

**SIERRA TITLE INSURANCE GUARANTY COMPANY, INC.**

**SCHEDULE A**

Effective Date: January 12, 2018

GF No.: 0003174141

Commitment No. 0003174141, issued January 18, 2018, 12:00 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: \$67,147.00  
PROPOSED INSURED: Hdalgo County Precinct #2

- 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:

SOUTH TEXAS COMMERCE, LLC, A TEXAS LIMITED LIABILITY COMPANY

**SCHEDULE A**  
(Continued)

4. Legal description of land:

**PARCEL 3**

Being a 0.056 of an acre (2,458 S.F.) tract out of that certain 3.67 acre tract as described and recorded in Document 2669977 of the Official Records of Hidalgo County, Texas, being situated in Lot 6, Block 9 of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being described by a drawing (Parcel 3\_South Texas Commerce.dwg dated October 11, 2016) attached to and made part hereof and more particularly described as follows:

**"SEE EXHIBIT "A" ATTACHED FOR DESCRIPTION OF PARCEL 3"**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description 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 or alter the insuring provisions of item two (2) of Schedule B hereof.

## SCHEDULE B

Commitment No.: 0003174141

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### 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:~~
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 1939, 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 1939, 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.)

## SCHEDULE B

(Continued)

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:
  - a. Rights of Parties in Possession. (APPLIES TO OWNER'S POLICY ONLY)
  - b. Easement and Right of Way granted to Central Power and Light Company, by Benjamin H. Arnold, et al, dated June 11, 1957, filed for record in the Office of the County Clerk of Hidalgo County, Texas in Volume 893, Page 438, Deed Records Hidalgo County, Texas.
  - c. Easement Agreement for Access and Use of Septic Tank and Drainfield granted to South Texas Commerce, LLC, a Texas limited liability company, by Max E. Burkhardt, Jr. et al, dated November 23, 2015, filed for record on December 4, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2667194.
  - d. Easement Agreement for Reciprocal Access by and between South Texas Commerce, LLC, a Texas limited liability company, and Max E. Burkhardt, Jr., et al, dated November 23, 2015, filed for record on December 4, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2667195.
  - e. Easement Agreement for Reciprocal Access by and between South Texas Commerce, LLC, a Texas limited liability company, and MAE Properties, LLC, a Texas limited liability company, dated December 7, 2015, filed for record on December 16, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2670519.
  - f. Easement Agreement for Access and Use of Septic Tank and Drainfield granted to South Texas Commerce, LLC, a Texas limited liability company, by MAE Properties, LLC, a Texas limited liability company, dated December 7, 2015, filed for record on December 16, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2670520.
  - g. Easement Agreement for Reciprocal Access by and between South Texas Commerce, LLC, a Texas limited liability company; MAE Properties, LLC, a Texas limited liability company; and Wallace Skeet Range, LLC, a Texas limited liability company, dated September 30, 2016, filed for record on December 8, 2016 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2769685.
  - h. Easement Agreement for Joint Use of Storm Water Drainage Facilities by and between South Texas Commerce, LLC, a Texas limited liability company; Richard E. Friedrichs, II, et al, and Mae Properties, LLC, a Texas limited liability company dated November 23, 2015, filed for record on December 4, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2667198.

## **SCHEDULE B**

(Continued)

- i. Easement Agreement for Reciprocal Access by and between South Texas Commerce, LLC, a Texas limited liability company and Richard E. Friedrichs, II, et al, dated November 23, 2015, filed for record on December 4, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2667199.
- j. Easements and Conditions as shown on the Map or Plat thereof, filed for record in Volume 21, Page 598, Deed Records Hidalgo County, Texas.
- k. Easements, rights, rules and regulations in favor of Hidalgo County Irrigation District No. 2 .
- l. Easements or claims of easements which are not a part of the public record.
- m. Oil, Gas and Mineral Lease, together with all rights relative thereto, express or implied, from Benjamin H. Arnold, et al to Taylor Refining Company and Mayfair Minerals, Inc., dated November 2, 1951, filed for record in the Office of the County Clerk of Hidalgo County, Texas in Volume 120, Page 529, Oil and Gas Lease Records Hidalgo County, Texas. Title to said interest not checked subsequent to the date of the aforesaid instrument.
- n. Oil, Gas and Mineral Lease, together with all rights relative thereto, express or implied, from Tom L. Hartley to T.B. Hoffer, dated January 24, 1947, filed for record in the Office of the County Clerk of Hidalgo County, Texas in Volume 60, Page 387, Oil and Gas Lease Records Hidalgo County, Texas. Title to said interest not checked subsequent to the date of the aforesaid instrument.
- o. Oil, Gas and Mineral Lease, together with all rights relative thereto, express or implied, from Dwight R. Snowden and wife, Jeannette Snowden to Enron Oil and Gas Company, dated May 18, 1988, filed for record in the Office of the County Clerk of Hidalgo County, Texas in Volume 2604, Page 901, Official Records Hidalgo County, Texas. Title to said interest not checked subsequent to the date of the aforesaid instrument.
- p. Reservation of all oil, gas, and other minerals, together with all rights relative thereto, express or implied, reserved to grantor in that certain deed from Dwight R. Snowden and wife, Jeannette Snowden to Frank Vecchio and Valcon, Inc., dated May 24, 1971, filed for record in the Office of the County Clerk of Hidalgo County, Texas in Volume 1287, Page 528, Deed Records Hidalgo County, Texas , reference to which instrument is made for all intents and purposes. Title to said interest not checked subsequent to the date of the aforesaid instrument.
- q. All rights, titles and interests in and to all portions of the proposed insured land lying within a drainage ditch, drainage pipe, drainage line, a canal or an irrigation line as may be claimed in fee by Hidalgo County Irrigation District No. 2
- r. Any claim or allegation that the land described in Schedule A of this policy, was conveyed in violation of V.A.T.C Local Government Code, Sections 212.004, et seq. or 232.001, or in violation of any county or municipal ordinance affecting subdivisions, or any loss of the use of the land by reason thereof.
- s. This Policy specifically excepts to any and all taxes which are either due or may be due against the subject property.

## **SCHEDULE B**

(Continued)

- t. 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 Company, this exception will be deleted. Company reserves the right to add additional exceptions per its examination of said survey.)

## SCHEDULE C

Commitment No.: 0003174141

GF No.: 0003174141

Your Policy will not cover loss, costs, attorney's 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. Vendor's lien retained in Deed dated November 23, 2015, filed for record on December 15, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2669977, from Brandon C. Wallace, Trustee to South Texas Commerce, LLC, a Texas limited liability company, securing the payment of one certain promissory note of even date therewith in the principal amount of \$1,240,000.00, payable to the order of Frost Bank, a Texas State Bank; said note and lien being additionally secured by Deed of Trust of even date to Dan J. Guarino, Trustee, filed for record on December 15, 2015 in the Office of the County Clerk of Hidalgo County, Texas under Clerk's Document No. 2669978. (also includes other property)
6. UCC Financing Statement from South Texas Commerce, LLC, as debtor, to Frost Bank, as secured party, filed for record on December 15, 2015 in the Office of the County Clerk of Hidalgo County, Texas, under Clerk's Document No. 2669979. (also includes other property)
7. In connection with the proposed purchase of the subject property by Precinct Two of the County of Hidalgo, State of Texas, REQUIRE the following for further examination and approval.
  - A) Certified copies of the minutes of the meeting of the Hidalgo County Commissioner's Court resolving the acquisition and purchase of the subject property.
  - B) Who is the Officer legally authorized to execute the purchase documents?
  - C) Is any special recital necessary to be in compliance with statutes and/or charter?
  - D) Is any special acknowledgment necessary?
  - E) Does the consent or approval of any other governmental authority need to be obtained in connection with the transaction?

## **SCHEDULE C**

(Continued)

8. Upon sale of subject property, you should secure executed letter from the Purchasers stating that they are aware of the Commissioners' Court Subdivision Regulations and of the City's Zoning Ordinances and Subdivision Regulations.
9. In accordance with Procedural Rule P-30 (Guaranty Assessment Recoupment Charge), a Guaranty Assessment Recoupment Fee of \$4.50 for each Owner's Policy and Loan Policy issued must be collected at time of closing and remitted by the Title Company on all transactions closed on or after January 1, 2018. The Policy Guaranty Assessment Recoupment Fee will be disclosed on the Closing Disclosure and/or the Texas Disclosure Form (Form T-64) as appropriate.
10. Company reserves the right at its sole discretion to revise any proposed insuring provision herein upon its review of additional documentation or information, including, but not limited to, a qualified, approved survey.
11. Beginning January 1, 2004, all deeds, mortgages, and deeds of trust must include the following Notice on the front of the documents:  
**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.**
12. **NOTICE TO BUYER:** This property is being purchased by a contract referred to as a TREC contract. Pursuant to Section 6b of said contract, Seller is to deliver to Buyer this Commitment of Title Insurance, and, at Buyer's expense, copies of documents listed as exceptions in this Title Commitment. If Buyer wishes delivery of such documents, Buyer must supply the Title Company with a written request for such documents. Upon receipt of such written request, the Title Company will prepare and estimate of such cost, and upon payment of said cost, will deliver such documents.
13. The Earnest Money Contract you entered into to purchase the land, may provide that the standard title policy contains an exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements, and that Parties, at Parties expense, may have the exception amended to read, shortages in area,? thereby giving you coverage for those matters. The Texas Title Insurance Information portion of the Commitment for Title Insurance advises that an Owner's Policy will insure against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping improvements if an additional premium for the coverage. Any Owner's Policy issued in connection with the closing of the proposed transaction will contain this coverage and an additional premium will be charged unless on or before the date of closing the Company is advised in writing that this coverage is rejected.

## SCHEDULE D

Commitment No.: 0003174141

GF No.: 0003174141

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:

A-1. The following individuals are Directors and/or Officers of **SIERRA TITLE INSURANCE GUARANTY COMPANY, INC.:**

DIRECTORS

John Robert King  
Elizabeth King  
John C. DeLoach  
Robert Field  
Jordan R. King  
William D. Moschel  
Neel Fulghum III

OFFICERS

John Robert King	President
Elizabeth King	Vice President/Secretary
John C. DeLoach	Chief Underwriting Officer
Robert Field	Vice President/Operations/Treasurer

A-2. The following individuals and entities are shareholders owning or controlling, directly or indirectly, ten percent (10%) or more of the shares of **SIERRA TITLE INSURANCE GUARANTY COMPANY, INC.**

John R. and Elizabeth King; Sierra Title Company, Inc.; Sierra Title of Hidalgo County, Inc.; Metro Title Company, Inc., d/b/a Sierra Title Company of Cameron and Willacy Counties

A-3. Individuals, firms, partnerships, associations, corporations, trusts or other entities owning ten percent (10%) or more of those entities referred to in item no. A-2 herein above as of the last day of the year preceding the date hereinabove set forth are as follows:

John King; Elizabeth King; Robert Field; June Ezell; W. D. Moschel; James M. Moffitt.

2. As to Sierra Title of Hidalgo County, Inc. (Title Insurance Agent), the following disclosures are made:

B-1. Shareholders, owners, partners or other persons having, owning or controlling 1% or more of Title Insurance Agent are as follows: James M. Moffitt, John Robert King, Elizabeth King, W. D. Moschel, Lynda Moore, Estate of Sadie Friedrichs, Ray Toland.

B-2. Shareholders, owners, partners, or other persons having, owning or controlling 10% or more of any entity that has, owns, or controls 1% or more of Title Insurance Agent are as follows:

B-3. If Title Insurance Agent is a corporation, the following is a list of the members of the Board of Directors: James M. Moffitt, Lynda Moore, W. D. Moschel, John Robert King.

B-4. If Title Insurance Agent is a corporation, the following is a list of its officers:

John Robert King	Chief Executive Officer	Marielsa Pulido	Vice President, Operations
Elizabeth Anné King	Chief Operations Officer	Matthew T. Wilson	Vice President, Escrow
W.D. Moschel	Vice President	Lynda Moore	Secretary / Treasurer
Peter Murphy	Vice President, Examination	James M. Moffitt	Chairman of the Board

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 any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

## SCHEDULE D

(Continued)

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

<b>Owner's Policy</b>		<b>\$</b>	<b>645.00</b>
	<b>Total</b>	<b>\$</b>	<b>645.00</b>

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; % 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	To Whom	For Services
%		Services Rendered

\*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.

This commitment is invalid unless the insuring provisions and Schedules A, B, and C are attached.

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

Commitment No.: 0003174141

GF No.: 0003174141

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

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

**The arbitration provision in the Policy is as follows:**

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

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

<b>A.</b> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT <b>SETTLEMENT STATEMENT</b>	<b>B. TYPE OF LOAN</b>		
	1. <input type="checkbox"/> FHA    2. <input type="checkbox"/> FmHA    3. <input type="checkbox"/> Conv. Unins.    4. <input type="checkbox"/> VA    5. <input type="checkbox"/> Conv. Ins.		
	6. FILE NUMBER: 0003174141		7. LOAN NUMBER:
	8. MORTGAGE INS CASE NUMBER:		

**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 "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*  
1.0 3/98 (0003174141 / 28)

<b>D. NAME AND ADDRESS OF BUYER:</b> Hidalgo County Precinct #2 100 East Can Street, 2nd Floor, Edinburg, TX 78539	<b>E. NAME AND ADDRESS OF SELLER:</b> South Texas Commerce, LLC, A Texas Limited Liability Company 4316 North 10th Street, McAllen, TX 78504	<b>F. NAME AND ADDRESS OF LENDER:</b>
<b>G. PROPERTY LOCATION:</b> Not Known Pharr, TX 78577 Lot(s): 6, Block 9 A. J. McColl	<b>H. SETTLEMENT AGENT:</b> Sierra Title of Hidalgo County, Inc.  <b>PLACE OF SETTLEMENT:</b> 3401 N. 10th Street McAllen, TX 78501	<b>I. SETTLEMENT DATE:</b> January 31, 2018  <b>DISBURSEMENT DATE:</b> January 31, 2018

J. SUMMARY OF BUYER'S TRANSACTION	
<b>100. GROSS AMOUNT DUE FROM BUYER:</b>	
101. Contract sales price	67,147.00
102. Personal property	
103. Settlement charges to buyer (line 1400)	1,534.03
104.	
105.	
<i>Adjustments for items paid by seller in advance</i>	
106. City/Town taxes	
107. County taxes	
108. Assessments	
109.	
110.	
111.	
112.	
<b>120. GROSS AMOUNT DUE FROM BUYER</b>	<b>68,681.03</b>
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:</b>	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
<i>Adjustments for items unpaid by seller</i>	
210. City/Town taxes	
211. County taxes	
212. Assessments	
213.	
214.	
215.	
216. *** NO TAX PRORATION***	
217.	
218.	
219.	
<b>220. TOTAL PAID BY/FOR BUYER</b>	<b>0.00</b>
<b>300. CASH AT SETTLEMENT FROM/TO BUYER:</b>	
301. Gross amount due from Buyer (Line 120)	68,681.03
302. Less amount paid by/for Buyer (Line 220)	( )
<b>303. CASH FROM BUYER</b>	<b>68,681.03</b>

K. SUMMARY OF SELLER'S TRANSACTION	
<b>400. GROSS AMOUNT DUE TO SELLER:</b>	
401. Contract sales price	67,147.00
402. Personal property	
403.	
404.	
405.	
<i>Adjustments for items paid by seller in advance</i>	
406. City/Town taxes	
407. County taxes	
408. Assessments	
409.	
410.	
411.	
412.	
<b>420. GROSS AMOUNT DUE TO SELLER</b>	<b>67,147.00</b>
<b>500. REDUCTIONS IN AMOUNT DUE TO SELLER:</b>	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	To:
505. Payoff of second mortgage loan	To:
506.	
507.	
508.	
509.	
<i>Adjustments for items unpaid by seller</i>	
510. City/Town taxes	
511. County taxes	
512. Assessments	
513.	
514.	
515.	
516. *** NO TAX PRORATION***	
517.	
518.	
519.	
<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>	<b>0.00</b>
<b>600. CASH AT SETTLEMENT TO/FROM SELLER:</b>	
601. Gross amount due to Seller (Line 420)	67,147.00
602. Less reductions due Seller (Line 520)	( 0.00 )
<b>603. CASH TO SELLER</b>	<b>67,147.00</b>

**L. SETTLEMENT CHARGES**

700. TOTAL COMMISSION Based on Price				\$	@	%	PAID FROM BUYER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
Division of Commission (line 700) as Follows:								
701.	to							
702.	to							
703. Commission Paid at Settlement								
The following persons, firms or corporations received a portion of the real estate commission amount shown above:								
704.	to							
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>								
801.	Loan Origination Fee	%	to					
802.	Loan Discount	%	to					
803.	Appraisal fee		to					
804.	Credit report		to					
805.	Lender's inspection fee		to					
806.	Mortgage insurance application fee		to					
807.	Assumption fee		to					
808.			to					
809.			to					
810.			to					
811.			to					
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>								
901.	Interest From	01/31/18	to	02/01/18	@ \$	/day ( 1 days	%)	
902.	Mortgage insurance premium		for	month	to			
903.	Hazard insurance premium		for	year	to			
904.			for	year	to			
905.			to					
<b>1000. RESERVES DEPOSITED WITH LENDER</b>								
1001.	Hazard insurance	Months	@ \$			per Month		
1002.	Mortgage insurance	Months	@ \$			per Month		
1003.	City property taxes	Months	@ \$			per Month		
1004.	County property taxes	Months	@ \$			per Month		
1005.	Annual assessments	Months	@ \$			per Month		
1006.		Months	@ \$			per Month		
1007.		Months	@ \$			per Month		
1008.		Months	@ \$			per Month		
<b>1100. TITLE CHARGES</b>								
1101.	Settlement or closing fee		to					
1102.	Abstract or title search		to					
1103.	Title examination		to					
1104.	Title insurance binder		to					
1105.	Document preparation		to					
1106.	Notary fees		to					
1107.	Attorney's fees		to					
	(includes above item numbers:					)		
1108.	Owner's policy premium		to	Sierra Title of Hidalgo County, Inc.			645.00	
	(includes above item numbers:			)				
1109.	Lender's coverage							
1110.	Owner's coverage		\$ 67,147.00			645.00		
1111.	State of Texas Policy Guaranty Fee (O)		to	Texas Title Insurance Guaranty Association			4.50	
1112.	Escrow Fee		to	Sierra Title of Hidalgo County, Inc.			500.00	
1113.	E filing fee (B)		to	Sierra Title of Hidalgo County, Inc.			3.75	
1114.	Tax Service		to	Tax Service of Hidalgo County			324.78	
1115.			to					
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>								
1201.	Recording fees: Deed	\$ 56.00;	Mortgage			Releases	56.00	
1202.	City/County tax/stamps: Deed					Mortgage		
1203.	State tax/stamps: Deed					Mortgage		
1204.			to					
1205.			to					
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>								
1301.	Survey		to					
1302.	Pest inspection		to					
1303.			to					
1304.			to					
1305.			to					
<b>1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)</b>							<b>1,534.03</b>	<b>0.00</b>

# HUD-1, Attachment

**Buyer:** Hidalgo County Precinct #2  
100 East Can Street, 2nd Floor  
Edinburg, TX 78539

**Seller:** South Texas Commerce, LLC, A Texas  
Limited Liability Company  
4316 North 10th Street  
McAllen, TX 78504

**Lender:**

**Settlement Agent:** Sierra Title of Hidalgo County, Inc.  
(956)682-8321

**Place of Settlement:** 3401 N. 10th Street  
McAllen, TX 78501

**Settlement Date:** January 31, 2018

**Disbursement Date:** January 31, 2018

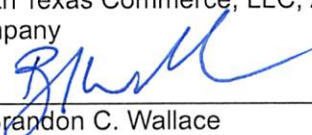
**Property Location:** Not Known  
Pharr, TX 78577  
Lot(s): 6, Block 9  
A. J. McColl

---

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

South Texas Commerce, LLC, A Texas Limited Liability  
Company

BY:   
Brandon C. Wallace  
President

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

---

Sierra Title of Hidalgo County, Inc.  
Settlement Agent

**ADDENDUM**

G.F. No. 0003174141

DATE: January 31, 2018

**Not Known, Pharr, TX 78577**

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.

The Seller's and Purchaser's/Borrower's signatures hereon acknowledge their approval and signify their understanding that tax and insurance pro-rations and reserves are based on figures for the preceding year or supplied by others or estimated for the current year, and in the event of any change for the current year, all necessary adjustments will be made between Purchaser/Borrower and Seller directly. Any deficit in delinquent taxes or mortgage payoffs will be promptly reimbursed to the Settlement Agent by the Seller.

The parties have read the above sentences, recognize that the recitations herein are material, agree to same, and recognize Title Company is relying on the same.

I hereby authorize the Settlement Agent to make expenditures and disbursements as shown above and approve same for payment.

**South Texas Commerce, LLC, A Texas Limited Liability Company**

**Hidalgo County Precinct #2**

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

The HUD-1 Settlement Statement 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: \_\_\_\_\_ 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 Sections 1001 and 1010.

**HUD-1 SETTLEMENT STATEMENT ADDENDUM**

January 31, 2018

RE: GF NO.: 0003174141

PROPERTY ADDRESS: Not Known, Pharr, TX 78577

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.

Hidalgo County Precinct #2

South Texas Commerce, LLC, A Texas Limited Liability Company

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

The HUD-1 Settlement Statement 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

\_\_\_\_\_  
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.

**TAX INFORMATION AND PRORATION AGREEMENT**

Purchaser and Seller understand the Escrow Agent has assembled the information representing this transaction from the best available sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this statement. Purchaser and Seller understand that tax and insurance proration and reserves were based on figures for the preceding year or estimates for the current year. In the event of any change for the current year, all necessary adjustments must be made directly between the parties. Any deficit in delinquent taxes or mortgage payoffs will be promptly reimbursed to the Title Company by Seller.

PURCHASER TO CLAIM HOMESTEAD EXEMPTION AT HIDALGO COUNTY APPRAISAL DISTRICT, 4405 S. PROFESSIONAL DRIVE, EDINBURG, TX 78540, BETWEEN JANUARY 1 AND MAY 1. PURCHASER UNDERSTANDS THAT IT IS HIS DUTY TO RENDER THIS PROPERTY TO THE APPROPRIATE TAXING BODIES, CLAIMING WHAT OTHER EXEMPTIONS TO WHICH HE MIGHT BE ENTITLED, AND TO VERIFY THE ASSESSMENT.

SELLER AGREES TO INDEMNIFY BUYER FOR ANY UNPAID PRIOR YEARS' TAXES IF ANY SUCH TAXES ARE DETERMINED BY THE APPROPRIATE TAXING AUTHORITY.

THE BUYER FURTHER UNDERSTANDS THAT THE OWNERS TITLE POLICY IS SUBJECT TO SUBSEQUENT ASSESSMENTS FOR PRIOR YEARS DUE TO CHANGE IN LAND USAGE OR OWNERSHIP.

Hidalgo County Precinct #2

South Texas Commerce, LLC, A Texas Limited Liability Company

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

**CONTROLLED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT -  
TAX SERVICE**

To: THE UNDERSIGNED  
From: SIERRA TITLE OF HIDALGO COUNTY, INC.  
Property: Not Known, Pharr, TX 78577  
Date: January 31, 2018

This is to give you notice that **Sierra Title of Hidalgo County, Inc.** has a business relationship with **Tax Service of Hidalgo County** in that the majority stockholder in **Sierra Title of Hidalgo County, Inc.**, and the majority stockholder in **Tax Service of Hidalgo County** are the same individual. Because of this relationship, this referral may provide **Sierra Title of Hidalgo County, Inc.** a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are **NOT** required to use the listed provider(s) as a condition for [settlement of your loan on] (or) [purchase, sale, or refinance of] the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICES PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Provider of settlement services	Charge or range of charges
<u>Tax Information and Tax Certificates</u>	<u>\$54.13</u>


**ACKNOWLEDGMENT**

I/we have read the disclosure form and understand that **Sierra Title of Hidalgo County, Inc.** is referring me/us to purchase the above described settlement services(s) and may receive a financial or other benefit as a result of this referral.

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

South Texas Commerce, LLC, A Texas Limited Liability Company

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

**DISPUTE RESOLUTION BY BINDING ARBITRATION**

At any party's request, any and all disputes arising under or relating to this real estate closing and the closing or settlement services rendered by **Sierra Title of Hidalgo County, Inc.** will be submitted to an arbitrator or arbitrating body for binding arbitration and prompt resolution. Both the Title Company and Customer agree to be bound by this provision and the results of said arbitration. Customer understands and agrees that she/he has the right to consult independent counsel regarding this provision and if accepted, the provision will eliminate all Parties' right to a jury trial in any and all disputes that may arise against each other.

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

South Texas Commerce, LLC, A Texas Limited Liability Company

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

SIERRA TITLE OF HIDALGO COUNTY, INC.  
\_\_\_\_\_

**AFFIDAVIT AND INDEMNITY AS TO DEBTS, LIENS AND POSSESSION**  
(USE SEPARATE FORM FOR EACH PARTY)  
TO BE FILLED IN PERSONALLY BY SELLER OR BORROWER IN HIS/HER OWN HANDWRITING

File No.: 0003174141  
SUBJECT PROPERTY: Lot(s): 6, Block 9  
A. J. McColl

STATE OF TEXAS  
COUNTY OF HIDALGO

Before me, the undersigned authority on this day personally appeared South Texas Commerce, LLC, A Texas Limited Liability Company.  
Seller or Owner-Borrower\*      or      Contractor (if new construction)

personally known to me to be the person whose name is subscribed hereto and upon his oath deposes and says that no proceedings in bankruptcy or receivership have been instituted by or against him and that the marital status of affiant has not changed since the day of acquisition of said property and represents to the purchaser and/or Lender in this transaction that there are:

1. No unpaid debts for plumbing fixtures, water heaters, floor furnaces, air conditioners, radio or television antennae, carpeting, rugs, lawn sprinkling systems, venetian blinds, window shades, draperies, electric appliances, fences, street paving, or any personal property or fixtures that are located on the subject property described above, and that no such items have been purchased on time payment contracts, and there are no security interests on such property secured by financing statement, security agreement or otherwise except the following: (If NONE, write "NONE" on blank line)

Creditor	Approximate Amount
_____	_____
_____	_____

2. No loans or liens (including Federal or State Liens and Judgment Liens) and no unpaid governmental or association taxes or assessments of any kind on such property except the following: (If NONE, write "NONE" on blank line)

Creditor	Approximate Amount
_____	_____
_____	_____

3. All labor and material used in the construction of improvements on the above described property have been paid for and there are now no unpaid labor or material claims against the improvements or the property upon which same are situated, and I hereby declare that all sums of money due for the erection of improvements have been fully paid and satisfied, except as follows: (If NONE, write "NONE" on blank line)

\_\_\_\_\_

4. No parties are in possession other than affiant, except as follows: (If NONE, write "NONE" on blank line)

\_\_\_\_\_

5. \*To be filled in if a sale -\*The Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign entity (as defined in the Internal Revenue Code and Income Tax Regulations). Seller's U.S. employer identification number (or social security number) is: . Seller's address (office address, if seller is an entity; home address if seller is an individual) is:

47-4160509

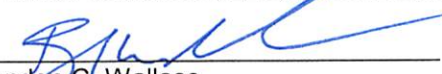
4316 North 10th Street, McAllen, TX 78504

This affidavit may be disclosed to the Internal Revenue Service and is furnished to Buyer to inform Buyer that withholding of tax is not required under Section 1445 of the Internal Revenue Code.

**INDEMNITY:** I AGREE TO PAY ON DEMAND TO THE PURCHASERS AND/OR LENDER IN THIS TRANSACTION, THEIR SUCCESSORS AND ASSIGNS, ALL AMOUNTS SECURED BY ANY AND ALL LIENS NOT SHOWN ABOVE, TOGETHER WITH ALL COSTS, LOSS AND ATTORNEY'S FEES THAT SAID PARTIES MAY INCUR IN CONNECTION WITH SUCH UNMENTIONED LIENS, PROVIDED SAID LIENS EITHER CURRENTLY APPLY TO SUCH PROPERTY, OR A PART THEREOF, OR ARE SUBSEQUENTLY ESTABLISHED AGAINST SAID PROPERTY AND ARE CREATED BY ME, KNOWN BY ME, OR HAVE AN INCEPTION DATE PRIOR TO THE CONSUMMATION OF THIS TRANSACTION.

I realize that the purchaser and/or Lender in this transaction are relying on the representations contained herein in purchasing same or lending money thereon and would not purchase same or lend money thereon unless said representations were made. If Seller or Borrower is an entity, I have authority to sign on its behalf.

South Texas Commerce, LLC, A Texas Limited Liability Company

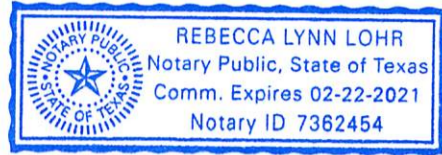
BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

STATE OF TEXAS  
COUNTY OF HIDALGO

February

This instrument was acknowledged before me this 2nd day of ~~January~~, 2018 by Brandon C. Wallace, President of South Texas Commerce, LLC, A Texas Limited Liability Company.

Rebecca Lynn Lohr  
Notary Public, State of Texas



\*Note: This form is to be filled in and signed by seller in case of sale. If no sale, it is to be filled in and signed by the owner-borrower. If there is any new construction, the contractor must also join in this form or fill in and sign a separate one.

\*If seller is a non-resident alien, foreign corporation, etc., call your manager or Legal Department.

NOTE TO BUYER: Buyer must retain until end of fifth taxable year following taxable year of transfer and must file with the Internal Revenue Service if required by regulation or otherwise.

Revised 01/02

**TITLE COMPANY DISCLOSURES**

**GUARANTY FILE NO.:** 0003174141

**SELLER (whether one or more):** South Texas Commerce, LLC, A Texas Limited Liability Company

**BUYER (whether one or more):** Hidalgo County Precinct #2

**LENDER:**

**PROPERTY:** Not Known, Pharr, TX 78577

By initialing some or all of the following items as may be appropriate for this transaction, each SELLER and/or BUYER acknowledges their understanding of the disclosures being made by Sierra Title of Hidalgo County, Inc. (hereinafter called "TITLE COMPANY"). Each disclosure is being made to BUYER and SELLER on behalf of both TITLE COMPANY and its title insurance underwriter.

<b>Buyer's Initials</b>	<b>1. WAIVER OF INSPECTION.</b> In consideration of the issuance by TITLE COMPANY to BUYER of either an Owner Policy of Title Insurance (T-1) or a Residential Policy of Title Insurance (T-1R) - (in this document either such policy, unless specifically referred to otherwise, is referred to as the "Owner Title Policy") insuring good and indefeasible title to the Property, except as to be shown in Schedule B of the Owner Title Policy and subject to the terms and conditions of such Owner Title Policy, BUYER hereby waives any obligation on the part of TITLE COMPANY to inspect the Property.
_____	
_____	

BUYER agrees to accept an Owner Title Policy containing the Schedule B exception for "RIGHTS OF PARTIES IN POSSESSION". "Rights of Parties in Possession" shall mean one or more persons or entities who are themselves actually physically occupying the property or a portion thereof under a claim or right, adverse to the insured owner of the Property as shown on Schedule A of the Owner Title Policy. Within the meaning of this exception, "possession" includes open acts or visible evidence of occupancy and any visible and apparent roadway or easement on or across all or any part of the Property, but this exception does not extend to any right, claim, or interest evidenced by a document recorded in the real estate records maintained by the County Clerk of the county in which the Property is located.

However, if the BUYER does not initial this paragraph, the BUYER is indicating the BUYER'S refusal to accept an Owner Title Policy containing an exception as to "RIGHTS OF PARTIES IN POSSESSION". The TITLE COMPANY may then require an inspection of the Property and additional charges may be assessed for the reasonable and actual costs of such an inspection. TITLE COMPANY may make additional exceptions in Schedule B of the Owner Title Policy for matter as revealed by such inspection.

<b>Buyer's Initials</b>	<b>2. RECEIPT OF COMMITMENT.</b> BUYER hereby acknowledges having received and reviewed a copy of the Commitment for Title Insurance issued in connection with the above referenced transaction and any copies of the documents described therein requested by BUYER. BUYER understands that the Owner Title Policy will contain the exceptions set forth in Schedule B of the Commitment for Title Insurance, together with any additional exceptions to title resulting from the final down date search of the public records and from the documents involved in this transaction and any additional exceptions for items shown in Schedule C of the Commitment for Title Insurance which have not been resolved.
_____	
_____	

<b>Buyer's Initials</b>	<b>3. UNSURVEYED PROPERTY.</b> BUYER understands that no up-to-date survey of the Property has been done in connection with this transaction and that the Owner Title Policy to be issued to BUYER will not provide title insurance coverage against encroachments and/or protrusions of improvements, boundary conflicts, or other matters that would be found by a current survey. TITLE COMPANY has not attempted to determine if the Property lies in a special flood hazard area, and TITLE COMPANY has not made any representation concerning proximity of the Property in relation to any flood-plain or flood hazard area. BUYER is advised that information concerning special flood hazard areas may be available from county or municipal offices, a qualified surveyor or land-engineering company, or a private flood-plain consultant.
_____	
_____	

Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

4. **BOUNDARY COVERAGE.** As proposed to be issued, BUYER'S Owner Title Policy will contain a general exception to any discrepancies or conflicts in area or boundary lines, and any encroachments, protrusions, or overlapping of improvements. On payment of an additional 15% of the Owner Title Policy premium, policy coverage against these matters is available, subject to TITLE COMPANY'S approval of a current survey of the Property and without limiting specific exceptions to matters disclosed by the survey. BUYER DECLINES TO OBTAIN THIS ADDITIONAL COVERAGE.

Seller's  
Initials



Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

5. **PROPERTY TAX PRORATIONS.** Property taxes for the current year have been prorated between BUYER and SELLER, who each acknowledge and understand that these prorations are based upon (a) the sales price or the most current appraised value available and the most current tax rate available or (b) some other common method of estimation. SELLER warrants and represents that there are no past due taxes owed on the Property and if such warranty and representation is untrue, the SELLER shall reimburse TITLE COMPANY, on demand, for any sums paid by the TITLE COMPANY to pay such taxes, and any related penalty and interest.

BUYER and SELLER each agree that, when the amount of the current year's taxes become known and payable they will adjust any changes of the proration and reimbursement between themselves and the TITLE COMPANY shall have no liability or obligation with respect to these prorations.

Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

6. **TAX RENDITION AND EXEMPTIONS.** Although the Tax Appraisal District may independently determine BUYER'S new ownership and billing address, BUYER is still obligated by law to "render" the Property for taxation by notifying the Tax Appraisal District of the change in the Property's ownership and of BUYER'S proper address for tax billing. BUYER is advised that current year's taxes may have been assessed on the basis of various exemptions obtained by SELLER (i.e., homestead or over-65).

It is the BUYER'S responsibility to qualify for BUYER'S own tax exemptions and to meet any requirements prescribed by the taxing authorities. BUYER acknowledges and understands these obligations and the fact that TITLE COMPANY assumes no responsibility for future accuracy of Tax Appraisal District records concerning ownership, tax-billing address, or status of exemptions.

Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

7. **HOMEOWNER'S ASSOCIATION.** BUYER acknowledges that ownership of the Property involves membership in a Homeowner's, Condominium or other Property Owner's Association, to which monthly or annual dues or assessments may be owed. These dues or assessments may be enforceable by a lien against the Property. BUYER understands that the Association (or its managing agent) should be contacted by BUYER immediately to ascertain the exact amount of future dues or assessments. TITLE COMPANY has made no representations with respect to, such Associations' annual budget, pending repairs or deferred maintenance, if any, or other debts of the Association. BUYER accepts sole responsibility to obtain such information and verify its accuracy to BUYER'S satisfaction.

Seller's  
Initials



Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

8. **CLOSING DISCLAIMER.** SELLER and BUYER each acknowledge and understand that the above referenced transaction has not yet "closed". Any change in the possession of the Property takes place AT BUYER'S AND SELLER'S OWN RISK. THIS TRANSACTION IS NOT "CLOSED" UNTIL:

- a. ALL TITLE REQUIREMENTS ARE COMPLETED TO THE SATISFACTION OF TITLE COMPANY;
- b. ALL NECESSARY DOCUMENTS ARE PROPERLY EXECUTED, REVIEWED, AND ACCEPTED BY THE PARTIES TO THIS TRANSACTION AND BY TITLE COMPANY; AND,
- c. ALL FUNDS ARE COLLECTED AND DELIVERED TO AND ACCEPTED BY THE PARTIES TO WHOM THEY ARE DUE.

Buyer's  
Initials

\_\_\_\_\_  
\_\_\_\_\_

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

You may require deletion of the arbitration provision of the Owner Title Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. 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 9.



## WAIVER OF INSPECTION AND DISCLOSURE TO OWNER

TO: **Sierra Title Insurance Guaranty Company, Inc. ("Title Insurer")**  
**Sierra Title of Hidalgo County, Inc. ("The Company")**

RE: **South Texas Commerce, LLC, A Texas Limited Liability Company to Hidalgo County Precinct #2**

GF (File) No.: **0003174141**

Land: **PARCEL 3**

Being a 0.056 of an acre (2,458 S.F.) tract out of that certain 3.67 acre tract as described and recorded in Document 2669977 of the Official Records of Hidalgo County, Texas, being situated in Lot 6, Block 9 of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being described by a drawing (Parcel 3\_South Texas Commerce.dwg dated October 11, 2016) attached to and made part hereof and more particularly described as follows:

**"SEE EXHIBIT "A" ATTACHED FOR DESCRIPTION OF PARCEL 3"**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description 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 or alter the insuring provisions of item two (2) of Schedule B hereof.

### 1. Waiver of Inspection

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

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 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.

### 3. Survey

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.

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.

### 4. Arbitration

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

You may require deletion of the arbitration provision of the Owner Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. 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.

### 5. Notice

You may wish to consult an attorney to discuss matters shown in Schedule B or C of the Commitment. These matters will affect your title and use of your land. Your Title Insurance Policy will be a legal contract between you and the Titled Insurer. 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 affecting your property.

Date: January 31, 2018

Signature:

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

**SUBSTITUTE FORM 1099-S**  
**PROCEEDS FROM REAL ESTATE TRANSACTIONS**  
**FOR THE TAX YEAR: 2018**

OMB No. 1545-0997

**SETTLEMENT AGENT/FILER'S NAME AND ADDRESS**  
 Sierra Title of Hidalgo County, Inc.

Filer's Federal Tax ID Number:  
 Order Number:

74-1649949  
 0003174141

3401 N. 10th Street  
 McAllen, TX 78501  
 956-682-8321

**SELLER/TRANSFEROR'S NAME AND ADDRESS**  
 South Texas Commerce, LLC, A Texas Limited Liability Company  
 4316 North 10th Street  
 McAllen, TX 78504

Transferor's Federal Tax ID Number:

47-4160509


1) Date of Closing:  01/31/18	2) Gross Proceeds:  67147.00	4) X here if property or services received:	5) X here if foreign person:	6) Buyer's part of real estate tax:  0.00
3) Address or Legal Description: Not Known/Pharr TX 78577				

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

YOU ARE REQUIRED BY LAW TO PROVIDE SIERRA TITLE OF HIDALGO COUNTY, INC. WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE SIERRA TITLE OF HIDALGO COUNTY, INC. WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN ABOVE ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

  
 \_\_\_\_\_  
 South Texas Commerce, LLC, A Texas Limited Liability Company

2/2/2018  
 \_\_\_\_\_  
 Date

\_\_\_\_\_  
 ed Liability Company

\_\_\_\_\_  
 Date

**INSTRUCTIONS FOR TRANSFEROR:**

You MUST enter your Federal Tax Identification Number Above.

Sign and return a copy of this form immediately to Sierra Title of Hidalgo County, Inc.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the instructions for Schedule D (Form 1040). If the real estate was not your main home, report the transaction on Form 4797, Form 6252, and/or the Schedule D for the appropriate income tax form. If box 4 is checked and you received or will receive like-kind property, you must file Form 8824.

**Federal mortgage subsidy.** You may have to recapture (pay back) all or part of a federal mortgage subsidy if all the following apply:

- You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate.
- Your original mortgage loan was provided after 1990.
- You sold or disposed of your home at a gain during the first 9 years after you received the federal mortgage subsidy.
- Your income for the year you sold or disposed of your home was over a specified amount.

This will increase your tax. See Form 8828, and Pub. 523.

**Transferor's identification number.** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the issuer has reported your complete identification number to the IRS.

**Account number.** May show an account or other unique number the filer assigned to distinguish your account.

**Box 1.** Shows the date of closing.

**Box 2.** Shows the gross proceeds from a real estate transaction, generally the sales price. Gross proceeds include cash and notes payable to you, notes assumed by the transferee (buyer), and any notes paid off at settlement. Box 2 does not include the value of other property or services you received or will receive. See Box 4.

**Box 3.** Shows the address or legal description of the property transferred.

**Box 4.** If marked, shows that you received or will receive services or property (other than cash or notes) as part of the consideration for the property transferred. The value of any services or property (other than cash or notes) is not included in box 2.

**Box 5.** If checked, shows that you are a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust).

**Box 6.** Shows certain real estate tax on a residence charged to the buyer at settlement. If you have already paid the real estate tax for the period that includes the sale date, subtract the amount in box 6 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other income" line of the appropriate income tax form. For more information, see Pub. 523, Pub. 525, and Pub. 530.

DATE: January 30, 2018

SUBJECT: HIDALGO COUNTY SUBDIVISION REGULATIONS

RE: 0003174141

SIERRA TITLE OF HIDALGO COUNTY, INC. hereby advises you that this property may be subject to the Subdivision Regulations of the County of Hidalgo or the nearest City.

One of the provisions of the regulations is that no permit shall be issued or utilities connected until an approved Subdivision Plat has been recorded.

IT WILL BE YOUR RESPONSIBILITY to comply with the appropriate Subdivision Regulations by contacting the Hidalgo County Planning Department and/or the Planning Department of the appropriate City.

A receipt of a copy of this letter is hereby acknowledged by the undersigned.

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

**BUYER'S MAILING ADDRESS VERIFICATION FORM**

**\*\*THIS FORM MUST BE FILLED OUT COMPLETELY\*\***

GF No.: 0003174141

Borrower/Buyer Name(s): Hdalgo County Precinct #2

It is imperative that we have your correct mailing address for forwarding of all correspondence and/or any and all legal documentation and/or title policies.

Mailing Address: (Below, please list the exact address where mail must be sent, include Post Office Box Number, Apartment Number, Unit Number, etc.)

\_\_\_\_\_  
Street Address (include Unit no. or Apt. no.)

\_\_\_\_\_  
P.O. Box

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

Phone Information

Buyer One

Buyer Two

Home No.: \_\_\_\_\_

\_\_\_\_\_

Business No.: \_\_\_\_\_

\_\_\_\_\_

Mobile No.: \_\_\_\_\_

\_\_\_\_\_

Email Address: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

\_\_\_\_\_

Social Security No.: \_\_\_\_\_

\_\_\_\_\_

Drivers License No.: \_\_\_\_\_

\_\_\_\_\_

Hdalgo County Precinct #2

By: \_\_\_\_\_  
Valde Guerra Date

# SELLER'S MAILING ADDRESS VERIFICATION FORM

**\*\*THIS FORM MUST BE FILLED OUT COMPLETELY\*\***

GF No.: 0003174141

Seller Name(s): South Texas Commerce, LLC, A Texas Limited Liability Company

It is imperative that we have your correct mailing address for forwarding of all correspondence and/or any and all legal documentation and/or title policies.

Mailing Address: (Below, please list the exact address where mail must be sent, include Post Office Box Number, Apartment Number, Unit Number, etc.)

4316 N. 10<sup>th</sup> St.

Street Address (include Unit no. or Apt. no.)

P.O. Box

McAllen

Tx

City

State

78504

Zip Code

## Phone Information

Seller One

Seller Two

Home No.:

Business No.:

956-702-4111

Mobile No.:

Email Address:

Date of Birth:

Social Security No.:

47-4160509

Drivers License No.:

South Texas Commerce, LLC, A Texas Limited Liability Company

By:   
Brandon C. Wallace

Date

2/2/2018

## CERTIFICATION FOR NO INFORMATION REPORTING ON THE SALE OR EXCHANGE OF A PRINCIPAL RESIDENCE

This form may be completed by the seller of a principal residence. This information is necessary to determine whether the sale or exchange should be reported to the seller, and to the Internal Revenue Service on Form 1099-S, Proceeds From Real Estate Transactions. If the seller properly completes Parts I and III, and makes a "true" response to assurances (1) through (6) in Part II (or a "not applicable" response to assurance (6)), no information reporting to the seller. The term "seller" includes each owner of the residence that is sold or exchanged. Thus, if a residence has more than one owner, a real estate reporting person must either obtain a certification from each owner (whether married or not) or file an information return and furnish a payee statement for any owner that does not make the certification.

### Part I. Seller Information

1. Name: South Texas Commerce, LLC, A Texas Limited Liability Company
2. Address or legal description (including city, state, and zip code) of residence being sold or exchanged:  
  
Not Known, Pharr, TX 78577
3. Taxpayer Identification No. (TIN): 47-4160509

### Part II. Seller Assurances

Check "True or False" for assurances (1) through (5) and "true", "false", or "not applicable" for assurance (6).

- | True                     | False                    |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. I owned and used the residence as my principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. I have not sold or exchanged the residence during the 2-year period ending on the date of the sale or exchange of the residence, not taking into account any sale or exchange of the residence.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. No portion of the residence was used for business or rental purposes by me (or my spouse) during the 2-year period ending on the date of the sale or exchange of the residence.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. At least one of the following conditions apply:<br>The sale price of the residence is \$500,000 or less.<br>I am not realizing a capital gain on the sale of the residence for \$500,000 or less, <u>and</u> the sale price of the residence is \$250,000 or less.<br>I am not realizing a capital gain on the sale of the residence for \$500,000 or less, <u>and</u> (a) I have not sold or exchanged the residence during the 2-year period ending on the date of the sale or exchange of the residence, (b) my spouse also used the residence for aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence, and (c) my spouse did not use the residence during the 2-year period ending on the date of the sale or exchange of the residence. |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. During the 5-year period ending on the date of the sale or exchange of the residence, I did not acquire the residence in an exchange to which section 1031 of the Internal Revenue Code applied.  |
| <input type="checkbox"/> | <input type="checkbox"/> | N/A  |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. If my basis in the residence is determined by reference to the basis in the hands of a person who acquired the residence in an exchange to which section 1031 of the Internal Revenue Code applied, the exchange to which section 1031 applied occurred more than 5 years prior to the date I sold or exchanged the residence.  |

NOT A  
RESIDENCE

**Part III. Seller Certification**

Under penalties of perjury, I certify that all the above information is true as of the end of the day of the sale or exchange.

South Texas Commerce, LLC, A Texas Limited Liability  
Company

2/2/2018

\_\_\_\_\_  
Date

BY:   
\_\_\_\_\_  
Brandon C. Wallace  
President

NOTE: REAL ESTATE REPORTING PERSON MUST RETAIN THIS CERTIFICATION  
FOR FOUR YEARS AFTER THE YEAR OF THE SALE.

**INSTRUCTIONS FOR DISBURSEMENT OF  
SELLERS PROCEEDS**

Call when check is ready:

Seller(s) at home \_\_\_\_\_ work \_\_\_\_\_ cell \_\_\_\_\_

Realtor at \_\_\_\_\_

Other NIU LOWRY at Phone No. 956-202-3566

Mail check to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Federal Express check to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Wire Transfer funds to:  
Name of Receiving Bank: \_\_\_\_\_  
ABA No.: \_\_\_\_\_  
Credit to the account of: \_\_\_\_\_  
Account No.: \_\_\_\_\_

Deposit into Acct. No. \_\_\_\_\_ (Deposit Slip Attached)

Make check payable to Seller's Attorney:  
\_\_\_\_\_, Trustee

South Texas Commerce, LLC, A Texas Limited Liability Company

BY:   
Brandon C. Wallace  
President

**SIERRA TITLE OF HIDALGO COUNTY, INC.**

**INVOICE**

**Bill To:**

Date: January 30, 2018

Order File No.: 0003174141

**Property Description:**

Lot(s): 6, Block 9  
A. J. McColl

DESCRIPTION	AMOUNT
Owner's Policy (Coverage \$67,147.00)	\$645.00
TOTAL	\$645.00

**\*\*PLEASE ENCLOSE A COPY OF THIS INVOICE WITH YOUR PAYMENT  
TO INSURE PROPER CREDIT.\*\***

Representing • Chicago Title • Fidelity National Title • WFG National Title  
• Sierra Title Guaranty

# Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type.  
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above <b>South Texas Commerce, LLC, A Texas Limited Liability Company</b>	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ <u>P</u> <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.  <input type="checkbox"/> Other (see instructions) ▶	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. <b>4316 North 10th Street</b>	Requester's name and address (optional)
6 City, state, and ZIP code <b>McAllen, TX 78504</b>	
7 List account number(s) here (optional)	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
or									
<b>Employer identification number</b>									
4	7	-	4	1	6	0	5	0	9

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <u>2/2/2018</u>
------------------	----------------------------	------------------------

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

**a. Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

**b. Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

**c. Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

**d. Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

**e. Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

## Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

## Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup> The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

\*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

# TAX PRORATION AGREEMENT

GF No. 3174141

Date: \_\_\_\_\_, 2018

SELLER: South Texas Commerce, LLC, A Texas Limited Liability Company

BUYER: Hidalgo County Precinct #2

PROPERTY:

## PARCEL 3

Being a 0.056 of an acre (2,458 S.F.) tract out of that certain 3.67 acre tract as described and recorded in Document 2669977 of the Official Records of Hidalgo County, Texas, being situated in Lot 6, Block 9 of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being described by a drawing (Parcel 3\_South Texas Commerce.dwg dated October 11, 2016) attached to and made part hereof and more particularly described as follows:

**"SEE EXHIBIT "A" ATTACHED FOR DESCRIPTION OF PARCEL 3"**

NOTE: The Company is prohibited from insuring the area or quantity of land described herein. Any statement in the above legal description 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 or alter the insuring provisions of item two (2) of Sch B hereof.

## \*\*\*\*\*NO TAX PRORATIONS\*\*\*\*\*

Execution of this agreement indicates our understanding of the handling of the property taxes by the Title Company in the above referenced transaction. Since the amount of property taxes due for the current year cannot be determined at this time, the purchasers will be given credit for their share of the current year's taxes, in consideration of which purchaser will accept liability for and pay the total tax for the year when taxes are due. This closing procedure is known as a proration. The amount upon which the proration is figured is only an estimate based upon (i) tax figures for the previous year, or, (ii) computation of tax liability for the property for the current year from current tax rates provided by the various taxing authorities.

If the actual tax assessment exceeds the estimated amount prorated at closing, seller agrees to immediately reimburse the purchaser the additional sum owed for the period from January 1 up to the closing date. Should the actual tax assessments be less than the estimated amount prorated at closing, purchaser agrees to immediately reimburse the seller the excess amount prorated/credited at closing. **All parties understand that the Title Company will not be responsible for, nor will they be involved in any dispute concerning this tax proration settlement.** It is agreed that Seller and Purchaser will contact each other directly, and the refund will be paid immediately upon written notification (with supporting documentation) from the other party that same is due. It is agreed, as evidenced by this document, that SELLER shall be totally liable for the payment of any and all "rollback taxes" in the event said taxes are assessed at the time of any change in land usage

Purchaser specifically understands that, if the tax prorations for the current year are based upon a tax computation for the property as unimproved land and significant improvements have been added since the last tax assessment by the taxing authorities, the tax liability for the current year may be significantly higher than the tax computation figures upon which the tax proration is based. Purchaser further understands that the lender(s) in this transaction, if any, may choose to base payment into escrow reserves upon unimproved tax figures which could result in a significant escrow shortage on the loan when taxes are paid by the lender for the current year. Any demand by the lender(s) for reimbursement of the escrow shortage and/or readjustment of payments required into the escrow reserve could result in a significant increase of monthly payments due on the loan.

The purchasers have also been made aware that they must take a copy of their recorded deed when received to the Central Appraisal District in order to have the taxes changed into their names and file for any exemptions, which apply.

The undersigned further agree to indemnify and hold harmless Sierra Title Company and (name of underwriter) from any and all future loss, claims, or further cause of action, that may arise due to inadequacy, incompleteness, or inaccuracy of the tax computations for the tax figures used in the proration of taxes, or for action taken by Sierra Title Company and SIERRA TITLE INSURANCE GUARANTY COMPANY, based upon reliance on such inadequate, incomplete or inaccurate tax figures so used in the proration.

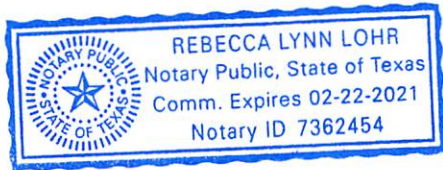
**SELLER SIGNATURE**

South Texas Commerce, LLC, A Texas Limited Liability Company

BY: *[Signature]*  
Brandon C. Wallace  
President

STATE OF TEXAS  
COUNTY OF HIDALGO

SUBSCRIBED AND SWORN to before me on this 2nd day of February, 2017, by Brandon C. Wallace, President of South Texas Commerce, LLC, A Texas Limited Liability Company.



*Rebecca Lynn Lohr*  
Notary Public, in and for the State of TEXAS

Rebecca Lynn Lohr  
Notary's Printed Name  
My Commission Expires: 02-22-2021

**PURCHASER(S):**

Hidalgo County Precinct #2

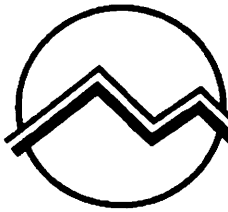
BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer

STATE OF TEXAS  
COUNTY OF HIDALGO

This instrument was acknowledged before me this \_\_\_\_\_ day of January, 2018 by Valde Guerra, Executive Officer of Hidalgo County Precinct #2.

\_\_\_\_\_  
Notary Public, in and for the State of TEXAS

\_\_\_\_\_  
Notary's Printed Name  
My Commission Expires: \_\_\_\_\_



# SIERRA TITLE COMPANY

3401 North 10<sup>th</sup> Street • P.O. Box 2975 • McAllen, Texas 78501 • TEL.: (956) 682-8321

**EXECUTED LETTER PERTAINING TO:**

**COMMISSIONERS' COURT SUBDIVISION REGULATIONS AND CITY'S ZONING  
ORDINANCES & SUBDIVISION REGULATIONS**

**DATE: January 31, 2018**

**BUYER(S)/BORROWER(S): Hidalgo County Precinct #2**

**GF NUMBER: 3174141**

**PROPERTY:**

**PARCEL 3**

Being a 0.056 of an acre (2,458 S.F.) tract out of that certain 3.67 acre tract as described and recorded in Document 2669977 of the Official Records of Hidalgo County, Texas, being situated in Lot 6, Block 9 of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being described by a drawing (Parcel 3\_South Texas Commerce.dwg dated October 11, 2016) attached to and made part hereof and more particularly described as follows:

**"SEE EXHIBIT "A" ATTACHED FOR DESCRIPTION OF PARCEL 3"**

SIERRA TITLE OF HIDALGO COUNTY, INC. hereby advises that this property may be subject to Subdivision Regulations of the County of Cameron and/or ordinance or governmental regulations of the City wherein the subject property lies or holds extra-territorial jurisdiction.

One of the provisions of the regulations is that no permit shall be issued or utilities connected until an approved Subdivision Plat has been recorded.

**IT WILL BE YOUR RESPONSIBILITY** to comply with the appropriate Subdivision Regulations by contacting the Hidalgo County Planning Department and/or the Planning Department of the appropriate City.

A receipt of a copy of this letter is hereby acknowledged by the undersigned.

Hidalgo County Precinct #2

BY: \_\_\_\_\_  
Valde Guerra  
Executive Officer