

OWNER'S POLICY OF TITLE INSURANCE (FORM T-1)
ISSUED BY
WESTCOR LAND TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, WESTCOR LAND TITLE INSURANCE COMPANY, a South Carolina corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
 - (a) A defect in the Title caused by:
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
 - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.

COVERED RISKS Continued on next page


IN WITNESS WHEREOF, WESTCOR LAND TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of the Date of Policy shown in Schedule A.

Issued By: TX1181 * MTC-22-1045
Sol City Title, LLC dba Magnolia Title
1885 Saint James Place, Suite 120
Houston, TX 77056

WESTCOR LAND TITLE INSURANCE COMPANY





By: 

President

Attest: 

Secretary

4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective:
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records:
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes:
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title;
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice

of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) below, or, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefore, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value for the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse

CONDITIONS - CONTINUED

claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 3 and 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation

to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
 - (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the

Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
 - (i) the Amount of Insurance; or
 - (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 3 or 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
 - (i) the Amount of Insurance shall be increased by 10%, and
 - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the

amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

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.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at Westcor Land Title Insurance Company, Attn: Claims, 875 Concourse Parkway South, Suite 200, Maitland, FL 32751. Telephone: (407) 629-5842.

**OWNER'S POLICY
OF TITLE INSURANCE (T-1)**

**WESTCOR
LAND TITLE
INSURANCE COMPANY**

HOME OFFICE
875 Concourse Parkway South, Suite 200
Maitland, FL 32751
Telephone: (407) 629-5842

SCHEDULE A

Name and Address of Title Insurance Company:

Westcor Land Title Insurance Company
875 Concourse Parkway South, Suite 200, Maitland, FL 32751

File No.: MTC-22-1045

Policy No.: OP-38-TX1181-14317523

Address for Reference only: 10301 Stella Link, Houston, TX 77025

Amount of Insurance: \$13,839,150.00

Premium: \$68,113.75

Date of Policy: July 27, 2022 at 08:04am

1. Name of Insured:
CITY OF HOUSTON, TEXAS
2. The estate or interest in the Land that is insured by this policy is:
Fee Simple
3. Title is insured as vested in:
CITY OF HOUSTON, TEXAS
4. The land referred to in this policy is described as follows:
Please see Exhibit A attached hereto and made a part hereof.

Countersigned:



Authorized Signatory
Tom Osborne
Magnolia Title-HOU

SCHEDULE B

File No.: MTC-22-1045

Policy No.OP-38-TX1181-14317523

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):

Terms, provisions, options, covenants, conditions, restrictions, easements, charges, assessments and liens provided in the Covenants, Conditions and Restrictions recorded as recorded in/under Document No.(s) [H616419](#) , [R266422](#) , [W113243](#) , [20110022085](#) .pdf), [20120159835](#) , [20120327946](#) , and [20120514411](#) , Official Public Records of Harris County, Texas, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons.
2. ~~Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.~~
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
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 right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2022, 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.
6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception.):
 - a. Lien for maintenance charges and/or assessments and easements as established and defined by instrument(s) recorded under Document No.(s) [H616419](#) , [R266422](#) , [W113243](#) , [20110022085](#) .pdf), [20120159835](#) , [20120327946](#) , and [20120514411](#) , Official Public Records of Harris County, Texas. Said lien for charges and assessments subordinated therein to all valid first lien mortgages.
 - b. A Undivided Mineral and/or Royalty interest in and to all oil, gas and other minerals in, on, under or that may be produced from the land as set forth therein and/or reserved by that certain instrument recorded in/under Document No. (s) [H471470](#) , [K182065](#) , [S476716](#) , [S625318](#) , and [S923861](#) , Official Public Records of Harris County, Texas. Title to said interests not checked subsequent to date of aforesaid instruments. The Company makes no representation as to the present ownership of this interest. Said mineral interest not traced subsequent to the date of the above-cited instrument.

- c. A Right of Way easement(s) as set forth therein by instrument(s) recorded in [Volume 1183, Page 551](#) , Deed Records of Harris County, Texas.
- d. A Sewer easement as set forth therein by instrument recorded under Document No. [H616417](#) , Official Public Records of Harris County, Texas.
- e. Dedication of Sanitary Sewer easement as set forth therein by instrument recorded under Document No. [H616418](#) , Official Public Records of Harris County, Texas.
- f. A Sanitary Sewer easement as set forth therein by instrument recorded under Document No. [H769596](#) , Official Public Records of Harris County, Texas.
- g. A Sanitary Sewer easement as set forth therein by instrument recorded under Document No. [H769601](#) , Official Public Records of Harris County, Texas.
- h. An Easement as set forth therein by instrument recorded under Document No. [J346900](#) , Official Public Records of Harris County, Texas.
- i. Dedication of Easements as set forth therein by instrument recorded under Document No. [J353554](#) , and amended in V020642, Official Public Records of Harris County, Texas.
- j. Dedication of Easements as set forth therein by instrument recorded under Document No. [K170753](#) , Official Public Records of Harris County, Texas.
- k. A Right of Way and Easement Deed for Distribution System as set forth therein by instrument recorded under Document No. [K233380](#) , Official Public Records of Harris County, Texas.
- l. A Water Line and Sanitary Sewer easement as set forth therein by instrument recorded under Document No. [V020641](#) , Official Public Records of Harris County, Texas.
- m. A Drainage easement as set forth therein by instrument recorded under Document No. [V599226](#) , Official Public Records of Harris County, Texas.
- n. A Drainage easement as set forth therein by instrument recorded under Document No. [V599230](#) , Official Public Records of Harris County, Texas.
- o. An Access easement as set forth therein by instrument recorded under Document No. [20120327948](#) , Official Public Records of Harris County, Texas.
- p. A Storm Sewer easement as set forth therein by instrument recorded under Document No. [20120327949](#) , Official Public Records of Harris County, Texas.
- q. A Sign easement as set forth therein by instrument recorded under Document No. [20120327950](#) , Official Public Records of Harris County, Texas.
- r. A Third Party easement as set forth therein by instrument recorded under Document No. [20130134806](#) , Official Public Records of Harris County, Texas.
- s. Terms, conditions, and stipulations contained in that certain Notice to Purchaser(s) recorded under Document No. [S681649](#) , [20070734027](#) , and [20070734028](#) , Official Public Records of Harris County, Texas.
- t. Terms, conditions, and stipulations contained in that certain City of Houston Ordinance No. 89-1312 recorded under Document No. [M337573](#) , Official Public Records of Harris County, Texas.
- u. Terms, conditions, and stipulations contained in that certain City of Houston Ordinance 1999-262, passed March 24, 1999, and amendments relating to rules, regulations and design standards for development and platting and providing for the establishment of Building Setback lines along major thoroughfares within such boundaries.

- v. Subject property has frontage or abuts U.S. Highway 90A which is a controlled access highway. The Company by this policy does not insure against the exercise of power by competent governmental authority to limit, control or deny access, ingress or egress to the above-described property from U.S. Highway 90A or service road which the property abuts, nor does it insure that the assured has or shall continue to have access, ingress and egress from such property to and from such highway and service road.
- w. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
- x. Rights of parties in possession.
- y. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.
- z. Sanitary Manholes, Storm Inlets, Manholes, Light Poles, Power Poles, and Overhead Electric Lines on, over or across subject property, as shown on survey dated May 23, 2022 and revised June 3, 2022, prepared by Lee G. Luper, R.P.L.S. No. 5955.

EXHIBIT A
LEGAL DESCRIPTION

A tract or parcel containing 12.22 acres (532,278 square feet) of land being out of that called 22.785 acre tract of land, conveyed to Lovett Custom Homes, Inc. as called in deed recorded under Harris County Clerk's File (H.C.C.F.) No. RP-2022-2151, dated January 3, 2022, being situated in the

B.B.B. & C.R.R. Co. survey, abstract No. 173, Harris County, Texas, said 12.22 acre tract being more particularly described by metes and bounds as follows, with all bearing based on the Texas State Plane Coordinates System, south central zone (NAD 83), distances shown hereon are surface, coordinates are grid and may be converted to surface by applying a scale factor of 0.9998700170;

COMMENCING at a mag nail found (control monument) at the northeast intersection of Willowbend Boulevard, width varies, as recorded in Volume 3459, Page 046 of the Harris County Deed Record (H.C.D.R.) and Stella Link Road, (called 100 foot R.O.W.), as recorded under Volume 37, Page 26 of the Harris County Map Records (H.C.M.R.), Volume 278, Page 046 and Volume 2854, Page 589, both of the H.C.D.R. marking the southwest corner of said called 22.785 acre tract having grid coordinates of N= 13,806,593.14, E=3,099,013.26;

THENCE, North 02°20'31" West, along the east R.O.W. line of said Stella Link road, passing at a distance of 524.32 feet, a 5/8-inch iron rod with cap found for the southwest corner of a called 1.8680 acre tract conveyed to South Main Business Park Two recorded under H.C.C.F. No. 20090568989, dated December 15, 2009, same being the southwest corner of Unrestricted Reserve "A" South Main Business Park Two recorded at Film Code (F.C.) No. 347151 H.C.M.R, continuing and passing at a distance of 679.32 feet a 5/8-inch iron rod with cap found for the northwest corner of said 1.8680, same being the most western southwest corner of Restricted Reserve "A", Block 1 of Harmony School of Ingenuity, recorded at F.C. No. 658232 H.C.M.R. same being the southwest corner of a called 5.254 acre tract conveyed to Cosmos Foundation recorded under, H.C.C.F. No. 20130532583, dated October 11, 2013, continuing for an overall total distance of 974.32 feet, to a found 5/8-inch iron rod with cap stamped "Cotton surveying" marking the northwest corner of said 5.254 acre tract and said Restricted Reserve "A" of Harmony School of Ingenuity, being the POINT OF BEGINNING and the most western southwest corner of herein described tract, having grid coordinates of N= 13,807,566.52 E=3,098,973.45;

THENCE, North 02°20'31" West, along the east right of way line of said Stella Link Road, west line of said 22.785 acre tract and herein described tract, a distance of 404.34 feet to a point for the northwest corner of said called 22.785 acre tract, also being the southwest corner of called 1.1166 acre tract conveyed to Aquafirma, L.P. recorded under H.C.C.F. No. X319858, dated January 9, 2004, for the northwest corner of the herein described tract, from said point a 5/8-inch inch iron rod with cap stamped "Prejean" bears for a reference North 49°08'16" East 0.24 feet;

THENCE, North 87°39'29" East, along the north line of said called 22.785 acre tract, same being south line of said 1.1166 acre tract, passing a distance of 195.00 feet, a found 1" inch iron pipe marking the southeast corner of said called 1.1166 acre tract, continuing for a total overall distance of 508.73 feet to a 5/8-inch iron rod with cap stamped" Lupher, LLC " set for an interior corner and a jog in the north line of the herein described tract;

THENCE, North 02°25'56" West, along said jog in the north line of the herein described tract, a distance of 30.38 feet, to the southwest corner of a called 2.47 acres tract conveyed to National Sport Zone recorded under H.C.C.F. No. 20120327947 dated July 23, 2012, same being the southwest corner of Unrestricted Reserve "A" Block 1, National Sport Zone, recorded at F.C. No. 647219 H.C.M.R., being an angle point, in the north line of said 22.785 acre tract and the end of said jog in north line herein described tract, from said point a found 5/8-inch iron rod, bears South 62°37'30" East 0.73 feet;

THENCE, North 87°39'29" East, along the north of said called 22.785 acre tract the south line of said called 2.47 acre tract, and said Unrestricted Reserve "A" Block 1, National Sport Zone, same being along north line of the herein described tract, a distance of 440.03 feet to a point for the northeast corner of said called 22.785 acre tract, also being situated in the west line of Charleston Apartments Section Two, recorded in Volume 200, Page 128 H.C.M.R., for the northeast corner of herein described tract, from said point a found 5/8-inch iron rod with cap , bears South 81°58'18" West 1.12 feet;

THENCE, South 03°01'01" East, along the west line of said Charleston Apartment Section Two, and the east line of said 22.785 acre tract a distance of 459.65 feet passing the northwest corner of Restricted Reserve "B", Block 1, Vali Development, recorded at F.C. No. 655276 H.C.M.R. and the southwest corner of said Charleston Apartments, and continuing for a total overall distance of 853.16 feet, to a point for the southeast corner of said called 22.785 acre tract, and southwest corner of said Restricted Reserve "B" Vali Development also being in the northwest right of way of Highway U.S. 90 frontage road (South Main Street) (width varies), as recorded under H.C.C.F. Nos. S509698, S577851, T281808 and Volume 746, Page 719 H.C.D.R., for the most eastern southeast corner herein described tract, from said point a found 5/8-inch iron rod, bears North 20°13'33" West 0.32 feet, and iron rod found with cap stamped "PREJEAN & Co. 4925", bears South 16°18'08" East 1.33 feet;

THENCE, South 32°53'39" West, along the northwest right of way line of said Highway U.S. 90 frontage Road (South Main Street), and the southeast line herein described tract, a distance of 181.22 feet to a 5/8-inch iron rod with cap "Lupher, LLC" set for most southern corner of herein described tract;

THENCE, North 57°06'21" West, across said 22.785 acre tract, along the southwest line of the herein described tract, a distance of 201.75 feet to a found 5/8-inch iron rod with cap stamped "Cotton surveying" marking the southeast corner of said called 5.254 acre tract, same being the southeast corner of said Restricted Reserve "A", Block 1, Harmony School of Ingenuity, being an angle point in west line of said 22.785 acre tract, for the most western southeast corner of the herein described tract;

THENCE, North 02°20'31" West, along the east line of said called 5.254 acre tract, same being the east line of said Harmony School of Ingenuity and the most eastern west line of said 22.785, a distance of 450.00 feet, to a found 5/8-inch iron rod with cap stamped "Cotton surveying" marking the northeast corner of said called 5.254 acre tract, and said Restricted Reserve "A" Harmony School of Ingenuity, being interior corner of said 22.785 acre tract, and an interior corner of herein described tract;

THENCE, South 87°39'29" West, along the north line of said called 5.254 acre tract and said Restricted Reserve "A" Harmony School of Ingenuity, same being along re-entry line of said 22.785 acre tract and the herein described tract, a distance of 689.43 feet, returning to the POINT OF BEGINNING and containing, 12.22 acres 532,278 square feet of land, more or less.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR QUANTITY OF LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION ON SCHEDULE A AND/OR ANY EXHIBITS ATTACHED THERETO OF THE AREA OR QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT BUT IS MADE ONLY FOR INFORMATION AND/OR IDENTIFICATION PURPOSES AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE B HEREOF.

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT – OWNER’S POLICY (Form T-19.1)

ENDORSEMENT

Attached to Policy No. OP-38-TX1181-14317523

Issued By


Westcor Land Title Insurance Company

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. “Covenant” means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. “Improvement” means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
 - c. “Private Right” means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured’s Title.
4. The Company insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policyunless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or

- b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d. Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Countersigned:


By: _____
Authorized Signatory

MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.3)

Attached to Policy No.OP-38-TX1181-14317523; Applies to Parcel(s) 042-015-000-0159

Issued by

Westcor Land Title Insurance Company

HEREIN CALLED COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Countersigned:



BY: _____
Authorized Signatory