

a. Settlement Statement (HUD-1)



B. Type of Loan

1. FHA 2. RHS 3. Conv. Unins. 4. VA 5. Conv. Ins.

6. File Number: 102.05497

7. Loan Number: (Cash Sale) Gloria Rios

8. Mortgage Insurance Case Number: 3137814 Sierra - Greg

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:
 HIDALGO COUNTY, TEXAS
 P.O. Box 810
 Edinburg, TX 78540

E. Name & Address of Lender:
 FIRST NATIONAL BANK
 P.O. Box 810
 Edinburg, TX 78539

G. Property Location:
 La Joya, TX 78560
 Tr. II-A 1.00 ac tr o/o Lot 80 Bk 2 Lahoma

H. Settlement Agent:
 JEFFERSON A. CRAB
 Phone Number: (956) 668-0328
 3019 W. Alberta Ave.
 Edinburg, TX 78539

I. Settlement Date: 03/02/2010

J. Summary of Borrower's Transaction

100. Gross Amount Due From Borrower	400. Gross Amount Due To Seller	\$287,500.00
101. Contract sales price	401. Contract sales price	\$287,500.00
102. Personal property	402. Personal property	
103. Settlement charges to borrower (line 1400)	403.	
104.	404.	
105.	405.	
Adjustments for items paid by seller in advance		
106. City/town taxes	406. City/town taxes	
107. County taxes	407. County taxes	
108. Assessments	408. Assessments	
109.	409.	
110.	410.	
111.	411.	
112.	412.	
120. Gross Amount Due From Borrower	420. Gross Amount Due To Seller	\$287,500.00

200. Amounts Paid By Or In Behalf Of Borrower	500. Reductions In Amount Due To Seller	\$1,000.00
201. Deposit or earnest money	501. Excess deposit (see instructions)	\$1,000.00
202. Principal amount of new loan(s)	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to	503. Existing loan(s) taken subject to	
204.	504. Payoff of first mortgage loan	
205.	505. Payoff of second mortgage loan	
206.	506.	
207.	507.	
208.	508.	
209.	509.	
Adjustments for items unpaid by seller		
210. City/town taxes	510. City/town taxes	
211. County taxes	511. County taxes	\$387.31
212. Assessments	512. Assessments	
213. School Taxes 01/01/2010-03/02/2010	513.	\$589.88
214.	514.	
215.	515.	
216.	516.	
217.	517.	
218.	518.	
219.	519.	
220. Total Paid By/For Seller	520. Total Reduction Amount Due Seller	\$1,977.19

300. Cash At Settlement From/To Borrower	600. Cash At Settlement To/From Seller	
301. Gross amount due from borrower (line 120)	601. Gross amount due to seller (line 420)	\$287,500.00
302. Less amount paid by/for borrower (line 220)	602. Less reductions in amt. due seller (line 520)	\$1,977.19
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	\$285,522.81

The public Reporting Burden for this collection of information is estimated to average 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No Confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

L. Settlement Charges		700. Total Real Estate Broker Fees	
Division of Commission (line 700) as follows:		701. \$	
to		702. \$	
to		703. Commission paid at Settlement	
P.O.C. by		704.	
Paid From		800. Items Payable in Connection With Loan	
Seller's Funds at Settlement		801. Our origination charge	
		802. Your credit or charge (points) for the specific interest rate chosen	
		803. Your adjusted origination charges	
		804. Appraisal fee to	
		805. Credit report to	
		806. Tax service to	
		807. Flood certification to FNB Fbo AFR	
		808. Attorney Fees to Jefferson A. Crab	
		809. Settlement Closing Fees to Jefferson A Crab	
		810.	
		811.	
		812.	
		813.	
		814.	
		815.	
		816.	
		817.	
		818.	
		819.	
		820.	
		900. Items Required By Lender To Be Paid In Advance	
		901. Daily interest charges from 03/02/2010 to 04/01/2010 @ /day (from GFE #10)	
		902. Mortgage Insurance Premium for months (from GFE #3)	
		903. Homeowner's insurance for years (from GFE #11)	
		904. years	
		905. to	
		1000. Reserves Deposited With Lender	
		1001. Initial deposit for your account (from GFE #9)	
		1002. Homeowner's insurance months @ \$ per month	
		1003. Mortgage insurance months @ \$ per month	
		1004. Property taxes months @ \$ per month	
		1005. months @ \$ per month	
		1006. Aggregate Adjustment months @ \$ per month \$ -0.00	
		1100. Title Charges	
		1101. Title services and lender's title insurance (from GFE #4)	
		1102. Settlement or closing fee (from GFE #5)	
		1103. Owner's title insurance Sierra Title Company	
		1104. Lender's title insurance	
		1105. Lender's title policy limit	
		1106. Owner's title policy limit \$287,500.00	
		1107. Agent's portion of the total title insurance premium	
		1108. Underwriter's portion of the total title insurance premium	
		1109.	
		1110.	
		1111.	
		1200. Government Recording and Transfer Charges	
		1201. Government recording charges (from GFE #7)	
		1202. Deed \$: Mortgage \$: Releases \$	
		1203. Transfer taxes (from GFE #6)	
		1204. City/County tax/stamps: Deed \$: Mortgage \$	
		1205. State tax/stamps: Deed \$: Mortgage \$	
		1206. Recording: SMD \$28	
		1207.	
		1300. Additional Settlement Charges	
		1301. Required services that you can shop for (from GFE #8)	
		1302. Misc Expenses to Jefferson A. Crab \$	
		1303. \$	
		1304.	
		1305.	
		1306.	
		1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

Total monthly amount owed including escrow account payments <input checked="" type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input type="checkbox"/> You have an additional monthly escrow payment of \$ _____ that results in a total initial monthly amount owed of \$ _____ . This includes principal, interest, any mortgage insurance and any items checked below: <input type="checkbox"/> Property taxes <input type="checkbox"/> Flood insurance <input type="checkbox"/> Homeowner's insurance	
Does your loan have a balloon payment? <input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years on	Does your loan have a prepayment penalty? <input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____
Even if you make payments on time, can your loan balance rise? <input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$ _____	Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? <input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, the first increase can be on and the monthly amount owed can rise to \$ _____ The maximum it can ever rise to is \$ _____
Can your interest rate rise? <input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of _____% . The first change will be after _____ and can change again every _____ . Every change date, your interest rate can increase or decrease by _____% . Over the life of the loan, your interest rate is guaranteed to never be _____ or higher than _____% .	Your initial loan amount is \$ _____ Your loan term is _____ years Your initial interest rate is _____% Your initial monthly amount owed for principal, interest, and any mortgage insurance is \$ _____ includes <input type="checkbox"/> Principal <input type="checkbox"/> Interest <input type="checkbox"/> Mortgage insurance

Loan Terms

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges	Good Faith Estimate	HUD-1
Charges That Cannot Increase		
Our origination charge	# 801	
Your credit or charge (points) for the specific interest rate chosen	# 802	
Your adjusted origination charges	# 803	\$ 0.00
Transfer taxes	# 1203	
Charges That in Total Cannot Increase More Than 10%	Good Faith Estimate	HUD-1
Government recording charges	# 1201	
Charges That Can Change	Good Faith Estimate	HUD-1
Initial deposit for your escrow account	# 1001	
Daily interest charges	# 901 \$ /day	
Homeowner's insurance	# 903	
Increase between GFE and HUD-1 Charges	\$	or %
Total		

Certification
(continued from HUD-1)

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrower: _____

P.O. Box 758
Edinburg, TX 78540

HIDALGO COUNTY, TEXAS

Date: _____

Seller or
Agent:

P.O. Box 810
Edinburg, TX 78539

FIRST NATIONAL BANK

Date: _____

The HUD-1 Settlement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent: _____

JEFFERSON A. CRABB

Date: _____

WARNING:

It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

AFTER RECORDING RETURN TO:
HIDALGO COUNTY, TEXAS
100 North Closner
Edinburg, Texas 78539

SPECIAL WARRANTY DEED

Date: March 2, 2010

Grantor: FIRST NATIONAL BANK

Grantor's Mailing Address:

P.O. Box 810 / 100 W. Cano
Edinburg, Hidalgo County, Texas 78540-0810

Grantee: HIDALGO COUNTY, TEXAS

Grantee's Mailing Address:

100 North Closner
Edinburg, Hidalgo County, Texas 78539

Consideration: TEN AND NO/100THS DOLLARS (\$10.00) AND OTHER VALUABLE CONSIDERATION

Property (including any improvements):

TRACT I:

A 1.00 acre tract of land out of Lot 80, Block 2, LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT NO. 2, Hidalgo County Texas, more particularly described by metes and bounds as follows:

COMMENCING, at the Southeast corner of Lot 80;

THENCE, North 81 degrees 10 minutes West, 339.0 feet, along the South line of Lot 80, to the Southeast corner and the POINT OF BEGINNING of this tract;

THENCE, North 8 degrees 50 feet East, 385.5 feet, to the Northeast corner of this tract;

THENCE, North 81 degrees 10 minutes West, 113.0 feet, to the Northwest corner of this tract;

THENCE, South 8 degrees 50 minutes West, 385.5 feet to the Southwest corner of this tract and the South line of said lot 80;

1. Standby fees, taxes and assessments by any taxing authority for the year 2010 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.
2. Right of Way Easement granted to Sharyland Water Supply Corporation, by instrument dated December 20, 1983, recorded in Volume 1980, Page 941, Deed Records of Hidalgo County, Texas. (as to tract I)
3. Right-of-Way Easement granted to Hidalgo County, by instrument dated May 12, 1953, recorded in Volume 773, Page 462, Deed Records of Hidalgo County, Texas. (effects both tracts)

Exceptions from Conveyance and Warranty:

Reservations to Conveyance: NONE

THENCE, South 81 degrees, 10 minutes East, 113.0 feet along the South line of Lot 80, to the POINT OF BEGINNING.

of this tract;

THENCE, South 8 degrees, 50 minutes West, 385.5 feet to the Southwest corner

corner of this tract;

THENCE, North 81 degrees, 10 minutes West, 113.0 feet to the Northwest

of this tract;

THENCE, North 8 degrees, 50 minutes East, 385.5 feet to the Northeast corner

tract;

THENCE, North 81 degrees, 10 minutes West, 226.0 feet, along the South line of Lot 80, to the Southeast corner and the POINT OF BEGINNING of this

COMMENCING at the Southeast corner of Lot 80;

A 1.00 acre tract of land out of Lot 80, Block 2, LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT NO. 2, Hidalgo County Texas, according to map thereof recorded in Volume 8, Page 9, Map Records of Hidalgo County, Texas; said tract of land being more particularly described by metes and bounds as follows:

TRACT II:

THENCE, South 81 degrees 10 minutes East, 113.0 feet, along the South line of Lot 80, to the POINT OF BEGINNING and containing 1.00 acre of land, more or less.

By: _____
Name:
Title:

FIRST NATIONAL BANK

When the context requires, singular nouns and pronouns include the plural.

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by Grantor that the Property has a particular financial value or is fit for a particular purpose. Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Grantee's examination of the Property. Grantee takes the Property with the express understanding and stipulation that there are no express or implied warranties except for limited warranties of title set forth in this deed.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

4. Right-of-Way Easement granted to Central Power and Light Company, by instrument dated October 27, 1959, recorded in Volume 962, Page 514, Deed Records of Hidalgo County, Texas.(blanket)
5. Irrigation and utility easement as disclosed by instrument dated June 9, 1975, recorded in Volume 1446, Page 542, Deed Records of Hidalgo County, Texas. (as to Tract II)
6. Road Easement along the South side as shown on the Map recorded in Volume 8, Page 9, Map Records of Hidalgo County, Texas.
7. Easements, rights, rules, and regulations in favor of Hidalgo County Irrigation District No. 6.
8. Oil, Gas, and Mineral Lease dated December 8, 1983, granted to Atlantic Richfield Company, recorded in Volume 1937, Page 986, Official Records of Hidalgo County, Texas.
9. Oil, Gas, and Mineral Lease dated February 6, 1985, granted to Atlantic Richfield Company, recorded in Volume 2122, Page 654, Official Records of Hidalgo County, Texas.
10. All oil, gas, and other minerals reserved and/or conveyed by Deeds recorded in Volume 259, Page 12, Oil and Gas Lease Records of Hidalgo County, Texas, and in Volume 1000, Page 350, Volume 1216, Page 831, and Volume 1232, Page 164, Deed Records of Hidalgo County, Texas.

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PREPARED IN THE OFFICE OF:
Law Office of JEFFERSON A. CRABB
3019 W. Alberta Rd.
Edinburg, Texas 78539-3118

Notary Public, State of Texas

This instrument was acknowledged before me on this _____ day of _____, 2010, by _____ of FIRST NATIONAL BANK, a National Banking Association, on behalf of said association.

§ COUNTY OF HIDALGO

§ STATE OF TEXAS

TAX PROPORTIONS

TAX ACCOUNT NO. L1100-02-002-0080-01

L1100-02-002-0080-02

TAXES PROPORTED FROM:

January 1, 2010 thru March 2, 2010

(# of days) is: 61 (Seller)

March 3, 2010 thru December 31, 2010

(# of days) is: 304 (Buyer)

COUNTY OF HIDALGO

BASE AMOUNT: # 01 \$2,130.63 / 365 DAYS X 61 (# of days) = \$387.31 - Seller

02 \$186.91 / 365 DAYS X 304 (# of days) = \$1,930.23 - Buyer

\$2,317.54

CITY OF N/A

BASE AMOUNT: # 01 \$0.00 / 365 DAYS X 61 (# of days) = \$0.00 - Seller

02 \$0.00 / 365 DAYS X 304 (# of days) = \$0.00 - Buyer

\$0.00

SCHOOL OF LA JOYA

BASE AMOUNT: # 01 \$3,244.95 / 365 DAYS X 61 (# of days) = \$589.88 - Seller

02 \$284.67 / 365 DAYS X 304 (# of days) = \$2,939.74 - Buyer

\$3,529.62

IRRIGATION TAXES PROPORTED THROUGH:

BASE AMOUNT:

/ 365 DAYS X 304 (# of days) = \$0.00 - Seller

/ 365 DAYS X 61 (# of days) = \$0.00 - Buyer

\$0.00

TOTAL TAX PROPORTIONS:

SELLER'S PORTION

\$977.20

BUYER'S PORTION

\$4,869.96

2010 TAX PROPORTIONS

\$5,847.16

Seller's Initials: _____

Buyer's Initials: _____

TAX LETTER

TO: JEFFERSON A. CRABB
Attorney at Law
3019 W. Alberta Rd.
Edinburg, Texas 78539
(the "Closing Agent")

File No.: 102.05497 GF No. 3137814 Tax ID No.: L1100-02-002-0080-01
L1100-02-002-0080-02

This letter agreement relates to the sale from FIRST NATIONAL BANK, as Seller, to HIDALGO COUNTY, TEXAS, as Buyer, of the following described property:

TRACT I:

A 1.00 acre tract of land out of Lot 80, Block 2, LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT NO. 2, Hidalgo County Texas, more particularly described by metes and bounds as follows:

COMMENCING, at the Southeast corner of Lot 80;

THENCE, North 81 degrees 10 minutes West, 339.0 feet, along the South line of Lot 80, to the Southeast corner and the POINT OF BEGINNING of this tract;

THENCE, North 8 degrees 50 feet East, 385.5 feet, to the Northeast corner of this tract;

THENCE, North 81 degrees 10 minutes West, 113.0 feet, to the Northwest corner of this tract;

THENCE, South 8 degrees 50 minutes West, 385.5 feet to the Southwest corner of this tract and the South line of said lot 80;

THENCE, South 81 degrees 10 minutes East, 113.0 feet, along the South line of Lot 80, to the POINT OF BEGINNING and containing 1.00 acre of land, more or less.

TRACT II:

A 1.00 acre tract of land out of Lot 80, Block 2, LA HOMA RANCH CITRUS GROVES SUBDIVISION UNIT NO. 2, Hidalgo County Texas, according to map thereof recorded in Volume 8, Page 9, Map Records of Hidalgo County, Texas; said tract of land being more particularly described by metes and bounds as follows:

COMMENCING at the Southeast corner of Lot 80;

THENCE, North 81 degrees, 10 minutes West, 226.0 feet, along the South line of Lot 80, to the Southeast corner and the POINT OF BEGINNING of this tract;

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THENCE, South 8 degrees, 50 minutes West, 385.5 feet to the Southwest corner of this tract;

THENCE, South 81 degrees, 10 minutes East, 113.0 feet along the South line of Lot 80, to the POINT OF BEGINNING.

The undersigned acknowledge and agree as follows:

1. Taxes for the current year have been prorated between the parties on the Settlement Statement as of March 2, 2010. The information used has been supplied to the Closing Agent from third parties, either tax offices or title companies.

2. That the Closing Agent has no responsibility for, and does not guarantee the accuracy of the tax figures furnished by the taxing agencies.

3. Buyer and Seller shall look solely to each other for any adjustments to be made in the prorations, and agree that the Closing Agent shall not be responsible therefore, in any manner.

4. That the Closing Agent is not responsible for notifying the taxing agencies of the change of ownership of the property and of the correct mailing address for mailing of future tax statements, and that Buyer shall be solely responsible for such notification to such agencies, as well as application for any exemptions, and should make notification or application to:

Hidalgo County Appraisal District
4405 South Professional Drive
P.O. Box 208
Edinburg, Texas 78540-0208

5. Seller represents that all taxes have been paid to all taxing agencies taxing the property and that there are no unpaid taxes on the property other than those being paid as part of this transaction, and agrees that in the event any of such taxing agencies made an error in the information furnished the Closing Agent that results in a claim being made by any of such taxing agencies for the payment of additional taxes or other funds, that the Seller will pay such taxes and/or additional funds immediately upon demand by the Closing Agent. Seller agrees to indemnify and to hold the Closing Agent harmless from any and all such taxes and/or additional funds.

6. Special agreements between parties about taxes: NONE

SELLER:

FIRST NATIONAL BANK

BUYER:

HIDALGO COUNTY, TEXAS

By: _____
Name:
Title:

By: _____
Name:
Title:

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©WAIVER OF INSPECTION AND DISCLOSURE TO OWNER

SIERRA TITLE OF HIDALGO COUNTY, INC.
McAllen, Texas 78501

RE: GUARANTY FILE NUMBER: 3137814
FIRST NATIONAL BANK to HIDALGO COUNTY, TEXAS

Land: TRACT I:

A 1.00 acre tract of land out of Lot 80, Block 2, LA HOMA RANCH CITRUS GROVES
SUBDIVISION UNIT NO. 2, Hidalgo County Texas, more particularly described by metes and
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COMMENCING, at the Southeast corner of Lot 80;

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tract;

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and the South line of said lot 80;

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POINT OF BEGINNING and containing 1.00 acre of land, more or less.

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THENCE, North 81 degrees 10 minutes West, 113.0 feet to the Northwest corner of this
tract;

THENCE, South 8 degrees 50 minutes West, 385.5 feet to the Southwest corner of this tract;
BEGINNING.

1. Waiver of Inspection.

You may refuse to accept an Exception to "Rights of Parties in Possession," "Rights of Parties in Possession" means one or more persons or entities who are themselves actually physically occupying the property or a portion thereof under a claim of right adverse to the record owner of the land as shown in Schedule A of the Policy. The Company may require an inspection and an additional charge for reasonable and actual costs to inspect. The Company may make additional Exceptions for matters the inspection reveals. If you do not delete this paragraph, you waive inspection of the property and you accept the Exception in your policy.

YOU MAY REFUSE TO ACCEPT THIS EXCEPTION BY MARKING OUT THIS PARAGRAPH 1.

2. Receipt of Commitment.

You acknowledge having received and reviewed a copy of the Title Commitment issued in connection with this transaction. You

BY: _____
Name:
Title:

HIDALGO COUNTY, TEXAS

Signature:

Date: _____, 2010

You may wish to consult an attorney to discuss matters shown in Schedule B or C of the Commitment. Your Title Insurance Policy will be a legal contract between you and the Company. The Commitment and Policy are not abstracts of title, title reports or representations of title. They are contracts of indemnity. We do not represent that your intended use of the property is allowed under the law or under the restrictions or exceptions to title on your land.

5. Notice.

You may require deletion of the arbitration provision of the Owner Policy (T-1). If you do not delete this provision, either you or the Company may require arbitration, if the law allows and if the Policy provides so. There is no charge to delete this provision. IF YOUR POLICY IS NOT A TEXAS RESIDENTIAL OWNER POLICY (T-1R), YOU MAY REQUIRE DELETION OF THE ARBITRATION PROVISION BY MARKING OUT THIS PARAGRAPH 4.

This paragraph does not apply to the Residential Owner Policy (T-1R). The parties must later agree to arbitrate under the Residential Owner Policy.

4. Arbitration.

YOU MAY REQUIRE AMENDMENT OF THE AREA AND BOUNDARY EXCEPTION BY MARKING OUT THIS PARAGRAPH 3, AND BY COMPLYING WITH ITS PROVISIONS BEFORE COMPLETION OF THIS CLOSING.

You may request amendment of the "Area and Boundary Exception" to read "Shortages in Area." The Area and Boundary Exceptions is as follows: "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or protrusions, or any overlapping of improvements." You must furnish a current survey. The survey must be acceptable to the Company. You also must pay an additional premium equal to 15% of the basic premium charge. The Company may make additional exceptions for items shown on the survey.

3. Survey.

Understand that your Owner Policy will contain the Exceptions set forth in Schedule B of the Commitment, and any additional Exceptions to title resulting from the documents involved in this transaction, and any additional Exceptions reflected by an exhibit attached hereto.

**DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)**

JAC File No. 102.05497

Title Company GF No. 3137814

(FNB/HIDALGO COUNTY, TEXAS)

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 \$1,000,000 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:

"Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules or the American Arbitration Association. 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, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less *SHALL BE* arbitrated at the request of either the Company of the Insured, unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request."

I request deletion of the Arbitration provision.

HIDALGO COUNTY, TEXAS

Date: March 2, 2010

By: _____
Name:
Title: