

COMMITMENT FOR TITLE INSURANCE

Issued By

First American Title Guaranty Company

SCHEDULE A

Effective Date: **January 24, 2018, 08:00 a.m.**

GF No. **180464**

Commitment issued: **February 6, 2018**

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: **, 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: **TBD**
 - (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:
Arlan B. McSwain
4. Legal description of the land:
Lot Eleven (11), Block Three (3), Brook Hollow Number Four, City of Bryan, according to the plat thereof recorded in Volume 303, Page 389, Deed Records, Brazos County, Texas.

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SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' 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):

Volume 303, Page 162, Deed Records, Brazos County, Texas, but deleting any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

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 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 **2018**, 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 (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 (T-2R). (Applies to Texas Short Form Residential Loan Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy (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. **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 interest that are not listed.**
 - c. **Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting title that would be disclosed by an accurate and complete land title survey of the land. (NOTE: UPON RECEIPT OF A SURVEY ACCEPTABLE TO COMPANY, THIS EXCEPTION WILL BE DELETED. COMPANY RESERVES THE RIGHT TO ADD ADDITIONAL EXCEPTIONS PER ITS EXAMINATION OF SAID SURVEY.)**
 - d. **Easements and Building Lines as set out on plat recorded in Volume 303, Page 389, Deed Records, Brazos County, Texas.**
 - e. **Building Lines as set out in restrictions recorded in Volume 303, Page 162, Deed Records, Brazos County, Texas.**
 - f. **Easement:**
From: Edith Cavitt, et al
To: City of Bryan
Dated: August 26, 1960
Recorded: Volume 207, Page 8, Deed Records, Brazos County, Texas.
 - g. **Mineral Reservation in Deed:**
By: Woodson Lumber Company of Cameron
To: Seth S. Wood, Jr., et ux
Dated: September 23, 1977
Recorded: Volume 502, Page 464, Deed Records, Brazos County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
 - h. **Oil and Gas Lease, and all terms, conditions and stipulations therein:**
Lessor: Harrie P. W. Perkins, et al
Lessee: North Central Oil Corporation
Dated: October 13, 1982
Recorded: Volume 86, Page 639, Oil & Gas Lease Records, Brazos County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
 - i. **Oil and Gas Lease, and all terms, conditions and stipulations therein:**
Lessor: Harrie P. W. Perkins, et al
Lessee: North Central Oil Corporation
Dated: August 19, 1983
Recorded: Volume 613, Page 271, Official Records, Brazos County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

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First American Title Guaranty 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, subcontractors, 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. Item No. 2 of Schedule B hereof shall be amended to read "shortages in area", upon receipt of an acceptable survey. (As to Loan Policy Only)
6. Item No. 5 of Schedule B hereof shall be amended to "standby fees, taxes and assessments by any taxing authority for the year **2018** and subsequent years, 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.", upon payment of applicable premium. (As to Loan Policy T-2 only)
7. If requested in lender's closing instructions and upon payment of applicable premium, we will issue the T-53 Texas Limited Coverage Residential Chain of Title Policy.
8. We will require an Affidavit as to Debts and Liens be signed and the original provided to us prior to issuance of any title policies.
9. We will require a Waiver of Inspection (Rights of Parties in Possession) be signed by the purchaser and the original provided to us prior to issuance of any title policies.
10. We will require an original Tax Certificate be provided, showing all taxes paid current, prior to issuance of any title policies. (If this transaction is not closing in our office, please let us know if we need to order the tax certificate.)
11. NOTICE: The title insurance policy being issued to you contains an arbitration provision. 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. If you are the purchaser in the transaction and elect deletion of the arbitration provision, a form will be presented to you at closing for execution. If you are the lender in the transaction and desire deletion of the Arbitration provision, please inform us through

your Loan Closing Instructions. APPLIES TO T-1 AND T-2 POLICIES ONLY.

12. If requested in lender's closing instructions and all of our underwriting requirements are satisfied, we will issue the T17 and T19 Endorsements, upon payment of any applicable premiums. (As to Lender's policy only)
13. If subject transaction will utilize a prior survey, we will require a complete, legible copy of said survey, with the surveyor's field notes, if any. Upon receipt of the existing survey, we reserve the right to determine whether said survey is acceptable for insuring purposes according to our underwriter guidelines.

NOTE: While a survey may be acceptable for insuring purposes, all surveys are subject to final approval by lender.

14. Twenty-four Month Chain of Title:

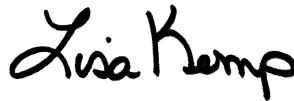
The following is a list of DEEDS affecting title to the real property described supra for the preceding twenty-four months:

None of Record

Vesting Deed to owners shown herein was dated August 12, 1994 and recorded in Volume 2184, Page 259, Official Records, Brazos County, Texas.

15. Furnish the marital status of Arlan B. McSwain. Company requires the joinder of spouse(s) in any transaction involving subject property.

Countersigned
University Title Company



By _____
Authorized Counter Signature

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. **180464**

Effective Date: **January 24, 2018,**

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
UNDERWRITER: First American Title Guaranty Company, a Texas Corporation

Shareholder owning or controlling, directly or indirectly, ten percent or more of the share of the Underwriter: First American Title Guaranty Company is a wholly owned subsidiary of First American Financial Corporation, a public Company formed in Delaware.

Directors: Dennis J. Gilmore, Christopher M. Leavell, Jeffrey S. Robinson, Mark E. Seaton

Officers: President: Christopher M. Leavell; Senior Vice President, Secretary: Jeffrey S. Robinson; and Vice President, Treasurer: Hugh Matthew McCreddie

2. The following disclosures are made by University Title Company, the title agent issuing this commitment.

A listing of each shareholder, owner, partner, or other person having, owning or controlling one percent (1%) or more of University Title Company are as follows:

National Investors Holdings, LLC

A listing of each shareholder, owner, partner, or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium:

Investors Title Company

The following is a list of its officers and directors:

Karen C. McCarroll, President, CEO and Director
Morris Fine, Director
George Snead, Director
Teresa Frost, Director
Todd Murphy, Director
Dawn Martin, Secretary/Treasurer

The name of any person who is not a full-time employee of Title Insurance Agent and who receives and portion of the title insurance premium for services performed on behalf of the Title Insurance Agent in connection with the issuance of a title insurance form; and, the amount of premium that any such person shall receive.

For purposes of this paragraph 2, "having, owning or controlling: includes the right to receipt of a percentage net income, gross incomes, 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	<u>\$238.00</u>
Loan Policy	<u>\$100.00</u>
Endorsement Charges	<u>\$125.00</u>

Other	<u>\$0.00</u>
Total	\$463.00

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>
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" *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."

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.	El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.
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 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 you 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 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 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