

COMMITMENT FOR TITLE INSURANCE T-7

ISSUED BY

***NATIONAL INVESTORS TITLE INSURANCE COMPANY***

SCHEDULE A

Effective Date: **June 14, 2019, 7:00 am**

GF No. **25202-SH**

Issued: **June 20, 2019 at 4:00 pm**

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: **TBD**
  - 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:  
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:  
**S & W Seed Company, a Nevada corporation**
4. Legal description of land:  
**SEE ATTACHED EXHIBIT "A"**

## EXHIBIT "A"

### TRACT 1:

All of Lots 1, 2 and 3, Inclusive, Block 11, McClelland Addition to the City Plainview, Hale County, Texas.

### TRACT 2, 4 and 10:

All of Lots 1, 2, 3, 4, 5 and the East 41 Feet of Lot 6, Block 60, Original Town of Plainview, Hale County, Texas (According to the map or plat of recorded in Volume 1, Page 372, of the Hale County Deed Records).

### TRACT 3: (Lots 13-24 = 1.86 Acres)

All of Lots 13 through 24, Block 3, Nob Hill Addition, Revised, to the City Plainview, Hale County, Texas, Subject to 30' Railroad Right of Way According to the map, plat and/or dedication deed thereof, recorded in the deed records of the Hale County, Texas.

### TRACT 5 and 11:

All of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Block 6, McClelland Addition Plainview, Hale County, Texas (According to the map or plat of record in Volume 14, Page 437, of the Hale County Deed Records).

### TRACT 6: DELETED

### TRACT 7:

Being the East 150' (Shown as Lots 10, 11, and 12 by City Maps) of that portion save and excepted by Boliver from the Deed of 2 Acres to the City of Plainview Recorded in Volume 28, Page 380, HCDR;

Beginning at a 1/2" Rod set 20' South of the Southeast corner of Lot 1, Block 11, McClelland Addition, Plainview, Hale County, Texas, as shown by Plat recorded in Volume 14, Page 437, HCDR for the Northeast corner of said excepted portion; Thence West 150' to the Northeast corner of the Humphrey's Tract (Northeast Corner Lot 9) recorded in Volume 958, Page 98, OPR and also the Northwest corner of Lot 10; Thence South 130' to the Southeast corner of said Humphreys Tract (Southeast corner of Lot 9 and also the Southwest corner of Lot 10);

Thence East 150' to the Southeast corner of said excepted portion;

Thence North 130' to the point of beginning.

And a 10' wide strip out of an un-subdivided 2 acre tract conveyed by deed from Bolivar to the City of Plainview recorded in Volume 28, Page 380, Hale County Deed Records, and more particularly described as follows:

Beginning at a 1/2" rod set 150' South of the Southeast corner of Lot 1, Block 11, McClelland Addition, Plainview, Hale County, Texas, as shown by Plat recorded in Volume 14, Page 437, HCDR, said rod being the Southeast corner of a portion reserved by Boliver from said City of Plainview Deed;

Thence South 10' a point;

Thence West 150' to a point;

Thence North 10' to the South line of said portion reserved by Boliver;

Thence East 150' to the point of beginning.

### TRACT 8:

A tract or parcel of land situated in Plainview, Hale County, Texas and being that same property conveyed to the Magnolia Petroleum Company by Noble Grain Company by Warranty Deed dated February 27, 1930, and filed for record in Volume 100, Page 389, deed records of Hale County, Texas and being more particularly described as follows:

Lots 4, 5, 6, 7, 8, & 9, in Block 12, McClelland Addition to the City of Plainview, Hale County, Texas and all that part of the alley extending East and West through Block 12, which runs between and adjoins Lots 4, 5, and 6, on the North side and Lots 7, 8 and 9 on the South side, said alley having been abandoned by ordinance passed by the City Council of Plainview on February 3, 1930, save and except a triangular tract in the Southwest corner of Lot 7, Block 12, conveyed by Right of Way Deed to the City of Plainview, Texas, by Magnolia Petroleum Company on September 18, 1939, being more particularly described as follows:

Being a portion of Lot 7, in Block 12 of the McClelland Addition to the City of Plainview;

Beginning at the Southwest corner of Lot 7, Block 12 of said Addition;

Thence North a distance of 30 feet to a point for the North corner of this tract;

Thence in a Southeasterly direction to the point of intersection with the South line of Lot 7, Block 12, for the East

**corner of this tract;**

**Thence West a distance of 30 feet to the place of beginning; said property to be used for street improvement and street purposes by said City of Plainview.**

**TRACT 9: (Lot 2-12 = .7 Acres)**

**All of Lots 2 through 12, reformed Block 3, Nob Hill Addition to the Town of Plainview, Hale County, Texas, according to the Revised Plat recorded in Volume 42, Page 474 of the Deed Records of Hale County, Texas.**

**NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.**

COMMITMENT FOR TITLE INSURANCE

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*National Investors 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.**
  - d. **The following survey exceptions may be subject to a license to encumber public right of way dated March 123, 2016, by the city of Plainview, being recorded under county Clerk's Document No. 2015-000877 of the Official Public Records of Hale County, Texas. Company advises that a current survey should be obtained to remove those exceptions that the new survey identifies as being allowed. (Tracts 2, 3, 7).**
    1. **Subject to that portion of the improvements located 0.75' outside the property line, referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 4)**
    2. **Subject to that portion of the improvements located 0.8' outside the north property line, referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 7)**
    3. **Subject to that portion of the building, tanks and dump located outside the property line, referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 2)**
    4. **Rights or Claims, if any, of the protrusion of building and scale(s) over and across a portion of the adjacent property to the westerly and northerly lot line as shown on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2 129. (Tract 3)**
    5. **Subject to the silos encroaching outside the property lines on Tract 7 referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 5)**
    6. **Subject to the building encroaching on the south property line, referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 5)**
    7. **Subject to that portion of building outside the property line on the northwest corner of Lot 1, Block 60, Original Town of Plainview, referred to on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 4)**
    8. **Rights or Claims, if any, of the protrusion of Tank(s) over and across a portion of the adjacent property to the southwesterly lot line as shown on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2 129. (Tract 3)**
    9. **Rights or Claims, if any, of the protrusion of fence over and across a portion of the adjacent property to the southwesterly and southeasterly lot line as shown on survey dated July 11, 2014 prepared by Carl Joe Williams, RPLS #2129. (Tract 8)**
  - e. **Ordinance changing the zoning and imposing certain conditions, of record in Clerk's File No. 2014-003595, Official Public Records of Hale County, Texas. (Tract 3)**
  - f. **Easement reserved by United Farm Industries, Inc. in a deed to Growers Seed Association dated September 1, 1980, recorded in Volume 671, Page 205 of the Deed Records of Hale County, Texas. (Tracts 2 and 4)**

- g. Highway right of way easement as set out in instrument recorded in Volume 308, Page 227 of the Deed Records of Hale County, Texas (Tract 4)**
- h. Terms, conditions and stipulations of Ordinance No.334, dated February 3, 1930, recorded in Volume 100, Page 255, Deed Records of Hale County, Texas. (Tract 3)**
- i. Easement(s) to City of Plainview recorded in Volume under Clerk's Document No. 2015-000877, Official Public Records, Hale County, Texas. (Tracts 1, 2, 3, 4, 5, & 10)**
- j. Subject to Declaration of Boundary Change - High Plains Underground Conservation District No. 1, recorded in Book 837, Page 245, Deed Records, Hale County, Texas. (All Tracts)**
- k. Utility easements and prescriptive rights visible and apparent on the ground. (All Tracts)**
- l. Any and all unrecorded agreements, contracts, and leases, and rights of parties therein. (All Tracts)**
- m. CCN (Certificate of Convenience and Necessity) filed for record on January 29, 2007 in Volume 1041, Image No. 0370, Official Public Records, Hale County, Texas. (All Tracts)**
- n. Assignment and Assumption, Conveyance, Deed and Bill of Sale from Atmos Energy Corporation to IBIS Gas Services, LLC recorded in Volume 1055, Page 1007 of the Hale County Official Public Records. Amended by instrument filed May 28, 2009 as Document #2009-001858, Official Public Records, Hale County, Texas. (All Tracts)**
- o. Water Use Permit -- Texas Commission on Environmental Quality to Brazos River Authority, Filed for Record December 28, 2016 under clerk No. 2016-004004, Official Public Records, Hale County, Texas. (All Tracts)**
- p. All terms, conditions and provisions expressly noted and set out on plat of this subdivision, as filed in Volume 14, Page 437, Deed Records, Hale County, Texas. (Tract 1, 3, 5, & 7)**
- q. All terms, conditions and provisions expressly noted and set out on plat of this subdivision, as filed in Volume 1-HE, Page 374, Deed Records, Hale County, Texas. (Tract 4)**
- r. All terms, conditions and provisions expressly noted and set out on plat of this subdivision, as filed in Volume 42, Page 475, Deed Records, Hale County, Texas. (Tracts 2 & 6)**

## COMMITMENT FOR TITLE INSURANCE

Issued By

### *National Investors 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. We will require tax certificates showing any and all ad valorem taxes due and payable. Paid tax receipts must be furnished. The tax certificates to be furnished by the taxing authorities is on real estate only - it does not include the mineral or personal property. Therefore, no liability is assumed herein for the payment of said mineral and/or personal property taxes.**
6. **Subject to additional roll back taxes and abuse of granted exemptions as defined in Section 11.43 of the Texas Property Tax Code paragraph (i).**
7. **Company requires information as to the Purchasers in this transaction, after which additional requirements may be made.**
8. **We will require a properly executed Waiver of Inspection, Affidavit as to Debts and Liens and a fully executed closing statement signed by all parties involved.**
9. **Good funds in an amount equal to all disbursements must be received and deposited before any disbursement may be made. Good funds include cash or wire transfers, cashier's checks, certified checks, and teller's checks. Please be advised that we reserve the right to determine on a case-by-case basis what form of good funds is acceptable. Unless we agree in writing to accept a different form of good funds, we may require a wire transfer.**

**NOTE: Please be advised that a name search of the buyer (s) was not conducted, except for a search of the bankruptcy records, State Tax Liens (Wage Liens only) and Abstracts of Judgment in favor of the United States. Any applicable liens against said buyer(s) would attach to the subject property upon recordation of the vesting deed.**

**NOTE: Please be advised if a partnership, joint venture, trust, or a corporation is involved in this transaction, either as a seller, purchaser or borrower, we will require for our review prior to closing, copies of the partnership agreement, joint venture agreement, trust agreement, or corporate resolution authorizing the transaction, and evidence that the corporation is in good standing to authorize the insured transaction.**

**If a durable power of attorney is to be used in this transaction:**

- 1. Company requires an original power of attorney be provided that is suitable for filing of record, as required by Section 751.151 of the Texas Estates Code.**
- 2. The Agent under the Durable Power of Attorney shall provide an executed Certification of Durable Power of Attorney in a form acceptable to the underwriter.**
- 3. All documents in this transaction to be filed of record, including but not limited to any durable power of attorney used in this transaction, must wholly be in the English language, as required by Texas Property Code Section 11.002(a), in order to be filed in the real property records. If not wholly in the English language, company requires and requests a sworn English translation as described in Section 11.002, subparagraphs (b) or (c), of the Texas Property Code, suitable for tiling of record.**

**NOTE: Copies of restrictions and title exceptions shown on Schedule B of this commitment are available. To obtain copies of these documents please contact your Escrow Officer.**

- 10. 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.**
- 11. 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:\_\_\_\_\_."**
- 12. 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.**
- 13. 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.**
- 14. 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.**
- 15. 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. 25202-SH

Effective Date: **June 14, 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

**National Investors Title Insurance Company is a wholly owned subsidiary of Investors Title Company**

**Directors: J. Allen Fine, James A. Fine, Jr.; W. Morris Fine; C. Todd Murphy; L. Dawn Martin**

**Officers: J. Allen Fine, Chairman and CEO; W. Morris Fine, President and COO; Teresa Frost, President Texas Market; James A. Fine, Jr., EVP and CFO; C. Todd Murphy, SVP and Treasurer; Mike Aiken, Senior Vice President and Secretary; Daniel D. Hornfeck, Senior Vice President-National Markets**

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	<u>\$238.00</u>
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:

Amount  
**50.00%**

To Whom  
**Hale County Abstract & Title Co.**

For Services

" \*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 512-852-7600 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

### National Investors Title Insurance Company

Premium Amount	Rate Rules	Property Type	County Code	Liability at Reissue Rate	6	7	8
1 <b>\$238.00</b>	2 <b>1000</b>	3	4 <b>65</b>	5	6	7	8