

TITLE COMPANY DISCLOSURES

GUARANTY FILE NO.: 2020-926741

SELLER (whether one or more): PlainsCapital Bank, a Texas banking association

BUYER (whether one or more): County of Hidalgo, Texas

LENDER:

PROPERTY: TRACT I: Lot 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32, Block 1, WEST MEADOWS, an addition to the City of Edinburg, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 44, Pages 45 and 46, Map Records, Hidalgo County, Texas.

TRACT II: Lots 13, 14, 15, 19, 20, 21, 22, 23 and 24, Block 275, ORIGINAL TOWNSITE OF EDINBURG, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 1, Page 23, Map Records, Hidalgo County, Texas.

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

Buyer's 1. **WAIVER OF INSPECTION.** In consideration of the issuance by TITLE
Initials 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.

Buyer's
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2. RECEIPT OF COMMITMENT. 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.

Buyer's
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3. UNSURVEYED PROPERTY. 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.

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4.(B) 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 5% of the Basic Rate for the Residential Owner Title Policy and payment of an additional 15% of the Basic Rate T.1 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
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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.

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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.

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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
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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.

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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.

Seller's
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10. **IRS REPORTING.** SELLER acknowledges having received at closing a copy of the Closing Disclosure or Settlement Statement as a Substitute Form 1099-S. In accordance with federal tax regulations, information from the Closing Disclosure or Settlement Statement will be furnished to the Internal Revenue Service.

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11. **ERRORS AND OMISSIONS.** In the event that any of the documents prepared in connection with the closing of this transaction contain errors which misstate or inaccurately reflect the true and correct terms, conditions

_____ _____
and provisions of this closing, and the inaccuracy or misstatement is due to a clerical error or to a unilateral mistake on the part of the TITLE COMPANY, or to a mutual mistake on the part of the TITLE COMPANY and/or the SELLER and/or the BUYER, the undersigned agree to execute, in a timely manner, such correction documents as TITLE COMPANY may deem necessary to remedy such inaccuracy or misstatement.

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12. **ATTORNEY REPRESENTATION AND NOTICE.** BUYER may wish to consult an attorney to discuss the matters shown on Schedule B or C of the Commitment for Title Insurance that was issued in connection with this transaction. These matters will affect the title and use of the Property. The Title Insurance Policy will be a legal contract between BUYER and the underwriter. Neither the Commitment for Title Insurance nor the Title Insurance Policy are an abstract of title, title reports or representations of title. They are contracts of indemnity. No representation is made that your intended use of the Property is allowed under law or under the restrictions or exceptions affecting the property.

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13. **ACCEPTANCE OF PROPERTY.** BUYER accepts the Property in its present condition, acknowledges that TITLE COMPANY has not made any representations as to the condition of the Property, and releases and holds harmless TITLE COMPANY from any and all liability in regard to the condition of the property.

Seller's Initials

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14. **REPAIRS AND TREATMENTS.** BUYER and SELLER acknowledge their understanding that the TITLE COMPANY shall have no duty, liability, or responsibility concerning completion, quality of workmanship or materials, or payment for any pre-closing or post-closing repairs or treatments to the PROPERTY that may have been agreed upon or otherwise contemplated between BUYER and SELLER. BUYER accepts sole responsibility to verify that all repairs and treatments required of SELLER have been completed to the satisfaction of BUYER prior to closing.

Buyer's Initials

15. **ZONING AND UTILITIES.** BUYER accepts the current zoning of the Property and availability of utilities, acknowledges that TITLE COMPANY has not made any representations as to the zoning of the Property or availability of utilities or the ability of BUYER to use the Property for Buyer's intended use, and releases and holds harmless TITLE COMPANY from any and all liability in regard to the zoning of the Property or availability of utilities. BUYER accepts sole responsibility to obtain such information as to zoning and utilities as BUYER deems necessary and to verify its accuracy to the satisfaction of BUYER prior to closing.

Seller's Initials

Buyer's Initials

16. **SUBDIVISION REQUIREMENTS.** Buyer and Seller acknowledge their understanding that the Title Company shall have no duty, liability, or responsibility to determine whether or not the Property complies with State or local Subdivision requirements. Seller and Buyer accept responsibility to comply with state and local subdivision requirements in the transfer and use of the Property. Buyer accepts sole responsibility to verify that the property complies with subdivision requirements and that Buyer can obtain a building permit, if any, for Buyer's intended use of the Property.

Seller's Initials

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17. **ACCESS.** Buyer accepts sole responsibility to determine if access to the Property is adequate for Buyer's intended use and acknowledges that Title Company has not made any representations to Buyer regarding whether or not access to the Property is adequate for purposes of subdividing the

Property or obtaining a building permit or for any other intended use of the Property by Buyer.

Buyer's
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18. AUTHORIZATION TO CLOSE. By Initialing this item, BUYER notifies TITLE COMPANY that all conditions to closing this transaction contained in the contract between BUYER and SELLER have been met to the satisfaction of BUYER, and BUYER hereby authorizes TITLE COMPANY to close and fund this transaction.

SELLER SIGNATURE

PlainsCapital Bank,
a Texas banking association

BY: _____
Pete Villarreal,
EVP and Chief Administrative Officer

BUYER SIGNATURE

County of Hidalgo, Texas

BY: _____

