019 at 10:00 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: **TBD**
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
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:
Christyl Leann Wilson and Misty Dawn Wallar Brown, individually and as Co-Independent Executors of the Estate of Gary L. Wilson, Deceased, and Gary Chad Wilson, Gloria Ann Wallar, Jaci Dee Lewis and Pamela Ann Gillispie

4. Legal description of land:
SEE ATTACHED EXHIBIT "A"

EXHIBIT "A"

Lots No. 13, 14, 15, 16, 17, 18 and 19, in Block D-27, of the Town of Washburn, Armstrong County, Texas, according to the map or plat thereof, recorded in Volume 15, Page 640, Deed Records, Armstrong County, Texas.

COMMITMENT FOR TITLE INSURANCE

Issued By

First National Title Insurance Company

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):

Item One, Schedule B is hereby deleted in its entirety.

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 **2019**, 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. Rights of parties in possession. (Owner Policy Only)**
- b. Any Encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land. (NOTE: Upon receipt of a survey acceptable to the Company, this exception will be deleted. Company reserves the right to add additional exceptions per its examination of said survey.)**
- c. All Leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral or mineral interest that are not listed.**

COMMITMENT FOR TITLE INSURANCE

Issued By

First National Title Insurance Company

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. **Company requires proof that all taxes are paid up to and including the year 2018.**
6. **Company requires information as to the Purchasers in this transaction, after which additional requirements will be made.**
7. **Company requires that notary seals contained in any document executed on or after January 1, 2016, include the notary's identification number as required by Texas Government Code §406.013 when the notary public is either (1) a new appointee or (2) an existing notary appointee whose appointment has been renewed on or after January 1, 2016.**
8. **NOTE: "Pursuant to Schedule A.1.(f), Company will issue, upon request from the lender, mortgage broker or insurance company a Texas Residential Limited Coverage Chain of Title Policy (Form T-53) covering a period of _____ months, showing the following documents filed of record:_____."**
9. **NOTE: If a Loan Policy contemplated by this commitment is subsequently issued to the proposed lender as shown in Schedule A, at the request of the proposed lender, upon issuance of the loan policy the insured lender will appear on Schedule A, Item 1 and shall read as follows:
(lender name), 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 and Stipulations.**
10. **ARBITRATION: The Owner Policy of Title Insurance (Form T-1), the Loan Policy of Title Insurance Form (Form T2), and the Texas Short Form Residential Loan Policy of Title Insurance (T-2R) contain an arbitration provision. It allows the insured or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If the Insured wants to retain the right to sue the Company in case of a dispute over a claim, the Insured must request deletion of the arbitration provision before the Policy is issued. The Insured may do this by signing the Deletion of**

Arbitration Provision form and returning it to the Company at or before the closing of the real estate transaction or by writing to the Company.

11. Good Funds in an amount equal to all disbursements must be received and deposited before any funds may be disbursed. Partial disbursements prior to the receipt and deposit of good funds are not permitted. Good Funds means cash, wire transfer, certified checks, cashier's checks and teller checks.

12. In the event the transaction covered herein is a refinance transaction the borrower may be entitled to use a prior survey subject to title company requirements.

NOTICE: Escrow Agent (i) has no liability on a check until the check has cleared; (ii) shall not be liable for any interest or other charge on the Earnest Money and shall be under no duty to invest or re-invest funds held by it at any time unless otherwise agreed in writing; and (iii) may not receive financial benefits from depository institutions based, in whole or in part, on the maintenance of escrow deposits which may or may not include the Earnest Money described herein.

Countersigned
American Land Title, LLC

By *Kendra Pickering*
Authorized Counter Signature

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. 24043-LKB

Effective Date: **February 11, 2019, 7:00 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 As to each Commitment for Title Insurance, the issuing Texas Insurance Company, First National Title Insurance Company, a Texas corporation, shall disclose:
 - (a) Each shareholder owning or controlling, directly or indirectly, ten percent(10%) or more of the share of the Title Insurance Company; there shall also be disclosed all individuals, parternships, corporations, trusts or other entities owning ten percent (10%) or more, of those entities directly owning ten percent (10%), or more, of the Title Insurance Company: William C. Shaddock - Texas National Holdings, LLC
 - (b) Directors: William C. Shaddock, J. Christopher Phillips, Mark E. Mitchell, Patrick G. McMillan, Jr., William C. Shaddock, Jr., Billy Vaughn
 - (c) Officers: William C. Shaddock, Chairman; J. Christopher Phillips, Chief Executive Officer and President; Patrick G. McMillan, Jr., Treasurer and Controller; Raymond Reece, Chief Financial Officer and Secretary; George Stablein, Executive Vice President; Geri S. Hosterman, Senior Vice President; Ellen T. Wied, Senior Vice President; Errin H. Froggatt, Vice President; Donald O. Horn, Vice President; David M. Hays, Vice President; NolaAnn Waggoner, Vice President; Suzanne Tinsley, Vice President; Cheri' R. Swanson, Vice President; and Sean Everest, Vice President and April Roberts, Vice President

2. As to each Commitment for Title Insurance issued by **American Land Title, LLC** shall disclose:
 - (a) A listing of each shareholder, owner, partner, or other person having, owning or controlling (1%) or more of the Title Insurance Agent that will receive a portion of the premium.

**Shareholders: Amarillo National Bank
Underway One Texas, LLC**
 - (b) A listing of each shareholder, owner, partner, or other person having, owning or controlling (10%) or more of the entity that has, owns or controls (1%) or more of the Title Insurance Agent that will receive a portion of the premium.
 - (c) If the Agent is a corporation: (I) the name of each director of the Title Insurance Agent, and (II) the names of the President, the Executive or Senior Vice-President, the Secretary and the Treasurer of the Title Insurance Agent.

Directors/Officers: Edward Dowdy, Manager, President and Designated On-Site Manager; Breanne King, Executive Vice President and Secretary; Dee Miller, Executive Vice President, Othniel Miller, Executive Vice President; Ross Kerns, Manager; and James Wester, Manager
 - (d) The name of any person who is not a full-time employee of the Title insurance Agent and who receives any portion of the title insurance premium for services performed on behalf of the Title Insurance Agent in connection with the issuance of the title insurance form; and, the amount of premium that any such person shall receive.
 - (e) For purpose of this paragraph 2, "having, owning or controlling" includes the right to receipt of a percentage of net income, or cash flow of the Agent or entity in the percentage stated in subparagraphs (a) or (b).

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

\$238.00

Loan Policy	<u>\$0.00</u>
Endorsement Charges	<u>\$0.00</u>
Other	<u>\$0.00</u>
Total	<u>\$238.00</u>

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>
---------------	----------------	---------------------

" *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 972-588-1280 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 right 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

First National Title Insurance Company

Premium Amount	Rate Rules	Property Type	County Code	Liability at Reissue Rate	6	7	8
1 \$238.00	2 1000	3 1	4 11	5	6	7	8