

**CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: El Paso Water Utilities Public Service Board (EPWater)

AGENDA DATE: Introduction - May 9, 2023
Public Hearing - May 23, 2023

CONTACT PERSON/PHONE: Alex Vidales, Real Estate Manager, (915) 594-5636

DISTRICT(S) AFFECTED: District 4.

SUBJECT: APPROVE the following Ordinance

Authorizing the City Manager to sign a Purchase and Sale Agreement, a Deed, and any other documents necessary to convey to Phillip & Henry, LLC., approximately 0.222 acres of land legally described as Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas.

(District: 4) EPWater, Alex Vidales, Real Estate Manager (915) 594-5636.

BACKGROUND / DISCUSSION:

The parcel of land is owned by El Paso Water Utilities Public Service Board (EPWater), for and on behalf of the City of El Paso, a Texas municipal corporation, as part of its water and wastewater system (the "System"). On January 13, 2021, the Public Service Board declared the property inexpedient to the system and authorized the President/CEO of EPWater to obtain an appraisal of the property.

On April 13, 2022, the Public Service Board approved the sale of land that has been declared inexpedient to the System through a real estate broker; in accordance with Texas Local Government Code Ann.§253.014(a)-(e), as added and amended.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

No

AMOUNT AND SOURCE OF FUNDING: N/A

BOARD / COMMISSION ACTION:

On January 13, 2021, the Public Service Board declared the property inexpedient to the System and authorized the President/CEO to sell the property.

On March 8, 2023, the Public Service Board approved the sale of the land through the real estate broker.

AFTER EXECUTION OF ALL DOCUMENTS, PLEASE CONTACT ALEX VIDALES TO PICK UP THE DOCUMENTS. (915) 594-5636. THANK YOU.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO SIGN A PURCHASE AND SALE AGREEMENT, A DEED AND ANY OTHER DOCUMENTS NECESSARY TO CONVEY APPROXIMATELY .0222 ACRES OF LAND LEGALLY DESCRIBED AS LOT 52-A, BLOCK 14, SHEARMAN UNIT FOUR REPLAT A, CITY OF EL PASO, EL PASO COUNTY, TEXAS.

WHEREAS, the El Paso Water Utilities Public Service Board ("*EPWater*"), for and on behalf of the City of El Paso, a Texas municipal corporation, holds certain real properties in its land inventory as part of its water, wastewater, and drainage utility systems (collectively the "*System*"); and,

WHEREAS, at its regular meeting on January 13, 2021, the Public Service Board determined approximately .0222 acres of land legally described as Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas (the "*Property*"), to be inexpedient to the water and wastewater system, and that the Property should be sold in accordance with state law; and,

WHEREAS, on April 13, 2022, the Public Service Board approved the sale of the land that has been declared inexpedient to the System through a real estate broker, in accordance with Texas Local Government Ann.§253.014(a)-(e), as added and amended; and,

WHEREAS, on March 8, 2023, the Public Service Board approved and authorized the sale of the Property to Phillip & Henry, LLC, for the sales price of \$38,000.00 and adopted a Resolution making the finding as set forth hereinabove and requesting the El Paso City Council pass an Ordinance authorizing the City Manager to sign a Purchase and Sale Agreement, a Deed and any and all necessary documents to complete the conveyance of the Property; and,

WHEREAS, the Property being sold was appraised for sale at its fair market value and the purchaser has agreed to pay with the highest purchase offer;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

That the City Manager is authorized to sign a Purchase and Sale Agreement, a Deed, and any other necessary documents, in a form approved by the City Attorney's Office, for the sale of the following identified real property:

Approximately .0222 acres of land legally described as Lot 52-A, Block 14, Shearman Unit Four Replat A, in the City of El Paso, El Paso County, Texas.

(Signatures begin on following page)

ORDINANCE NO. _____

PASSED AND APPROVED this _____ day of _____, 2023.


CITY OF EL PASO

Oscar Leoser,
Mayor

ATTEST:


Laura D. Prine,
City Clerk

APPROVED AS TO FORM:



Roberta Brito
Assistant City Attorney

APPROVED AS TO FORM:



Michaela Ainsa
Senior Assistant General Counsel

ORDINANCE NUMBER _____

SPECIAL WARRANTY DEED

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

Effective Date: _____, 2023

Grantor: **EL PASO WATER UTILITIES PUBLIC SERVICE BOARD for and on behalf of THE CITY OF EL PASO, TEXAS**, a Texas municipal corporation
1154 Hawkins Blvd.
El Paso, Texas 79925

Grantee: **Phillip & Henry, LLC., a Limited Liability Company**
3427 Lakewood Ln
Flower Mound, Texas 75022

Consideration: TEN AND NO/100THS DOLLARS (\$10.00), and other good and valuable consideration to the undersigned paid by Grantee, the receipt of which is hereby acknowledged.

Property (including any improvements):

A parcel of land consisting of approximately 0.222 acres, legally described as Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas.

Severance of Groundwater Estate and Reservations from Conveyance:

Save and except:

- (1) The groundwater estate related to the Property, which is hereby severed from the Property and reserved by and for Grantor, for all purposes. The groundwater estate shall include, without limitation, the Groundwater and Groundwater Rights related to the Property. The term (i) "Groundwater" shall mean all of the underground water, percolating water, artesian water, and any other water existing now and in the future from any and all depths, reservoirs, aquifers, formations, and horizons beneath the surface of the Property; and (ii) "Groundwater Rights" shall mean (1) the right to access, test, capture, explore for, drill for, develop, withdraw, produce, store, treat, transport or otherwise acquire and beneficially use, reuse, or recharge, any and all of the Groundwater beneath the Property; (2) the right to apply for and obtain all permits, licenses, or other governmental authorizations relating to any of the foregoing, including but not limited to any permit issued by a groundwater conservation district or other governmental entity existing now or in the future and having jurisdiction over the Groundwater and/or the exploration, drilling, production, use, storage, treatment, reuse, recharge or transport of Groundwater.

Exceptions to Conveyance and Warranty:

- (1) Restrictive Covenants recorded in/under Volume 1505, Page 595 and in Volume 1172, Page 529, amended in Volume 1301, Page 819, Real Property Records of El Paso County, Texas but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin.
- (2) 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.
- (3) Any and all claims of right, title and interest to the land, including but not limited to any right of possession or claim for damages relating to the land which has been asserted or may be asserted, of record or not, by or on behalf of any Indian or Indian Tribe, including but not limited to the Tigua Indian Tribe of El Paso, Texas, also known as Pueblo De La Ysleta del Sur, also known as the Ysleta del Sur Pueblo Indian Tribe, also known as the Tigua Indian Community, including but not limited to claims appearing in Affidavit of Julian Granillo, filed for record April 16, 1993, recorded in Volume 2553, Page 1958, Real Property Records of El Paso County, Texas.
- (4) Matters set forth on the subdivision plat, including but not limited to building set back lines and easements for public utilities, with the right to ingress and egress for service, shown on the recorded plat of said addition in Volume 59, Page 87, Real Property Records, El Paso County, Texas. Said Easements being five (5) feet in width across the southwesterly boundary line of subject property.
- (5) Title to all oil, gas and minerals of every kind and character in, on and under the insured premises, together with all rights, privileges and immunities relating thereto, heretofore reserved or conveyed by predecessors in title of STATE OF TEXAS, in Patent Volume 1050, Page 111, Real Property Records, El Paso County, Texas.
- (6) All underground water rights reserved to the CITY OF EL PASO in Volume 336, Page 445, Real Property Records, El Paso County, Texas.

GRANTOR AND GRANTEE AGREE THAT GRANTEE IS ACCEPTING THE PROPERTY FROM GRANTOR IN ITS "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION AND THAT THERE ARE NO REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT THE SPECIAL WARRANTY OF TITLE CONTAINED IN THIS DEED. GRANTEE HAS NOT RELIED ON ANY INFORMATION OTHER THAN GRANTEE'S INSPECTION OF THE PROPERTY.

Grantor, subject to the Severance of the Groundwater Estate and the Exceptions to Conveyance and Warranty set forth above, grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold the Property unto Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under

Grantor, but not otherwise, except as to the Severance of the Groundwater Estate and the Exceptions to Conveyance and Warranty set forth above.

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

(Signature page and exhibits follow.)

EXECUTED to be effective as of the date first stated above.

GRANTOR:

**THE CITY OF EL PASO,
a Texas municipal corporation**

By: _____
Name: Tomás González
Title: City Manager

THE STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the _____ day of _____, 2023,
by **Tomás González**, City Manager of the City of El Paso.

NOTARY PUBLIC, State of Texas

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "**Agreement**") is entered into by and between THE EL PASO WATER UTILITIES- PUBLIC SERVICE BOARD, for and on behalf of the CITY OF EL PASO, a Texas municipal corporation (the "**Seller**" or "**EPWater**") and Phillip & Henry, LLC., a Limited Liability Company, (the "**Buyer**"). The Seller and the Buyer may be referred to individually herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, the Seller owns the property described below; and

WHEREAS, the Buyer desires to purchase the property from the Seller in its "as-is, where-is and with all faults" condition; and

WHEREAS, the Seller desires to sell the property to the Buyer in its "as-is, where-is and with all faults" condition, subject to the terms and conditions contained in this Agreement; and

WHEREAS, the property is being sold pursuant to the broker listing procedure outlined in Texas Local Government Code Chapter 253; and

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Description of Property. The Seller hereby agrees to sell and convey, and the Buyer hereby agrees to purchase, subject to the terms and conditions contained in this Agreement, the following described real property located in El Paso County, Texas:

An approximately 0.222 acre parcel, more or less, out of Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas, such portion being legally described in Exhibit A, attached hereto and incorporated herein for all purposes; together with any interest in (i) all improvements and fixtures, and (ii) all right, title and interest in and to all easements, except such easements necessary for the operation of the EPWater water, wastewater, stormwater or drainage utility systems, appurtenances, and rights-of-way, and all interests in, on or to, any land, highway or street, in, on, across, in front of, abutting, or adjoining any such real property, all of such property (collectively, the "**Property**").

1.1 Seller's Reservations & Disclosures. The Property will be conveyed to the Buyer at Closing subject to certain exceptions by the Seller, as more particularly identified on Exhibit B, attached hereto and incorporated fully herein (the "**Seller's Reservations**") provided that Buyer shall retain reasonable rights to use the Rights of Way for access, utilities and other uses that do not unreasonably restrict Seller's use of the Property.

In addition, the Property will be conveyed to the Buyer at Closing subject to known disclosures, as more particularly identified on Exhibit B, attached hereto and incorporated fully herein.

1.2 Reliance on the Buyer's Own Diligence. It is acknowledged and agreed that the Buyer has conducted and is relying solely on its own due diligence concerning the Property, including, without limitation, performing any archeological or environmental reports, studies, or surveys of the Property it, in its sole discretion, has desired to perform, and has determined that the Property is suitable for its intended purposes. Mitigation of any conditions on the Property, including archeological sites or, without limitation, any environmental conditions, shall be at the sole cost and expense of the Buyer who shall take the Property at Closing (as defined below) subject to all conditions existing on the date of the Buyer's signature to this Agreement. By its signature hereto, the Buyer accepts responsibility for its own determination of the nature and extent of any archeological sites, or without limitation, any environmental conditions, relating to the Property.

1.3 Easements. The Property shall be conveyed to the Buyer subject to all easements, whether of record or not, affecting the Property. Buyer shall be solely responsible for the cost and acquisition of any additional easements it may require for the Property, including, without limitation, easements for the purposes of ingress and egress.

1.4 Surface Water and Groundwater. Any rights to the use of surface water (including to any government or other permits) appurtenant or in any way related to the Property are reserved by and for the Seller. In addition, the entire groundwater estate related the Property, including without limitation, the Groundwater (as defined herein below) and Groundwater Rights (as defined herein below) are reserved by and for the Seller. The term "**Groundwater**" shall mean all of the underground water, percolating water, artesian water, and any other water existing now and in the future from any and all depths, reservoirs, aquifers, formations, and horizons beneath the surface of the Property. The term "**Groundwater Rights**" shall mean (1) the right to access, test, capture, explore for, drill for, develop, withdraw, produce, store, treat, transport or otherwise acquire and beneficially use, reuse, or recharge, any and all of the Groundwater beneath the Property; (2) the right to take all usual, necessary, and convenient means to use the surface of the Property for access to and to explore for, develop, treat, produce, and transport the Groundwater; and (3) the right to apply for and obtain all permits, licenses, or other governmental authorizations relating to any of the foregoing, including but not limited to any permit issued by a groundwater conservation district or other governmental entity existing now or in the future and having jurisdiction over the Groundwater and/or the exploration, drilling, production, use, storage, treatment, reuse, recharge or transport of Groundwater that may be necessary for the full and unfettered exercise of the Seller's rights therein. For the avoidance of doubt, Buyer shall not have the right to drill a well and/or produce therefrom any quantity of groundwater.

1.5 Utility Connections and Modifications. Buyer shall be solely responsible for the costs of all on-site and off-site extensions, relocations, easements, replacements, or adjustments of water, sanitary sewer, and appurtenances, and for all utility connections including without limitation public sanitary and storm sewers, natural gas, telephone, public water facilities, electrical facilities and all other utility facilities and services necessitated by and attributable to the proposed subdivision improvement plans, or to otherwise provide service lines to the Property.

2. Purchase Price. The purchase price for the Property shall be Thirty-Eight Thousand U.S. Dollar's, (\$38,000.00) (the "**Purchase Price**").

2.1 **Payable at Closing.** The full Purchase Price shall be tendered to Seller at Closing.

2.2 **Earnest Money.** Seller shall pay Buyer in the amount of One Thousand U.S. Dollars, (\$1,000.00) (the "**Earnest Money**") with Janette Coon of WestStar Title (the "**Escrow Agent**") no more than five (5) business days after the Effective Date as a guarantee that the terms and conditions of this Agreement shall be fulfilled. The Earnest Money shall be credited towards the Purchase Price if and when Closing occurs.

2.3 **Earnest Money Deposit.** The Parties agree that the Earnest Money shall be deposited by Escrow Agent in an interest-bearing account at an institution acceptable to Seller and Buyer.

3. **Inspection Period.** For period of one hundred twenty (120) days, beginning on the Effective Date (the "**Inspection Period**"), the Buyer may inspect the Property and conduct due diligence in, on or in relation to the Property including, but not limited to review of conditions (physical and financial), all information, contracts and agreements, and perform such other inspections and studies as Buyer desires in its sole discretion; provided that Seller's prior written consent must first be obtained before the commencement of any invasive studies (including Phase II environmental studies) on the Property.

3.1 **Access.** Beginning on the Effective Date and thereafter until Closing or termination of this Agreement, Buyer and Buyer's employees and agents will have the right to enter the Property to perform, at Buyer's expense, such economic, surveying, engineering, topographic, environmental, marketing and other tests, studies and investigations in accordance with the provisions in Section 3 above; provided that, Buyer must coordinate with Seller at least seventy-two (72) hours in advance before entering onto the Property at any time prior to Closing.

3.2 **Termination During Inspection Period.** Buyer may terminate this Agreement for any reason by providing Seller written notice of termination prior to the expiration of the Inspection Period. Upon receipt of the notice of termination by the Seller during the Inspection Period, this Agreement shall be deemed terminated and the Earnest Money Deposit, less the Independent Consideration, shall be refunded to Buyer and the Parties shall have no further rights or obligations under this Agreement, except the Surviving Obligations. If Buyer fails to timely deliver a notice of termination, upon expiration of the Inspection Period, Buyer is deemed to have approved the Property and waived its right to terminate this Agreement under this Section 3.2. Upon expiration of the Inspection Period the Earnest Money shall become non-refundable, except in the event of a default by Seller under this Agreement or as otherwise specifically set forth in this Agreement. At Closing, the Earnest Money Deposit will be credited against the Purchase Price or returned to Seller, at the election of Seller in its sole discretion.

4. **Survey.** If Seller has an existing survey of the Property in its possession, Seller will furnish Buyer a copy of the existing survey of the Property within twenty (20) business days after the Effective Date. Buyer may obtain a new survey at its cost. If Buyer obtains a new survey, the metes and bounds description of the Property contained in the new survey will be used for purposes of describing the Property in the Deed at Closing.

5. **Title Binder.** Within twenty (20) business days after the Effective Date, Buyer will, at Buyer's expense, deliver or cause to be delivered to Seller a title commitment covering the Property from WestStar Title (the "**Title Company**"), binding the Title Company to issue an Owner's Policy of Title Insurance ("**Owner's Policy**") with respect to the Property in the full amount of the Purchase Price at the Closing (the "**Title Binder**"). The Title Binder shall include legible copies of all exceptions listed on Schedule B and Schedule C of the Title Binder. The Buyer will provide copies of the Title Binder and all recorded documents affecting the Property to Seller no later than three (3) days after the Buyer's receipt of the same.

5.1 Buyer's Approval of Title. Buyer shall have until the expiration of the Inspection Period to deliver in writing to Seller objections Buyer may have to anything contained in the Title Binder or survey. In the event that Buyer delivers objections to Seller, Seller may, in Seller's sole discretion, undertake to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer ("*Non-Permitted Encumbrances*"). In the event Buyer does not terminate this Agreement during the Inspection Period pursuant to the terms of Section 3.2 herein, Buyer will be deemed to have approved exceptions contained in the Title Binder that have not been cured (the "*Permitted Exceptions*"). Notwithstanding the foregoing, Seller shall at its expense cure, remove or satisfy the Non-Permitted Encumbrances at or before the Closing. The Non-Permitted Encumbrances will never be included as Permitted Exceptions. In addition to the above, Buyer may object to and will not be deemed to approve any additional exceptions shown in an updated Title Binder or Survey delivered to Buyer after the expiration of the Inspection Period and such matters will not be considered Permitted Exceptions unless expressly approved by Buyer.

5.2 Compliance. In accordance with the requirements of the Property Code, Title 2, Chapter 5, Subchapter D, Buyer is hereby advised that it should obtain a title abstract or title commitment covering the Property and have it examined by an attorney of its own selection and purchase owner's policy of title insurance covering the Property.

6. Representations of the Seller. The Seller hereby represents, to the extent allowed by law, to the Buyer, that, to its actual knowledge, the following are true in all material respects:

6.1 Parties in Possession. At the time of Closing, other than the Buyer, there are no parties in possession of any portion of the Property as lessees or tenants at sufferance.

6.2 Mechanic's Lien. (i) No liens arising from the Seller's actions or otherwise, exist for the benefit of mechanics or materialmen in regard to the Property; and (ii) except as expressly disclosed in the documents relating to this transaction, the Seller has not entered into any contracts or agreements relating to the use or ownership of the Property or by which any person or entity agreed to provide labor, services or materials in regard to the Property or the business of the Seller.

6.3 Litigation. There is no pending litigation before or by any court of law pertaining to the Property or which involve incidents occurring on the Property including, but not limited to, claims of damage to persons or Property.

6.4 Bills Paid. At Closing, there will be no unpaid bills or claims in connection with any repair or operation of the Property as a result of the Seller's ownership.

6.5 Taxes. While the Seller owned the Property, the Property was exempt from ad valorem taxes.

7. Representations of the Buyer. The Buyer hereby represents, to the extent allowed by law, to the Seller, that to the best of its knowledge, that the following are true:

7.1 Authority. The Buyer has full power and authority to execute and deliver this Agreement and to perform and carry out all covenants and obligations to be performed and carried out by the Buyer herein.

7.2 Non-Contravention. The execution and delivery of this Agreement by the Buyer and the consummation by the Buyer of the transactions contemplated hereby will not materially violate any judgment, order, injunction, decree, regulation or ruling of any court or any governmental or quasi-governmental bodies or agencies having jurisdiction over the Buyer, or conflict with, result in a breach of, or constitute a default under the organizational documents of the Buyer, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which the Buyer is a party or by which it is bound.

7.3 Consents. No consent, waiver, approval or authorization is required from any person or entity that has not already been obtained as of the Effective Date or, if appropriate, which will be obtained prior to Closing, in connection with the execution and delivery of this Agreement by the Buyer or the performance by the Buyer of the transactions contemplated hereby, except for those the failure of which to be obtained would not be reasonably expected to cause a material adverse effect to the Buyer.

7.4 Bankruptcy. The Buyer has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy statute or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, or solicited or caused to be solicited petitioning creditors for any involuntary petition against it, or filed an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding to hold, administer and/or liquidate all or substantially all of its property, (iii) filed or had filed against it a petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief, (iv) under the provisions of any other law for the relief or aid of debtors, had an action taken by any court of competent jurisdiction that allows such court to assume custody or control of it or of the whole or any substantial part of its property or assets, or (v) made an assignment for the benefit of creditors, or admitted, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due.

7.5 Litigation. There is no pending action, suit, arbitration, unsatisfied order or judgment, litigation, government investigation or proceeding against or affecting the Buyer that would materially detrimentally affect the Buyer's ability to perform hereunder.

8. Closing. The closing of the sale and delivery of the closing documents, as applicable, and release of the Purchase Price to the Seller (the "**Closing**") shall take place at the offices of the Title Company within thirty (30) days from the date the City Manager of the City of El Paso executes the signature block herein below upon the adoption by the City Council of the City of El Paso of an ordinance authorizing the sale of the Property by the Seller to the Buyer (the "**Approval Date**").

8.1 Amount of Payment of Purchase Price. The full amount of the Purchase Price shall be tendered to Seller at the Closing.

8.2 Closing Costs. Costs required to consummate the Closing shall be paid by the Parties as follows:

- (a) The Buyer and Seller shall evenly split the payment of all costs required to consummate the Closing, including without limitation:

- (i) Any and all recording fees arising from the recordation of documents necessary to show good title to the Property in the Buyer;
- (ii) Any and all premiums and other charges for the issuance of the Owner's Policy of Title Insurance for the Property; and
- (iii) Any and all escrow fees.

(b) Buyer shall pay any and all real estate appraisal costs and surveys fees.

(c) All other costs and expenses incurred in connection with this Agreement that are not expressly recited herein to be the obligation of Seller or Buyer shall be allocated among the Buyer and the Seller as is customary in real estate transactions closing in El Paso, Texas.

8.3 Conditions to the Seller's Obligation to Close. The obligation of the Seller hereunder to consummate the Closing is subject to the satisfaction of the following conditions: (i) the occurrence of the conditions required to establish the Approval Date; (ii) the performance of all of the Buyer's obligations under this Agreement; and (iii) the Seller is satisfied that all of the Buyer's representations and warranties herein made are true and correct. In the event any of these conditions are not satisfied on or before the Closing, or within one (1) year of the Effective Date, subject to applicable law, the Seller may, in its sole discretion, waive one or more of said conditions and proceed to Closing, or terminate this Agreement.

8.4 Seller's Obligations. At the Closing, Seller shall deliver to Escrow Agent in accordance with this Agreement, duly executed and, where applicable, acknowledged:

- (a) The deed to the Property, in the form attached hereto as **Exhibit C** (the "**Deed**"), (subject to the Permitted Exceptions and the Seller's Reservations and to such changes as may be required to obtain the approval of the City Council of the City of El Paso or that are required by applicable law, local recording requirements and/or customary real estate practices in the jurisdiction(s) in which the Property is located, provided, the substantive terms and provisions of the Deed attached hereto are not modified as a result of any such changes);
- (b) Such agreements, affidavits or other documents as may be required by the Title Company to issue the Owner's Policy to Buyer at Closing, subject only to the Permitted Exceptions and to eliminate such standard exceptions and to issue such endorsements thereto which may be eliminated and issued under applicable State law, and which are customarily required by institutional investors purchasing property comparable to the Property;
- (c) All original warranties and guaranties, if any, in Seller's possession or reasonably available to Seller;
- (d) The metes and bounds survey of the Seller's Reservations, if applicable; and
- (e) Any other document or instrument reasonably necessary or required to consummate the transactions contemplated by this Agreement.

8.5 Buyer's Obligations. At the Closing, the Buyer shall:

- (a) Pay the Purchase Price;

(b) Deliver any other document or instrument reasonably necessary or required to consummate the transactions contemplated by this Agreement, duly executed and acknowledged, where applicable; and

(c) Execute a final closing statement reflecting the Purchase Price, including any adjustments and prorations.

8.6 **Possession.** Possession of the Property will be transferred to the Buyer at Closing.

8.7 **Broker's Fees.** To the extent permitted by law, each Party agrees to release, protect, indemnify, defend and hold the other harmless from and against any and all claims with respect to any commissions, finders' fees or other remuneration due to any broker, agent or finder claiming by, through or under such Party.

9. Default.

9.1 **Default by the Buyer.** If Buyer defaults in its obligations hereunder to deliver the Purchase Price at the time required by this Agreement and close on the purchase of the Property at Closing on the Approval Date, then Seller shall be entitled to terminate this Agreement, thereby releasing the Buyer from its obligations hereunder except those which expressly survive the expiration or termination of this Agreement; and Buyer shall thus forfeit the Earnest Money, and Escrow Agent shall deliver the Earnest Money to Seller, and neither Party shall be obligated to proceed with the purchase and sale of the Property. If Buyer defaults in any of its other representations, warranties or obligations under this Agreement, and such default continues for more than ten (10) days after written notice from Seller, then Seller shall be entitled to terminate this Agreement thereby releasing the Buyer from its obligations hereunder except those which expressly survive the expiration or termination of this Agreement; Buyer shall thus forfeit the Earnest Money, and Escrow Agent shall deliver the Earnest Money Deposit to Seller, and neither Party shall be obligated to proceed with the purchase and sale of the Property.

9.2 **Default by the Seller.** If Seller, prior to the Closing, defaults in its representations, warranties, covenants, or obligations under this Agreement, including to sell the Property as required by this Agreement, then this Agreement shall terminate, and all payments and things of value provided by Buyer hereunder, including the Earnest Money, shall be returned to Buyer as its sole recoverable damages. Buyer expressly waives the remedies of specific performance and additional damages for such default by Seller.

9.3 **Recoverable Damages.** The provisions of Sections 9.1 and 9.2 shall limit the damages recoverable by either Party against the other Party due to the other Party's default or breach of the express provisions of this Agreement (except for defaults or breaches due to inaccurate or incorrect representations and warranties resulting from the intentional or knowing actions of a Party) and, in addition to such limitations, **IN NO EVENT SHALL THE SELLER OR THE BUYER BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES.**

9.4 **Costs of Enforcement.** Any provision in this Agreement to the contrary notwithstanding, if a Party files suit to enforce or recover amounts owed under this Agreement before or after Closing or the earlier termination of this Agreement, the prevailing Party in such litigation shall be entitled to recover from the non-prevailing Party court costs and reasonable attorney's fees.

9.5 **Return of Property Information.** If Closing does not occur, Buyer shall return to Seller all Property information within seven (7) days of receipt of written demand by Seller to furnish the same.

9.6 **Liability of Parties.** Except for obligations expressly assumed or agreed to be assumed by Buyer and Seller hereunder, Buyer and Seller are not assuming any obligations of the other Party or any liability for claims arising out of any act, omission or occurrence which occurs, accrues or arises prior to the Closing Date.

10. Miscellaneous.

10.1 **Notice.** Any notice, demand, direction, request, or other instrument authorized or required by this Agreement to be given to or filed with either party, shall be deemed to have been sufficiently given or filed for all purposes, if and when personally delivered or the date the same is sent by certified mail, postage prepaid, return receipt requested, to the address specified below or at such other address as may be designated in writing by the parties. Email notice must be accompanied with another form of notice allowed hereby in order to be effective.

SELLER: El Paso Water Utilities –Public Service Board
John E. Balliew, President/CEO
1154 Hawkins Drive
El Paso, Texas 79925

Copy to: El Paso Water Utilities
Attn: Alma De Anda
Utility Land and Water Rights Manager
1154 Hawkins Blvd.
El Paso, TX 79925
ADeAnda@epwater.org

BUYER: Phillip & Henry, LLC.
Kevin Phillip
3427 Lakewood Ln.
Flower Mound, TX 75022

10.2 **Entire Agreement/ Governing Law.** This Agreement constitutes the entire agreement between the Parties, and supersedes all prior agreements and understandings, written or oral, regarding the subject matter of this Agreement, and may be amended or supplemented only by an instrument in writing, executed by the Party against whom enforcement is sought. This Agreement shall be governed in all respects, including validity, interpretation, and effect, by and shall be enforceable in accordance with the laws of the State of Texas with jurisdiction in courts of competent jurisdiction of El Paso County, Texas.

10.3 **Time.** Time is of the essence of this Agreement and each and every provision hereof.

10.4 **Severability.** If any provision of this Agreement shall be invalid, illegal, or

unenforceable, the validity, legality and enforceability of the remaining portion shall not in any way be affected or impaired.

10.5 Survival of Provisions. The terms contained in all of Section 1; Section 2; Section 3, Section 5; Section 7; Section 8; and Section 9; as well as Section 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11 and 10.12 of this Agreement, shall survive the Closing and shall not be merged therein. In case any one or more of the provisions contained in this contract for any reason is held invalid, this invalidity will not affect any other provision of this Agreement, which will be construed as if the invalid or unenforceable provision had never existed.

10.6 Binding Effect. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

10.7 "AS IS, WHERE IS". THIS AGREEMENT IS AN ARMS LENGTH AGREEMENT BETWEEN THE PARTIES. THE PURCHASE PRICE WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION. THE BUYER ACCEPTS THE AS IS, WHERE IS, AND WITH ALL FAULTS, AND EXCEPT AS THE WARRANTY OF TITLE AND EXCEPT FOR THE WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS AGREEMENT, WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF WHATSOEVER KIND, EXPRESS OR IMPLIED, WRITTEN OR ORAL, IT BEING THE INTENTION OF THE SELLER AND THE BUYER TO EXPRESSLY NEGATE AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE REGARDING: (A) THE CONDITION OF THE PROPERTY; (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH THE BUYER MAY CONDUCT THEREON; (C) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; AND (D) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY. THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED BY THE SELLER. THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED BY THE SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY BROKER, AGENT, ATTORNEY, EMPLOYEE OR OTHER PERSON. THE BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS, WAIVERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE INTEGRAL PARTS OF THE AGREEMENT BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO THE SALE OF THE PROPERTY, AND THAT THE SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO THE BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH ABOVE.

10.8 ENVIRONMENTAL MATTERS. AFTER CLOSING, BETWEEN THE SELLER AND THE BUYER, THE RISK OF LIABILITY OR EXPENSE FOR ENVIRONMENTAL PROBLEMS, IF ANY, EVEN IF ARISING FROM EVENTS BEFORE CLOSING, WILL BE THE SOLE RESPONSIBILITY OF THE BUYER, REGARDLESS OF WHETHER THE ENVIRONMENTAL PROBLEMS WERE KNOWN OR UNKNOWN AT CLOSING. ONCE CLOSING HAS OCCURRED, THE BUYER SHALL INDEMNIFY, HOLD HARMLESS, AND RELEASE THE SELLER FROM LIABILITY FOR ANY LATENT DEFECTS AND FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, OR THE TEXAS WATER CODE.

10.10 Effective Date. As used herein, "*Effective Date*" means the date this Agreement is received by the Title Company on the space provided for in this Agreement.

10.11 Assignment. The Buyer shall have the right to assign this Agreement or any of its rights hereunder to an affiliate of the Buyer only with the prior written consent of the Seller; provided, however, that (i) such assignee shall assume all of the obligations of the Buyer hereunder, (ii) the Buyer shall remain liable for all of its duties and obligations hereunder, and (iii) the Buyer shall deliver written notice of the assignment, including a copy of the assignment instrument, to the Seller at least three (3) days prior to the Closing.

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. Faxed and emailed signature pages may be accepted as originals.

10.13 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, administrators, successors, and assigns, as applicable of the respective Parties hereto.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date written below each Party's signature below, but to be effective as of the Effective Date.

SELLER:

EL PASO WATER UTILITIES -
PUBLIC SERVICE BOARD, for and on
behalf of THE CITY OF EL PASO, a Texas
municipal corporation

By: Marcia Navarrete
John E. Balliew
President/CEO
Executed on: 2-20-2023

APPROVED AS TO FORM:

Michael Amos
Michael Amos
Senior Assistant General Counsel

APPROVED AS TO CONTENT:

Alma De Anda
Alma De Anda
Utility Land and Water Rights Manager

ACKNOWLEDGEMENT

STATE OF TEXAS

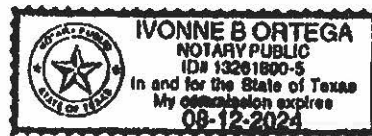
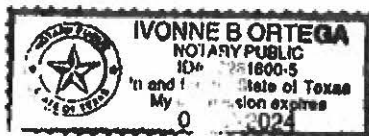
COUNTY OF EL PASO

This instrument was acknowledged before me on the 20th day of February 2023, by John E. Balliew, President and CEO of the El Paso Water Utilities - Public Service Board.
MARCIA NAVARRETE

Notary Public, State of Texas

My Commission Expires:

08-12-2024



[Signatures Continue on the Following Page]

BUYER:

Phillip & Henry LLC

By:

Kevin Phillip
KEVIN PHILLIP

Title: President

Executed on: 17 Feb 2023

ACKNOWLEDGEMENT

STATE OF TEXAS

§
§
§

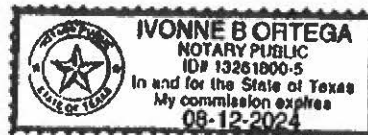
COUNTY OF EL PASO

This instrument was acknowledged before me on the 17th day of February, 2023, by
Kevin L Phillip, PRESIDENT of Phillip & Henry, LLC.

[Signature]
Notary Public, State of Texas

My Commission Expires:

08-12-2024

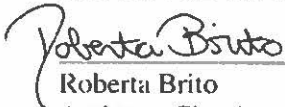


This Agreement has been received and reviewed by the City of El Paso, Texas and the undersigned has been authorized by the City Council of the City of El Paso, Texas to execute the Deed pursuant to the terms of this Agreement on the _____ day of _____, 2023, which shall be the *Approval Date* for the purpose described herein.

THE CITY OF EL PASO, TEXAS,
a Texas municipal corporation,

By: _____
Tomás González
City Manager

APPROVED AS TO FORM:



Roberta Brito
Assistant City Attorney

This Agreement has been received and reviewed by the Title Company this the 2nd day of March, 2023. The Title Company acknowledges that all information furnished to it by the parties or obtained by the Title Company in the course of performing its duties, including acting as the Escrow Agent for the parties, under the Agreement will be treated as confidential information.

TITLE COMPANY:
WestStar Title

By: Melissa Alva Miller
Its: Commercial Escrow Agent.

EXHIBIT A
Legal Description of Property

Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas

EXHIBIT B
Seller's Reservations & Disclosures

Seller will reserve ground & surface water & mineral rights.

Disclosures: At Buyer's sole expense, possible associated fees for re-platting (Well Site on Plat)

EXHIBIT C
Deed

SPECIAL WARRANTY DEED

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

Effective Date: _____, 2023

Grantor: **EL PASO WATER UTILITIES PUBLIC SERVICE BOARD** for and on behalf of **THE CITY OF EL PASO, TEXAS**, a Texas municipal corporation
1154 Hawkins Blvd.
El Paso, Texas 79925

Grantee: **Phillip & Henry, LLC., a Limited Liability Company**
3427 Lakewood Ln
Flower Mound, Texas 75022

Consideration: TEN AND NO/100THS DOLLARS (\$10.00), and other good and valuable consideration to the undersigned paid by Grantee, the receipt of which is hereby acknowledged.

Property (including any improvements):

A parcel of land consisting of approximately 0.222 acres, legally described as Lot 52-A, Block 14, Shearman Unit Four Replat A, City of El Paso, El Paso County, Texas.

Severance of Groundwater Estate and Reservations from Conveyance:

Save and except:

- (1) The groundwater estate related to the Property, which is hereby severed from the Property and reserved by and for Grantor, for all purposes. The groundwater estate shall include, without limitation, the Groundwater and Groundwater Rights related to the Property. The term (i) "Groundwater" shall mean all of the underground water, percolating water, artesian water, and any other water existing now and in the future from any and all depths, reservoirs, aquifers, formations, and horizons beneath the surface of the Property; and (ii) "Groundwater Rights" shall mean (1) the right to access, test, capture, explore for, drill for, develop, withdraw, produce, store, treat, transport or otherwise acquire and beneficially use, reuse, or recharge, any and all of the Groundwater beneath the Property; (2) the right to apply for and obtain all permits, licenses, or other governmental authorizations relating to any of the foregoing, including but not limited to any permit issued by a groundwater conservation district or other governmental entity existing now or in the future and having jurisdiction over the Groundwater and/or the exploration, drilling, production, use, storage, treatment, reuse, recharge or transport of Groundwater.

Exceptions to Conveyance and Warranty:

- (1) Restrictive Covenants recorded in/under Volume 1505, Page 595 and in Volume 1172, Page 529, amended in Volume 1301, Page 819, Real Property Records of El Paso County, Texas but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin.
- (2) 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.
- (3) Any and all claims of right, title and interest to the land, including but not limited to any right of possession or claim for damages relating to the land which has been asserted or may be asserted, of record or not, by or on behalf of any Indian or Indian Tribe, including but not limited to the Tigua Indian Tribe of El Paso, Texas, also known as Pueblo De La Ysleta del Sur, also known as the Ysleta del Sur Pueblo Indian Tribe, also known as the Tigua Indian Community, including but not limited to claims appearing in Affidavit of Julian Granillo, filed for record April 16, 1993, recorded in Volume 2553, Page 1958, Real Property Records of El Paso County, Texas.
- (4) Matters set forth on the subdivision plat, including but not limited to building set back lines and easements for public utilities, with the right to ingress and egress for service, shown on the recorded plat of said addition in Volume 59, Page 87, Real Property Records, El Paso County, Texas. Said Easements being five (5) feet in width across the southwesterly boundary line of subject property.
- (5) Title to all oil, gas and minerals of every kind and character in, on and under the insured premises, together with all rights, privileges and immunities relating thereto, heretofore reserved or conveyed by predecessors in title of STATE OF TEXAS, in Patent Volume 1050, Page 111, Real Property Records, El Paso County, Texas.
- (6) All underground water rights reserved to the CITY OF EL PASO in Volume 336, Page 445, Real Property Records, El Paso County, Texas.

GRANTOR AND GRANTEE AGREE THAT GRANTEE IS ACCEPTING THE PROPERTY FROM GRANTOR IN ITS "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION AND THAT THERE ARE NO REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT THE SPECIAL WARRANTY OF TITLE CONTAINED IN THIS DEED. GRANTEE HAS NOT RELIED ON ANY INFORMATION OTHER THAN GRANTEE'S INSPECTION OF THE PROPERTY.

Grantor, subject to the Severance of the Groundwater Estate and the Exceptions to Conveyance and Warranty set forth above, grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold the Property unto Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under

Grantor, but not otherwise, except as to the Severance of the Groundwater Estate and the Exceptions to Conveyance and Warranty set forth above.

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

(Signature page and exhibits follow.)

EXECUTED to be effective as of the date first stated above.

GRANTOR:


**THE CITY OF EL PASO,
a Texas municipal corporation**

By: _____
Name: Tomás González
Title: City Manager

THE STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the _____ day of _____, 2023,
by **Tomás González**, City Manager of the City of El Paso.

NOTARY PUBLIC, State of Texas

 First American Title Guaranty Company	Commitment for Title Insurance (T-7) <small>ISSUED BY</small> First American Title Guaranty Company
Commitment	

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN **SCHEDULE A** AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We **FIRST AMERICAN TITLE GUARANTY COMPANY** will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

First American Title Guaranty Company



Christopher M. Leavell
President

Jeffrey S. Robinson
Secretary

By: _____

Authorized Countersignature

This jacket was created electronically and constitutes an original document

(This Commitment is valid only when Schedules A, B, C, and D are attached)

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y enterderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before Issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

- **MINERALS AND MINERAL RIGHTS** may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-632-1642 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.
- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements, or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.



**First American
Title Guaranty Company**

Important Notice

ISSUED BY

First American Title Guaranty Company

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call First American Title Guaranty Company's toll-free telephone number for information or to make a complaint at:
1-888-632-1642

You may also write to First American Title Guaranty Company at:

**1 First American Way
Santa Ana, California 92707**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact First American Title Guaranty Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de First American Title Guaranty Company's para informacion o para someter una queja al:
1-888-632-1642

Usted tambien puede escribir a First American Title Guaranty Company:

**1 First American Way
Santa Ana, California 92707**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al.

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el First American Title Guaranty Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

COMMITMENT FOR TITLE INSURANCE T-7
ISSUED BY
FIRST AMERICAN TITLE GUARANTY COMPANY
SCHEDULE A

Effective Date: **May 11, 2022, 5:00 pm**

GF No. **220725-COM**

Commitment No. _____, issued **May 27, 2022**

1. The policy or policies to be issued are:

- a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED: **TBD**
- b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED: , and each successor in ownership of the
indebtedness secured by the insured mortgage,
except a successor who is an obligor under the
provisions of Section 12(c) of the Conditions.

Proposed Borrower: **TBD**
- 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:
THE CITY OF EL PASO FOR THE BENEFIT AND USE OF ITS PUBLIC SERVICE BOARD (EL PASO WATER UTILITIES)
4. Legal description of land:
Lot 52-A, Block 14, SHEARMAN UNIT FOUR REPLAT "A", an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof in Volume 59, Page 87, Real Property Records, El Paso County, Texas.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
Restrictive Covenants recorded in/under Volume 1505, Page 595 and in Volume 1172, Page 529, amended in Volume 1301, Page 819, Real Property Records of El Paso County, Texas but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin.
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 **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. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
 - a. **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.**
 - b. **Rights of parties in possession. (Owners Title Policy)**
 - c. **Any and all claims of right, title and interest to the land, including but not limited to any right of possession or claim for damages relating to the land which has been asserted or may be asserted, of record or not, by or on behalf of any Indian or Indian Tribe, including but not limited to the Tigua Indian Tribe of El Paso, Texas, also known as Pueblo De La Ysleta del Sur, also known as the Ysleta del Sur Pueblo Indian Tribe, also known as the Tigua Indian Community, including but not limited to claims appearing in Affidavit of Julian Granillo, filed for record April 16, 1993, recorded in Volume 2553, Page 1958, Real Property Records of El Paso County, Texas.**

Company insures the Insured against loss, if any, sustained by the insured under the terms of this Policy by reason of the enforcement of said rights as to the land. Company agrees to provide defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to enforce said rights as to the land.

d. OWNER POLICY:

Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this policy if such liens have been filed with the County Clerk of El Paso County, Texas, prior to the date hereof.

Liability hereunder at the date hereof is limited to \$_____. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the Insured as improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

(OWNER POLICY ONLY)

(EXCEPTION MAY BE DELETED IF PROPOSED TRANSACTION DOES NOT INCLUDE COST OF CONTEMPLATED IMPROVEMENTS, CONSTRUCTION OR REPAIRS.)

e. LOAN POLICY

Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this Policy if such liens have been filed with the County Clerk of El Paso County, Texas, prior to the date hereof.

Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule B, or any printed provision of this policy.

(LOAN POLICY ONLY)

(EXCEPTION MAY BE DELETED IF PROPOSED TRANSACTION DOES NOT INCLUDE COST OF CONTEMPLATED IMPROVEMENTS, CONSTRUCTION OR REPAIRS AND LOAN PROCEEDS ARE FULLY DISBURSED).

- f. Any encroachment, encumbrance, violation, 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.)

- g. Matters set forth on the subdivision plat, including but not limited to building set back lines and easements for public utilities, with the right to ingress and egress for service, shown on the recorded plat of said addition in Volume 59, Page 87, Real Property Records, El Paso County, Texas. Said easements being 5 feet in width across the southwesterly boundary line of subject property.**
- h. Title to all oil, gas and minerals of every kind and character in, on and under the insured premises, together with all rights, privileges and immunities relating thereto, heretofore reserved or conveyed by predecessors in title to STATE OF TEXAS, in Patent Volume 1050, Page 111, Real Property Records, El Paso County, Texas.**
- i. All underground water rights reserved to the CITY OF EL PASO in Volume 336, Page 445, Real Property Records, El Paso County, Texas.**

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Title examination did not reveal any liens filed of record affecting the subject property. Company requires the Record Owner to execute an Affidavit as to Debts and Liens at or prior to closing that will either, (1) confirm there are no liens, recorded or unrecorded, against the subject property or, (2) disclose all liens, recorded or unrecorded, affecting the subject property. Should the affidavit reveal any liens affecting the subject property, Company may require additional examination of title and require a release of lien against the subject property at or prior to closing.**
6. **NOTE: The title insurance policy being issued to you contains an arbitration provision. It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000.00 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. If you are the purchaser in the transaction and elect deletion of the arbitration provision, a form will be presented to you at closing for execution. If you are the lender in the transaction and desire deletion of the arbitration provision, please inform us through your Loan Closing Instructions. (Not applicable to the Texas Residential Owner Policy)**

7. **NOTE:** Please be advised if a partnership, joint venture, trust, or a corporation is involved in this transaction, either as a seller, purchaser or borrower, we will require for our review prior to closing, copies of the partnership agreement, joint venture agreement, trust agreement, or corporate resolution authorizing the transaction, and evidence that the corporation is in good standing to authorize the insured transaction.
8. We must be in receipt of a tax certificate indicating all taxes paid through the year preceding the current year as shown on Schedule B, prior to closing.
9. **NOTE:** The Texas Secretary indicates that a Texas Notary Public must use an identification card issued by a governmental agency or a passport issued by the United States to identify the signer. Parties to the transaction must be prepared to furnish acceptable picture identification at closing.
10. Funds deposited by parties to the transaction must comply with Texas Department of Insurance Procedural Rule P-27. To avoid delays in disbursement, Company recommends that deposits in excess of \$100,000 be made by wire transfer. Contact your closing team for wiring instructions.
11. **NOTE:** Copies of the title exceptions shown on Schedule B of this commitment are available for view or print on the El Paso County, Texas website at www.epcounty.com under Official Public Records.
12. **NOTE:** Prior to closing, the company must have information whether the real property recording office for the county in which the Land is located is closed due to the COVID-19 emergency. If recording has been restricted, specific underwriting approval is required; and, additional requirements may be made.
13. **NOTE:** The Company reserves the right to raise exceptions and requirements or determine that it will not issue a title policy based upon the details of the transaction, the review of the closing documents, and changes in recording and title searching capabilities resulting from the COVID-19 virus.

Countersigned
WestStar Title, LLC

By Laura K Evans

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. **220725-COM**

Effective Date: **May 11, 2022, 5:00 pm**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

Underwriter: First American Title Guaranty Company, A Texas Corporation

Shareholder owning or controlling, directly or indirectly, ten percent or more of the shares of the Underwriter:

First American Title Guaranty Company is a wholly owned subsidiary of First American Financial Corporation, a public Company formed in Delaware.

DIRECTORS:

Dennis J. Gilmore, Christopher M. Leavell, Jeffrey S. Robinson, Mark E. Seaton

OFFICERS:

President: Christopher M. Leavell; Senior Vice President, Secretary: Jeffrey S. Robinson; and Vice President, Treasurer: Hugh Matthew McCreadie

2. The following disclosures are made by WestStar Title, LLC pursuant to Rule P-21.

- a. The names of each shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

Owners: WestStar Bank (Texas Banking Association)

- b. Each shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

WestStar Bank Holding Company, Inc.

- c. The following persons are officers and directors of the Title Insurance Agent:

WestStar Title, LLC

Officers: Liliana Miranda, President,

Rodolfo Telles, Sr. Senior Vice President, Title Examination Manager

Rachel Samaniego Valles, Senior Vice President & Branch Manager

Olivian Janette Coon, Senior Vice President & Commercial Escrow Manager

Jaime Gloria, Escrow Accounting Manager

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

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

Owner's Policy	<u>\$0.00</u>
Loan Policy	<u>\$0.00</u>
Endorsement Charges	<u>\$0.00</u>
Other	<u>\$0.00</u>
Total	<u>\$0.00</u>

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
---------------	----------------	---------------------

" *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."

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your 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



First American Title Guaranty Company

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as life insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



Privacy Policy Notice

We Are Committed to Safeguarding Customer Information

Financial Institutions choose how they share your personal information. Federal and state laws give consumers the right to limit some but not all sharing. Title V of the Gramm-Leach-Bliley Act (GLBA) governs the treatment of nonpublic personal information about consumers by financial institutions. GLBA generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed.

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. WestStar Title values you as a customer and respects your right to privacy. We recognize the importance of protecting the confidentiality and security of the information we collect about individuals. We understand that you may be concerned about what we will do with such information. The following is WestStar Title's privacy policy regarding information we collect. This privacy policy governs the use and handling of your personal information. It provides an explanation of the types of information we collect, the means used to collect such information, an explanation of how we share the information collected, and an explanation of how we protect such information. Please read this notice carefully to understand what we do.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information We Collect

In the course of our business we may collect personal information about you. The types of information we collect and share depend on which of our services you are utilizing. This information can include:

- Information we receive from you whether in writing, in person, by telephone or any other means. This can include application information (such as assets and income) and identifying information (such as name, address, and social security number);
- Information about your transaction with us our affiliated companies, or others; this can include information about balances, payment history, and parties to the transaction) and
- Information we receive from a consumer reporting agency, this can include information about your creditworthiness.

Use of Information We Collect

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. We will not release your information to nonaffiliated parties except:

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- as necessary for us to provide the product or service you have requested of us, such as to process account transactions, maintain accounts, respond to court orders and legal investigations; or
- as permitted by law.

We may store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

In the course of our general business practices we may disclose the information we collect (as described above) about you to the following types of institutions for the reasons described below:

- To third party service providers to provide you with services you have requested this can be done by processing your transactions and maintain your account. These companies can include title insurers, property and casualty insurers, and companies involved in real estate services (appraisal companies, home warranty companies, and escrow companies).
- To companies that perform marketing services on our behalf.

Information We May Disclose to Our Affiliates

WestStar Title has the following affiliates: WestStar Bank, WestStar Insurance Agency, Inc., WestStar Bank Holding Company Inc., WestStar Title Holdings, LLC., and Sun City Title, LLC. We do not share personal information with our affiliates so they can market or make solicitations to you. We may share information about your transactions and experiences – this can include information such as your payment history – with our affiliates for their everyday business purposes, you cannot limit the sharing of this information.


Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

To protect your personal information from unauthorized access and use, we use security measures and maintain physical, electronic, and procedural safeguards that comply with federal law. We restrict access to personal information about you to those individuals and entities who need to know that information to provide products or services to you. We train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this privacy policy.

Note: The above Privacy Policy applies to individuals who obtain services or products that are to be used for personal family or household purposes.

 First American Title Guaranty Company	Commitment for Title Insurance (T-7) <small>ISSUED BY</small> First American Title Guaranty Company
Commitment	

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN **SCHEDULE A** AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

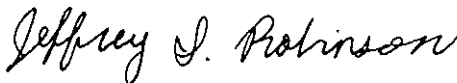
We **FIRST AMERICAN TITLE GUARANTY COMPANY** will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

First American Title Guaranty Company




Christopher M. Leavell
President



Jeffrey S. Robinson
Secretary

By:  _____
Authorized Countersignature

This jacket was created electronically and constitutes an original document

(This Commitment is valid only when Schedules A, B, C, and D are attached)

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y enterderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

- **MINERALS AND MINERAL RIGHTS** may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-632-1642 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.
- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements, or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.



**First American
Title Guaranty Company**

Important Notice

ISSUED BY

First American Title Guaranty Company

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call First American Title Guaranty Company's toll-free telephone number for information or to make a complaint at:

1-888-632-1642

You may also write to First American Title Guaranty Company at:

**1 First American Way
Santa Ana, California 92707**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact First American Title Guaranty Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de First American Title Guaranty Company's para informacion o para someter una queja al:

1-888-632-1642

Usted tambien puede escribir a First American Title Guaranty Company:

**1 First American Way
Santa Ana, California 92707**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el First American Title Guaranty Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

COMMITMENT FOR TITLE INSURANCE T-7
ISSUED BY
FIRST AMERICAN TITLE GUARANTY COMPANY
SCHEDULE A

Effective Date: **May 11, 2022, 5:00 pm**

GF No. **220725-COM**

Commitment No. _____, issued **May 27, 2022**

1. The policy or policies to be issued are:

- a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED: **TBD**
- b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED: , and each successor in ownership of the
indebtedness secured by the insured mortgage,
except a successor who is an obligor under the
provisions of Section 12(c) of the Conditions.

Proposed Borrower: **TBD**
- 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:
THE CITY OF EL PASO FOR THE BENEFIT AND USE OF ITS PUBLIC SERVICE BOARD (EL PASO WATER UTILITIES)
4. Legal description of land:
Lot 52-A, Block 14, SHEARMAN UNIT FOUR REPLAT "A", an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof in Volume 59, Page 87, Real Property Records, El Paso County, Texas.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
Restrictive Covenants recorded in/under Volume 1505, Page 595 and in Volume 1172, Page 529, amended in Volume 1301, Page 819, Real Property Records of El Paso County, Texas but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin.
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 **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. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
 - a. **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.**
 - b. **Rights of parties in possession. (Owners Title Policy)**
 - c. **Any and all claims of right, title and interest to the land, including but not limited to any right of possession or claim for damages relating to the land which has been asserted or may be asserted, of record or not, by or on behalf of any Indian or Indian Tribe, including but not limited to the Tigua Indian Tribe of El Paso, Texas, also known as Pueblo De La Ysleta del Sur, also known as the Ysleta del Sur Pueblo Indian Tribe, also known as the Tigua Indian Community, including but not limited to claims appearing in Affidavit of Julian Granillo, filed for record April 16, 1993, recorded in Volume 2553, Page 1958, Real Property Records of El Paso County, Texas.**

Company insures the Insured against loss, if any, sustained by the insured under the terms of this Policy by reason of the enforcement of said rights as to the land. Company agrees to provide defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to enforce said rights as to the land.

d. OWNER POLICY:

Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this policy if such liens have been filed with the County Clerk of El Paso County, Texas, prior to the date hereof.

Liability hereunder at the date hereof is limited to \$_____. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the Insured as improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

(OWNER POLICY ONLY)

(EXCEPTION MAY BE DELETED IF PROPOSED TRANSACTION DOES NOT INCLUDE COST OF CONTEMPLATED IMPROVEMENTS, CONSTRUCTION OR REPAIRS.)

e. LOAN POLICY

Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this Policy if such liens have been filed with the County Clerk of El Paso County, Texas, prior to the date hereof.

Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule B, or any printed provision of this policy.

(LOAN POLICY ONLY)

(EXCEPTION MAY BE DELETED IF PROPOSED TRANSACTION DOES NOT INCLUDE COST OF CONTEMPLATED IMPROVEMENTS, CONSTRUCTION OR REPAIRS AND LOAN PROCEEDS ARE FULLY DISBURSED).

- f. Any encroachment, encumbrance, violation, 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.)

- g. Matters set forth on the subdivision plat, including but not limited to building set back lines and easements for public utilities, with the right to ingress and egress for service, shown on the recorded plat of said addition in Volume 59, Page 87, Real Property Records, El Paso County, Texas. Said easements being 5 feet in width across the southwesterly boundary line of subject property.**
- h. Title to all oil, gas and minerals of every kind and character in, on and under the insured premises, together with all rights, privileges and immunities relating thereto, heretofore reserved or conveyed by predecessors in title to STATE OF TEXAS, in Patent Volume 1050, Page 111, Real Property Records, El Paso County, Texas.**
- i. All underground water rights reserved to the CITY OF EL PASO in Volume 336, Page 445, Real Property Records, El Paso County, Texas.**

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Title examination did not reveal any liens filed of record affecting the subject property. Company requires the Record Owner to execute an Affidavit as to Debts and Liens at or prior to closing that will either, (1) confirm there are no liens, recorded or unrecorded, against the subject property or, (2) disclose all liens, recorded or unrecorded, affecting the subject property. Should the affidavit reveal any liens affecting the subject property, Company may require additional examination of title and require a release of lien against the subject property at or prior to closing.**
6. **NOTE: The title insurance policy being issued to you contains an arbitration provision. It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000.00 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. If you are the purchaser in the transaction and elect deletion of the arbitration provision, a form will be presented to you at closing for execution. If you are the lender in the transaction and desire deletion of the arbitration provision, please inform us through your Loan Closing Instructions. (Not applicable to the Texas Residential Owner Policy)**

7. **NOTE:** Please be advised if a partnership, joint venture, trust, or a corporation is involved in this transaction, either as a seller, purchaser or borrower, we will require for our review prior to closing, copies of the partnership agreement, joint venture agreement, trust agreement, or corporate resolution authorizing the transaction, and evidence that the corporation is in good standing to authorize the insured transaction.
8. We must be in receipt of a tax certificate indicating all taxes paid through the year preceding the current year as shown on Schedule B, prior to closing.
9. **NOTE:** The Texas Secretary indicates that a Texas Notary Public must use an identification card issued by a governmental agency or a passport issued by the United States to identify the signer. Parties to the transaction must be prepared to furnish acceptable picture identification at closing.
10. Funds deposited by parties to the transaction must comply with Texas Department of Insurance Procedural Rule P-27. To avoid delays in disbursement, Company recommends that deposits in excess of \$100,000 be made by wire transfer. Contact your closing team for wiring instructions.
11. **NOTE:** Copies of the title exceptions shown on Schedule B of this commitment are available for view or print on the El Paso County, Texas website at www.epcounty.com under Official Public Records.
12. **NOTE:** Prior to closing, the company must have information whether the real property recording office for the county in which the Land is located is closed due to the COVID-19 emergency. If recording has been restricted, specific underwriting approval is required; and, additional requirements may be made.
13. **NOTE:** The Company reserves the right to raise exceptions and requirements or determine that it will not issue a title policy based upon the details of the transaction, the review of the closing documents, and changes in recording and title searching capabilities resulting from the COVID-19 virus.

Countersigned
WestStar Title, LLC

By 

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. **220725-COM**

Effective Date: **May 11, 2022, 5:00 pm**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

Underwriter: First American Title Guaranty Company, A Texas Corporation

Shareholder owning or controlling, directly or indirectly, ten percent or more of the shares of the Underwriter:

First American Title Guaranty Company is a wholly owned subsidiary of First American Financial Corporation, a public Company formed in Delaware.

DIRECTORS:

Dennis J. Gilmore, Christopher M. Leavell, Jeffrey S. Robinson, Mark E. Seaton

OFFICERS:

President: Christopher M. Leavell; Senior Vice President, Secretary: Jeffrey S. Robinson; and Vice President, Treasurer: Hugh Matthew McCreadie

2. The following disclosures are made by WestStar Title, LLC pursuant to Rule P-21.

- a. The names of each shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

Owners: WestStar Bank (Texas Banking Association)

- b. Each shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

WestStar Bank Holding Company, Inc.

- c. The following persons are officers and directors of the Title Insurance Agent:

WestStar Title, LLC

Officers: Liliana Miranda, President,

Rodolfo Telles, Sr. Senior Vice President, Title Examination Manager

Rachel Samaniego Valles, Senior Vice President & Branch Manager

Olivian Janette Coon, Senior Vice President & Commercial Escrow Manager

Jaime Gloria, Escrow Accounting Manager

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

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

Owner's Policy	<u>\$0.00</u>
Loan Policy	<u>\$0.00</u>
Endorsement Charges	<u>\$0.00</u>
Other	<u>\$0.00</u>
Total	<u>\$0.00</u>

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
---------------	----------------	---------------------

" *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."

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your 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



First American Title Guaranty Company

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



Privacy Policy Notice

We Are Committed to Safeguarding Customer Information

Financial Institutions choose how they share your personal information. Federal and state laws give consumers the right to limit some but not all sharing. Title V of the Gramm-Leach-Bliley Act (GLBA) governs the treatment of nonpublic personal information about consumers by financial institutions. GLBA generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed.

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. WestStar Title values you as a customer and respects your right to privacy. We recognize the importance of protecting the confidentiality and security of the information we collect about individuals. We understand that you may be concerned about what we will do with such information. The following is WestStar Title's privacy policy regarding information we collect. This privacy policy governs the use and handling of your personal information. It provides an explanation of the types of information we collect, the means used to collect such information, an explanation of how we share the information collected, and an explanation of how we protect such information. Please read this notice carefully to understand what we do.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information We Collect

In the course of our business we may collect personal information about you. The types of information we collect and share depend on which of our services you are utilizing. This information can include:

- Information we receive from you whether in writing, in person, by telephone or any other means. This can include application information (such as assets and income) and identifying information (such as name, address, and social security number);
- Information about your transaction with us our affiliated companies, or others; this can include information about balances, payment history, and parties to the transaction) and
- Information we receive from a consumer reporting agency, this can include information about your creditworthiness.

Use of Information We Collect

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. We will not release your information to nonaffiliated parties except:

- as necessary for us to provide the product or service you have requested of us, such as to process account transactions, maintain accounts, respond to court orders and legal investigations; or
- as permitted by law.

We may store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

In the course of our general business practices we may disclose the information we collect (as described above) about you to the following types of institutions for the reasons described below:

- To third party service providers to provide you with services you have requested this can be done by processing your transactions and maintain your account. These companies can include title insurers, property and casualty insurers, and companies involved in real estate services (appraisal companies, home warranty companies, and escrow companies).
- To companies that perform marketing services on our behalf.

Information We May Disclose to Our Affiliates

WestStar Title has the following affiliates: WestStar Bank, WestStar Insurance Agency, Inc., WestStar Bank Holding Company Inc., WestStar Title Holdings, LLC., and Sun City Title, LLC. We do not share personal information with our affiliates so they can market or make solicitations to you. We may share information about your transactions and experiences – this can include information such as your payment history – with our affiliates for their everyday business purposes, you cannot limit the sharing of this information.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

To protect your personal information from unauthorized access and use, we use security measures and maintain physical, electronic, and procedural safeguards that comply with federal law. We restrict access to personal information about you to those individuals and entities who need to know that information to provide products or services to you. We train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this privacy policy.

Note: The above Privacy Policy applies to individuals who obtain services or products that are to be used for personal family or household purposes.

APPRAISAL REPORT

**VACANT LAND
000 ANGORA LOOP
EL PASO, TEXAS 79924**

APPRAISER'S FILE REFERENCE #9086.6

PREPARED FOR:

**Ms. Alma De Anda
Utility Land and Water Rights Manager
El Paso Water
1154 Hawkins Blvd.
El Paso, Texas 79925**

PREPARED BY:

**Walker R. Beard, MAI
Wilkinson, Pendergras & Beard, LP
PO Box 13501
El Paso, Texas 79913**

**EFFECTIVE DATE OF VALUATION
April 7, 2021**



APPRAISAL GROUP

Real Estate & Business Valuation Services

WALKER R. BEARD, MAI, CCIM, R/W-AC
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April 26, 2021

Ms. Alma De Anda
Utility Land and Water Rights Manager
El Paso Water
1154 Hawkins Blvd.
El Paso, Texas 799251

Re: Vacant Land located at 000 Angora Loop, El Paso, Texas 79924 / Appraiser's File Reference #9086.6

Dear Ms. De Anda:

Pursuant to your request for an appraisal report of the fee simple rights of ownership of the vacant land located at 000 Angora Loop, El Paso, Texas 79924 and more particularly described by the legal description herein, I submit this appraisal report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and the attached limiting conditions. This appraisal was prepared in accordance with requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) relating to appraisal standards as enumerated in Chapter 12, Code of Federal Regulation, Part 34 (12 CFR 34). I estimate a reasonable exposure time for the subject of 12 months.

Based on the agreed to Scope of Work, and as outlined in the report, I am of the opinion that the current market value of the fee simple rights of ownership of the subject, as of April 7, 2021, is:

THIRTY-EIGHT THOUSAND DOLLARS

(\$38,000) *

** Subject to the Extraordinary Assumptions and Limiting Conditions as noted on Page 7 of this report.*

The value reported is qualified by certain definitions, assumptions and limiting conditions, and certifications that are set forth in the attached report. This letter is invalid as an opinion of value if detached from the report.

Ms. De Anda
April 26, 2021
Appraiser's File Reference #9086.6

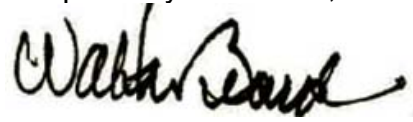
The value conclusion is subject to the assumptions and limiting conditions, certification and extraordinary assumptions, if applicable, and definitions found herein. This letter is invalid as an opinion of value if detached from the report.

Market Value as used in this report is defined as the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer.

At the time of the appraisal, COVID-19 was beginning to have widespread health and economic impacts globally and in the United States. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the facts and data used herein are true and correct, that Walker R. Beard, MAI has personally inspected the subject, and that I have no interest present or current therein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Walker R. Beard", written over a horizontal line.

Walker R. Beard, MAI
State Certified
TX-1320551-G

Current Date of Appraisal: April 7, 2021
Date of Inspection: April 7, 2021
Date of Report: April 26, 2021
Appraiser's File Reference: #9086.6
Interests Appraised: 100% fee simple
Legal Address: 000 Angora Loop
El Paso, Texas 79924
Legal Description: Lot 52-A, Block 14, Shearman Unit 4
(Replat A), City of El Paso, El Paso
County, Texas
Land Size: 9,669 SF or 0.222 Acres
Highest & Best Use – Vacant: Residential
Zoning: R-5S, Residential
Exposure & Marketing Time: 12 months / 12 months

ESTIMATED CURRENT "AS IS" VALUE	
FINAL VALUE OPINION	\$38,000*

**Subject to the Extraordinary Assumptions and Limiting Conditions as noted on Page 7 of this report.*

General Assumptions & Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions when applicable.

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described, and considered in this appraisal.

It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. The presence of such hazardous substances may affect the value of the property. The value estimated is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

General Assumptions & Limiting Conditions

Possession of this report, or a copy hereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without the previous written consent of the appraiser or the client and in any event, only with proper identification.

I am not required to give testimony or attendance in court by reason of this appraisal without prior agreement mutually agreeable to both the appraiser and the client.

Any allocation of the total value estimated in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation.

I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA (The Americans with Disabilities Act) which become effective January 26, 1992. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

The forecast of income and expenses are not predictions of the future. Rather, they are my best estimate of current market thinking on future income and expenses. I make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. I do not predict or in any way warrant the conditions of a future real estate market, but I can only reflect what the investment community, as of the date of appraisal, envisages for the future in terms of rental rates, expenses, supply and demand.

The forecasted potential gross income referred to in this appraisal may be based on lease summaries or incomplete leases as provided by the owner or third parties. I have reviewed the lease documents and assume no responsibility for the authenticity or completeness of lease information provided by others. I recommend that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

My appraisal is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and information that was provided. I have not, as part of my appraisal, performed an audit or review of the financial information used and, therefore, I do not express an opinion or any other form of assurance with regard to the same. Under the terms of this engagement, I have no obligation to revise this report or the estimated financial results to reflect events or conditions that occur subsequent to the date of this appraisal.

Extraordinary Assumptions & Hypothetical Conditions

This appraisal is subject to the following extraordinary assumptions and hypothetical conditions.

An Extraordinary Assumption is defined as ***“an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”***¹

- *There are no extraordinary assumptions considered in this analysis.*

A Hypothetical Condition is defined as ***“a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”***²

- *There are no hypothetical conditions considered in this analysis.*

¹ The Appraisal Foundation, USPAP (2020-2021 Edition), Page U-3.

²Ibid.



*Boundary lines are approximate.

View of subject and immediate trade area.



Subject site looking south



Street scene looking east along Angora Loop, subject to the right

CLIENT & INTENDED USER OF THE APPRAISAL:

My client and intended user is Alma De Anda, Utility Land and Water Rights Manager with El Paso Water. This report may not be distributed to, or relied upon by, other persons or entities without my written permission.

INTENDED USE OF THE APPRAISAL:

It is my understanding the intended use of the appraisal is to determine market value for consideration of sale.

IDENTIFICATION OF THE PROPERTY APPRAISED:

I have been requested to provide an appraisal of the real property (land only) located at 000 Angora Loop. The site contains 9,669 square feet and is located on Angora Loop, El Paso, Texas. The subject is located in a developed single family residential neighborhood. A more thorough description of the land is contained in the site description of this report.

LEGAL DESCRIPTION:

Lot 52-A, Block 14, Shearman Unit 4 (Replat A), City of El Paso, El Paso County, Texas.

STATEMENT OF OWNERSHIP & PROPERTY HISTORY:

The subject site has been under the ownership of the City of El Paso in excess of five years. The site is not listed for sale or under contract to sell to my knowledge. There have been no transactions recorded for the subject within the past five years based on a search of the El Paso County records. This represents a complete five-year history of the subject.

PROPERTY INTERESTS APPRAISED:

This **appraisal report** is intended to comply with Standard 2-2 of the Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition. The report analyzes the fee simple interest of the subject.

The appraisal will consider **real property**. Assets to include personal property, supplies, materials on hand, inventories, and any current or intangible assets that may exist are not part of this appraisal.

Fee Simple, Leased Fee, and Leasehold are defined as follows.

A fee simple estate implies absolute ownership unencumbered by any other interest or estate.³

A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and the lessee (leaseholder) are specified by contract terms contained within the lease.⁴

A leasehold estate, which is held by a lessee (the tenant and renter), conveys the right of use and occupancy for a stated term under certain conditions.⁵

Real Property is defined as follows.

Real property includes all interests, benefits, and rights inherent in the ownership of physical real estate.⁶

Personal Property is defined as follows.

Personal property includes movable items of property that are not permanently affixed to, or part of, the real estate.⁷

TYPE & DEFINITION OF VALUE:

The purpose of this appraisal is to estimate the current “as is” **market value** for the subject land.

Market Value, as used in this report, is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a

³The Dictionary of Real Estate, Fifth Edition, 2010, Appraisal Institute. Page 78.

⁴ Ibid., Page 111

⁵ Ibid., Page 111.

⁶ Ibid., Page 161.

⁷ Ibid., Page 145.

specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”⁸*

DATES USED IN THE APPRAISAL:

The subject is currently appraised as of **April 7, 2021**, the current date of inspection. The date of this report is **April 26, 2021**.

SCOPE OF WORK:

It has been my intention to prepare this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. Engineering studies, ADA determinations, surveys, title reports, flood plain determinations, and environmental audits are beyond the scope of work of this appraisal. This report is limited to the valuation of the land and none of the current site improvements. Paired sales, interviews and additional research were conducted to determine the market value.

Extent to Which the Property is identified: I researched data from the market pertaining to the subject including but not limited to records from El Paso County, El Paso Central Appraisal District and the City of El Paso. I have performed a current inspection of the subject property and neighborhood.

⁸Interagency Appraisal and Evaluation Guidelines, December 2010, OCC: 12 CFR part 34, subpart C.

Extent to Which Tangible Property is Inspected: In preparing this appraisal, Walker R. Beard, MAI inspected the subject on April 7, 2021, which is the effective date of this report. I drove the immediate area and viewed all of the comparables used in this appraisal from the street.

I visited the subject property to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. I am not a licensed inspector, and I did not make an “inspection” of the property as defined by TREC Rule 535.227-535.231 for real estate inspectors.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. I do not have reason to suspect the presence of hazardous substances, and I valued the subject assuming that none are present. No responsibility is assumed for any such conditions or for any expertise or engineering required to detect or discover them. I urge the user of this report to obtain the services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While I refer to FEMA flood maps, I am not a surveyor and I am not qualified to make flood plain determinations, and I recommend that a qualified party be consulted before any investment decision is made.

Type & Extent of Data Researched: Market research was conducted for land sales and listings. Sources used to obtain information included but were not limited to public records, discussions with involved parties, real estate brokers, property managers, and other appraisers. Confirmation of sales and rents involved discussions with knowledgeable parties. Confirmation of market data as used in this appraisal was obtained from sources believed to be reliable; however, I assume no responsibility for their accuracy.

Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recordation of the deed itself. In Texas, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which I am unaware. My data

sources provide all the data typically available to appraisers in the normal course of business.

Type & Extent of Analysis Applied: I have considered market conditions including but not limited to city and market area data. I have analyzed the data from the market to determine the highest and best use of the subject property.

Novel Coronavirus (COVID-19): The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a global health emergency on the 30th January 2020, is causing heightened uncertainty in both local and global market conditions. Originating in Wuhan, China, the outbreak continues to develop, and cases are progressively being detected around the world and impacting global financial markets. Travel restrictions have been implemented by many countries, restricting travel to and from Mainland China and other countries affected such as South Korea, Iran and northern Italy. The effect COVID-19 will have on the real estate market in the region is currently unknown and will largely depend on both the scale and longevity of the outbreak. At this stage Tourism, F&B and Retail sectors are likely to be the first impacted, due to the increased response by local and global authorities including home quarantine, restriction of travel and growing international concern. A prolonged outbreak could have a significant (and yet unknown or quantifiable) impact on other sectors of the property market. My valuation is based on the information available to me at the date of valuation. Given the heightened uncertainty, a degree of caution should be exercised when relying upon my valuation. Values, and incomes, may change more rapidly and significantly than during standard market conditions and I recommend that you keep the valuation of this property under frequent review.

VALUATION PROCESS:

I have considered all three approaches to value the vacant land. The three approaches are generally called the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Sales Comparison Approach is the most applicable approach to value the subject as vacant, fee simple land.

EXPOSURE & MARKETING TIMES:

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale

at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is different for various types of real estate and under various market conditions. The estimate of the time period for reasonable exposure time is not intended to be a predication of a date of sale.

I have analyzed the comparable sales in order to determine the reasonable exposure time for these sales. Additionally, I have surveyed knowledgeable participants. I am of the opinion an exposure time of 12 months appears appropriate for the subject based on the final market value estimate.

Marketing time is forward looking and I am of the opinion a marketing time of 12 months appears reasonable for the subject to consider the strength of the leases and tenants. Marketing time is ***“an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.”***⁹ It is my opinion that similar conditions prevail that suggests 12 months or less to be an appropriate marketing time for the subject property.

My valuation is based on the information available to me at the date of valuation. Given the heightened uncertainty, a degree of caution should be exercised when relying upon my valuation. Values, and incomes, may change more rapidly and significantly than during standard market conditions and I recommend that you keep the valuation of this property under frequent review.

⁹ *The Dictionary of Real Estate*, Fifth Edition, 2010, Appraisal Institute. Page 121.

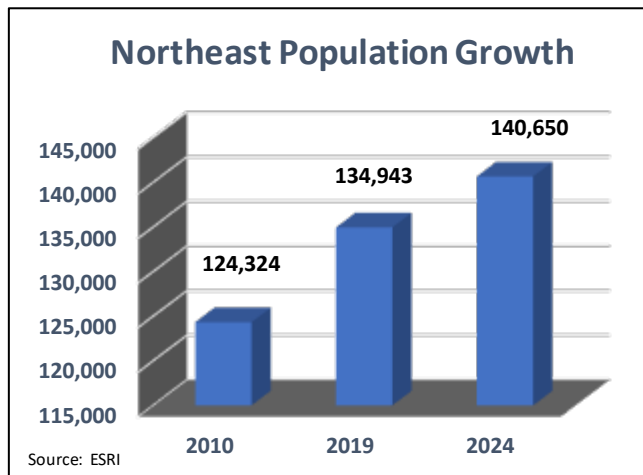
INTRODUCTION:

The purpose of the market area analysis is to analyze factors that may affect property values. A market area is defined as (neighborhood analysis) ***“the objective analysis of observable and/or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors.”***¹⁰ Northeast El Paso is defined in detail as follows.

BOUNDARIES:

Northeast Planning Sector of the City of El Paso is centered approximately fifteen miles from the Central Business District. The broad market area boundaries are described as the North-South Freeway and Alabama Street on the west, the city limits on the north, the Fort Bliss Military Reservation on the east, and Fort Boulevard on the south.

POPULATION AND PREDOMINANT LAND USE:



Northeast El Paso comprised 18.9% of total city population or 134,943 by the end of 2019 according to information obtained from the Site to do Business. The population in Northeast El Paso can best be described as primarily military, retiree and civil servant-type personnel. There is a total of 43,390 housing units in the market area as of 2019, and the mix is 54.9% owner

occupied to 45.1% renter occupied.

The market area is heavily reliant upon the military for economic growth and development. The region has the largest maneuver area in the army with over one million acres of training space and no environmental limitations. The region is

¹⁰ *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, Appraisal Institute, Page 133.

comprised of Fort Bliss, the White Sands Missile Range and Holloman Air force Base making it a key region for a joint, interagency, multinational installation.

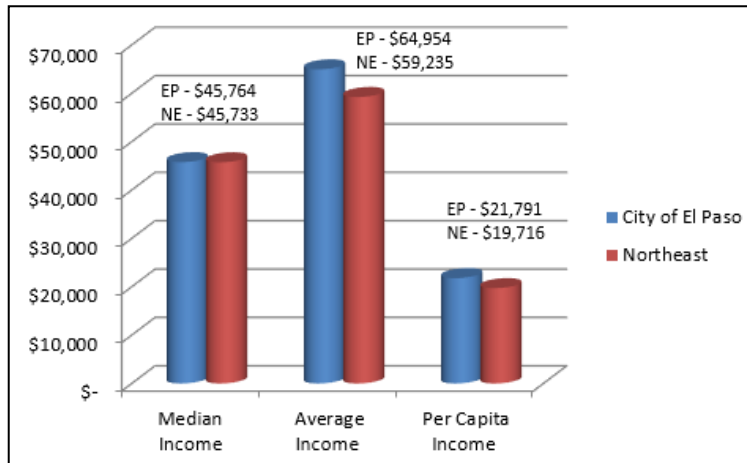
The following chart shows the population growth for all of the market areas located with the City of El Paso. The Northeast planning sector has demonstrated a growth rate of 0.9% per year since 2010 and is projected to continue to grow at a rate of less than 1% per year.

Planning Sector	Census 2010	2019 Estimate	% of City Population	Growth Rate
East	223,959	253,953	35.6%	1.5%
Northeast / Ft. Bliss	124,324	134,943	18.9%	0.9%
Northwest	114,115	123,892	17.4%	1.0%
Lower Valley	95,189	96,221	13.5%	0.1%
Central	103,712	104,458	14.6%	0.1%
Total City	661,299	713,467		0.9%

LAND USE:

The market area is comprised mostly of older and established residential neighborhoods in the area immediately north of Montana Avenue and south of Transmountain Road and new residential subdivision development in the area north of Transmountain Road. Retail development is concentrated along Trans Mountain Road at US Highway 54. Growth in the market area is occurring in the northern sections, mostly north of US Highway 54 in the immediate subject area. The military presence has increased dramatically, which has positively affected the market area. Older segments of the market area are beginning to experience revitalization and redevelopment.

DEMOGRAPHICS:



The median, average and per capita incomes are lower in the subject market area than the City average as indicated in the adjacent chart. The current median and average household incomes are \$45,733 and \$59,235 for Northeast El Paso.

The following chart shows the most recent income statistics by market area and by income bracket in the major planning sectors of the City of El Paso.

2019 Households by Income	Northwest	East	Lower Valley	Northeast / Ft. Bliss	Central	City	County
less than \$15,000	9.6%	9.6%	20.8%	12.5%	27.8%	14.4%	14.7%
\$15,000-\$24,000	9.3%	10.0%	18.0%	11.9%	18.7%	12.7%	13.0%
\$25,000-\$34,999	7.6%	10.0%	15.4%	11.6%	12.5%	10.9%	11.4%
\$35,000-\$49,999	11.9%	16.1%	17.6%	18.0%	14.1%	15.4%	15.6%
\$50,000-\$74,999	17.0%	22.3%	15.7%	19.9%	12.0%	18.3%	18.2%
\$75,000-\$99,999	10.8%	11.7%	6.2%	10.4%	6.1%	9.8%	9.6%
\$100,000-\$149,999	17.6%	13.7%	4.6%	11.7%	5.4%	11.6%	11.2%
\$150,000-\$199,999	6.4%	3.8%	1.1%	2.6%	1.0%	3.3%	3.1%
\$200,000+	9.9%	2.7%	0.6%	1.4%	2.4%	3.5%	3.2%
Median	\$ 65,110	\$ 53,234	\$ 31,625	\$ 45,733	\$ 27,186	\$ 45,764	\$ 44,364
Average	\$ 95,380	\$ 68,547	\$ 42,403	\$ 59,235	\$ 44,944	\$ 64,954	\$ 62,923
Per Capita	\$ 34,575	\$ 21,770	\$ 13,503	\$ 19,716	\$ 16,169	\$ 21,791	\$ 20,314

The following chart shows the income trends for 2019 as compared to 2018. The data is showing an increase per capita income of 2.9%; a 4.3% increase in average income and an increase in median income of 5.2% for Northeast El Paso. For the City of El Paso, the data is showing an increase in median, average and per capita incomes of between 2.2% and 3.5% and for El Paso County the data is showing an increase in median, average and per capita incomes of between 1.9% and 3.3%. Overall, incomes have increased over the past year in the market area and regional area.

Income Trends	Northeast & Ft. Bliss			City			County		
	2019	2018	Annual % Change	2019	2018	Annual % Change	2019	2018	Annual % Change
Median	\$ 45,733	\$ 43,462	5.2%	\$ 45,764	\$ 44,720	2.3%	\$ 44,364	\$ 43,303	2.5%
Average	\$ 59,235	\$ 56,788	4.3%	\$ 64,954	\$ 62,775	3.5%	\$ 62,923	\$ 60,893	3.3%
Per Capita	\$ 19,716	\$ 19,168	2.9%	\$ 21,791	\$ 21,314	2.2%	\$ 20,314	\$ 19,944	1.9%

ACCESSIBILITY:

Access to the market area is very good via the Patriot Freeway (U.S. Highway 54), Dyer Street, Diana Drive, McCombs Street and Railroad Drive, all of these major thoroughfares lying generally in a north-south direction. Major east/west thoroughfares are Hondo Pass Drive, Hercules Avenue, Fred Wilson Road, and Woodrow Bean/Transmountain Road, which all intersect with the Patriot Freeway or its frontage roads. Railroad Drive and Fred Wilson Road provide direct access into Northeast El Paso from the central east part of the City without utilization of the freeway system.

UTILITIES:

The subject neighborhood is adequately served by all the typical utilities, including water, sewer, electric service, natural gas, and public telephone. No shortages of utility service in the developed portions of the neighborhood were reported and lack of utilities has not been detrimental in the development of the area. Major utility companies servicing the neighborhood include the El Paso Electric Company, El Paso Water and Texas Gas Service Company.

LIFE CYCLE OF REAL ESTATE MARKETS:

Real estate markets are dynamic, and appraisers describe this quality as a market's life cycle. The four stages of the typical life cycle are:

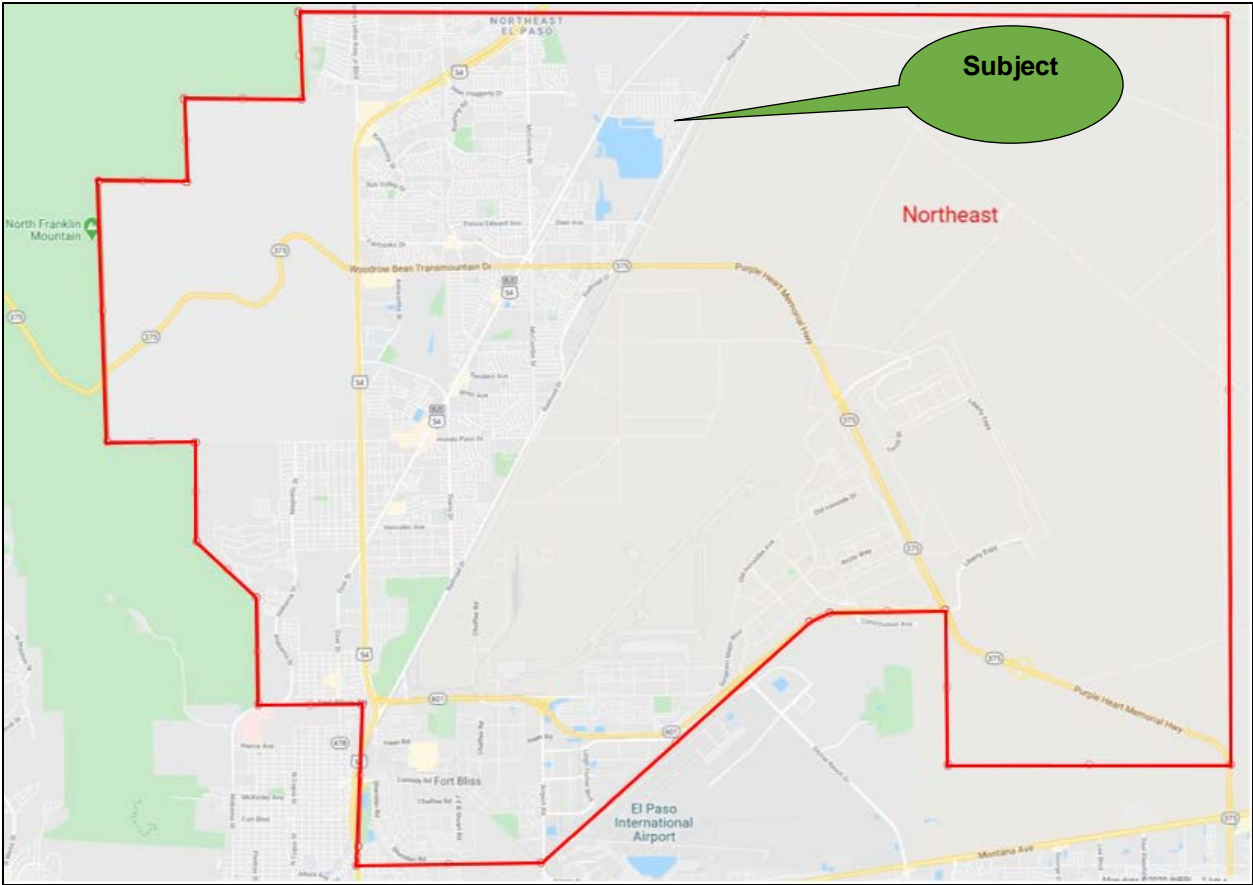
1. Growth – a period during which the market area gains public favor and acceptance
2. Stability – a period of equilibrium without marked gains or losses
3. Decline – a period of diminishing demand

4. Revitalization – a period of renewal, redevelopment, modernization, and increasing demand

Northeast El Paso is widely considered to be in a stability life cycle. There has been an increase in investment with commercial development activity increases over the past two years but the increase is in the beginning stages and the market is not classified as being in a growth cycle yet however, the market area is close to being in a growth cycle.

CONCLUSION:

The overall market area experienced strong multifamily and residential development in conjunction with the expansion of Fort Bliss through 2012. Since that time, development has continued but at a slower pace and one that is more consistent with historical averages. There are ongoing redevelopment projects and new planned residential subdivisions in the neighborhood. Values for properties in the market area are considered to be stable to at least stable at this time.



MARKET AREA MAP

SIZE AND SHAPE:

The subject parcel is generally triangular in shape and contains 9,669 square feet. It is located with frontage and access along Angora Loop (north boundary).

SOIL:

Soil tests were not available. Therefore, I do not express an opinion as to the quality of the soil. My report assumes and is made subject to the soil being of good load bearing quality.

MINERAL DEPOSITS:

There are no identifiable mineral deposits having commercial value existing on the subject site.

UTILITIES:

Gas is provided by Texas Gas Service and electric by El Paso Electric Company. AT&T provides basic telephone service. Water and sewer are provided by El Paso Water.

TOPOGRAPHY & FLOOD ZONE:

It appears that the subject site is located in a designated flood plain according to Map #480214 0015C of the Federal Emergency Management System as of January 3, 1997. My appraisal assumes and is made subject to the subject site not being located in a designated flood plain.



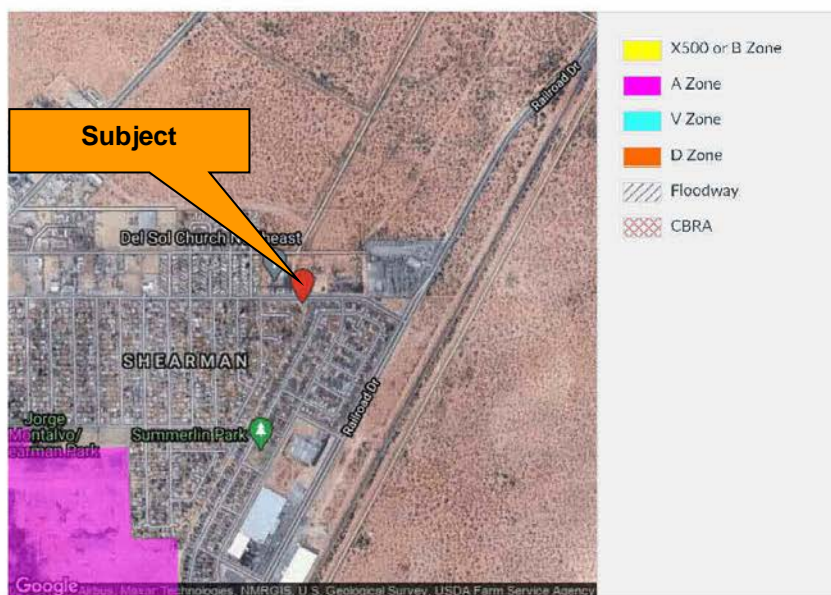
000 Angora Loop

LOCATION ACCURACY: *User-defined location*

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	480214	PANEL	0015D
PANEL DATE	January 03, 1997	MAP NUMBER	4802140015D



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Report generated Mar 23, 2021 by wbeard@wpbep.com

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FLOOD MAP

EASEMENTS AND ENCROACHMENTS:

There are no apparent adverse easements or encroachments based upon inspection. My appraisal assumes and is made subject to no adverse easements or encroachments that affect the utility of the subject site.

ENVIRONMENTAL:

I have not been provided with a current environmental survey for the subject property. I am not an expert in environmental matters and the reader is advised to seek professional assistance in such matters. My report assumes and is made subject to the land and improvements not being contaminated by any hazardous substances. During my inspection, there were no visible environmental issues that were noted.

PUBLIC SERVICES:

Police, fire and emergency medical services are provided by the City of El Paso.

SCHOOL DISTRICT:

Ysleta Independent School District.

SURROUNDING AREA AND DEVELOPMENT:

The site is located within a developed single family residential subdivision and is surrounded on the west, east and south by single family residences.

STREETS:

Angora Loop is a four-lane, asphalt-paved, interior thoroughfare that lies in an east/west direction. Parking is permitted.

AD VALOREM TAX OVERVIEW:

The subject is owned by the City of El Paso and is tax exempt.

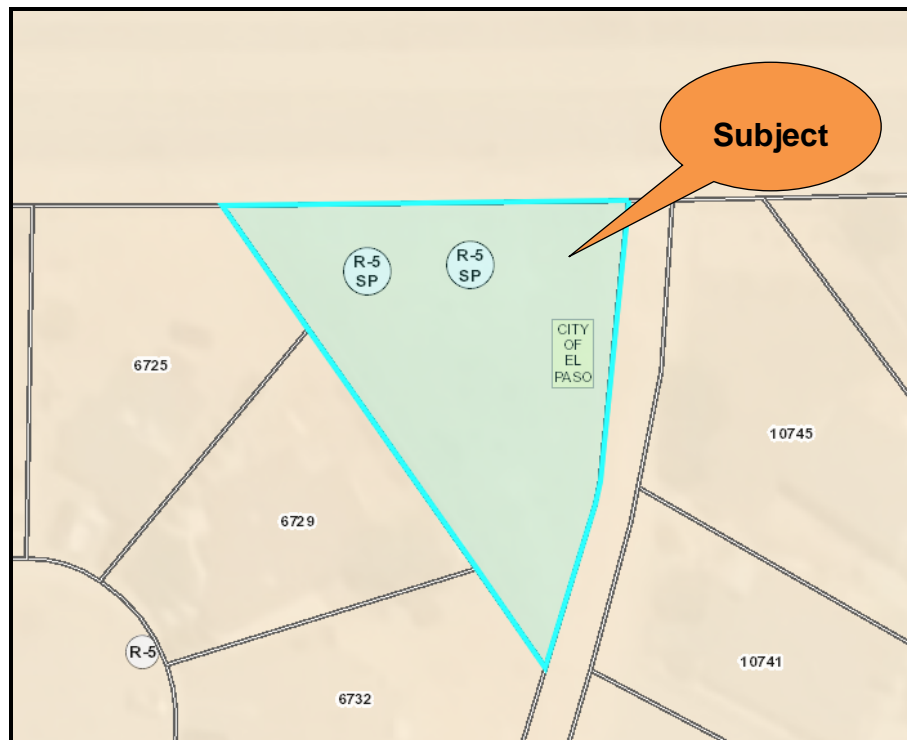
ZONING:

The subject is zoned R-5, Residential Districts, which is classified as a Light Density Residential Districts according to the City of El Paso.

“The purpose of these districts is to promote and preserve residential development within the city to create basic neighborhood units. It is intended that

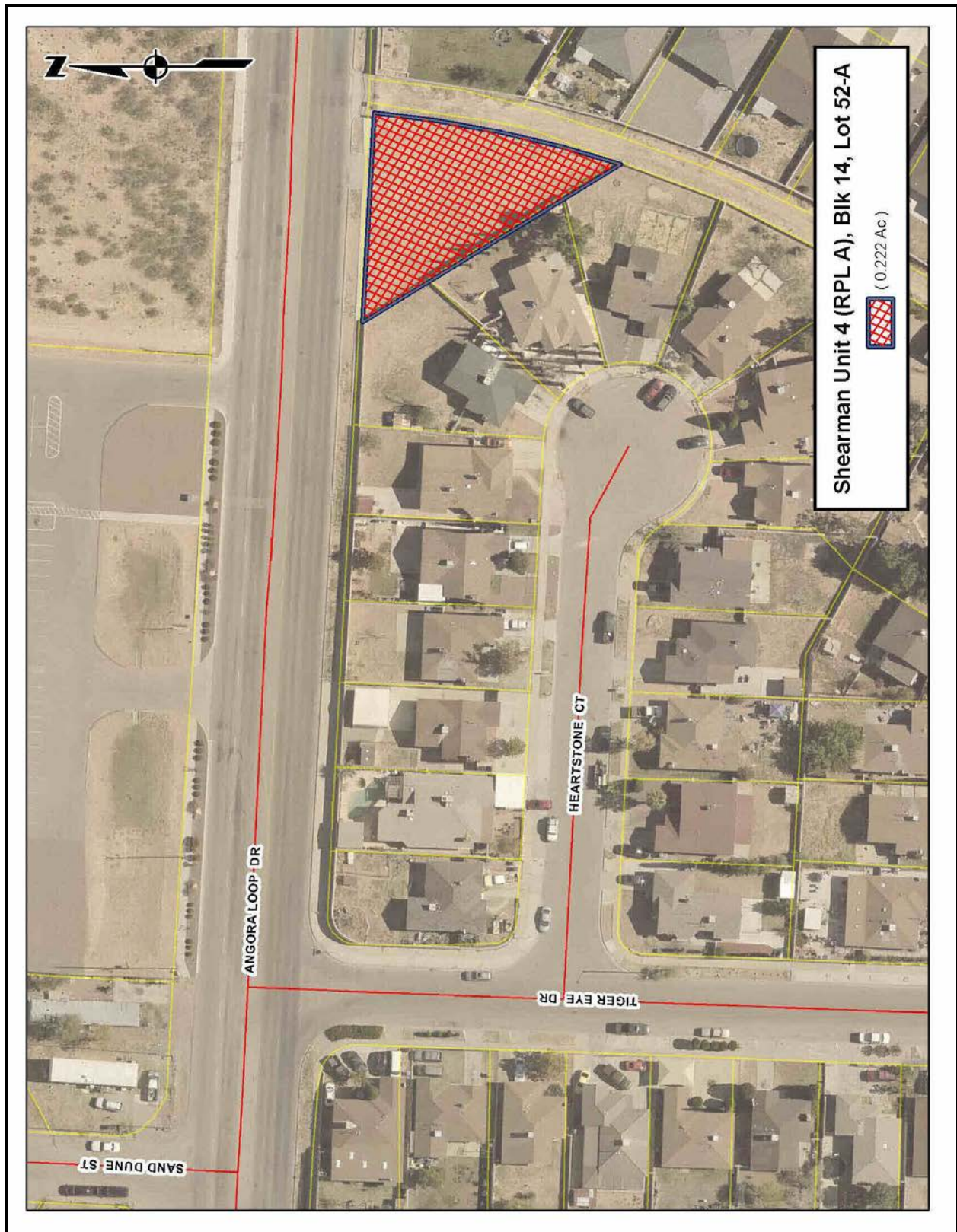
the district regulations maintain a low density of dwelling units supporting a suburban-urban interface that permits developments utilizing varying lot configurations. The regulations of the districts will permit primarily single-family and two-family residential areas, and recreational and institutional uses incidental to and serving the neighborhood.”¹¹

The zoning generally allows for low density residential development.



ZONING MAP

¹¹ "Municipal Code of the City of El Paso, Texas". Title 20 – Zoning. Current through Ord. #19105 approved 9/29/20. https://www.municode.com/library/tx/el_paso/codes/code_of_ordinances



SURVEY AND LEGAL

HIGHEST AND BEST USE:

The subject site is zoned R-5 according to the City of El Paso. The parcel is located within a developed single family residential subdivision. The site is surrounded by Residential development. Low Density Residential development is considered feasible and the highest and best use of the subject site as if vacant.

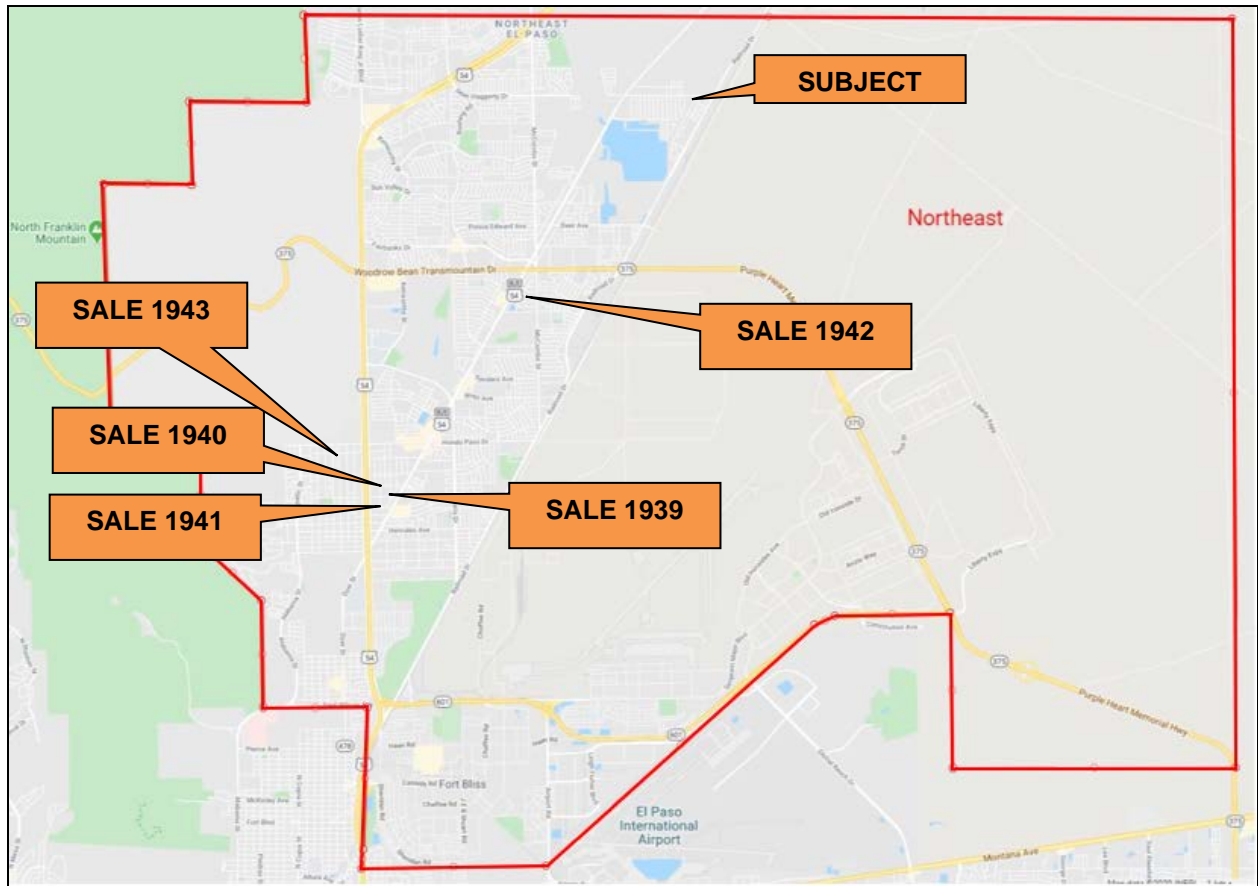
OVERVIEW:

In this report, the Sales Comparison Approach is deemed to be applicable in valuing a site and is the most common technique for valuing land when comparable sales are available. To apply this technique sales, listings, or pending contracts of similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the subject site being appraised.

ANALYSIS OF THE LAND COMPARABLES:

The following are the sales that are considered as the best overall comparisons that have occurred over the past few years. Detailed sales comparables follow the map in this analysis.

Sale #	Location	Date of Sale	Size (SF)	\$ / SF	Intended Use
1940	8915 Norton Street	02/21	6,000	\$3.17	Residential
1939	8900 Herbert Street	12/20	20,914	\$4.30	Apartment
1941	8820 Norton Street	10/20	7,500	\$2.53	Residential
1942	9035 Taj Mahal Street	06/20	18,000	\$5.28	Apartment
1943	8601 Polaris Street	07/19	9,550	\$4.19	Residential
Subject	000 Angora Loop		9,669		



MARKET SALES MAP

Sales Comparable No. 1940

Location	Northeast
Address	8915 Norton Street
City	El Paso
State	TX
Zip	79904
PID	D361-999-0130-1100
Confirmation	MLS, selling Agent Paul Barraza
Confirming Appraiser	Walker Beard
Legal Description	Lot 4, Block 13, Del Norte Acres, City of El Paso, El Paso County Texas

**Land Data**

Gross Size SF	6,000
Gross Size Acres	0.138
Useable Size SF	6,011
Useable Size Acres	0.138
Zoning	A-2
Zoning Type	Apartment District
Flood Zone	X or C

Vacant lot located in a residential neighborhood with small apartment complexes.

Transaction Data

Sale Price	\$19,000
Adjusted Price	\$19,000
Date	February 26, 2021
Grantor	Jairo and Haydee Renteria
Grantee	Eduardo Y. Hernandez
Instrument #	20210019285
Property Rights	Fee Simple
Conditions of Sale	Arm's length

Listed for \$19,000, sold in 3 days

Economic Indicator Data

Price Per SF/Gross	\$3.17	Price Per Acre	\$137,940
Price Per SF/Useable	\$3.16	Price Per Acre/Useable	\$137,688

Sales Comparable No. 1939

Location	Northeast
Address	8900 Herbert Street
City	El Paso
State	TX
Zip	79904
PID	D361-999-0100-6100
Confirmation	MLS, Listing agent, Jesus Villanueva
Confirming Appraiser	Walker Beard
Legal Description	A Portion of Lots 27 and 28 and a closed 20 foot alley, Block 10, Del Norte Acres, city of El Paso, El Paso County Texas

**Land Data**

Gross Size SF	20,914
Gross Size Acres	0.480
Useable Size SF	20,909
Useable Size Acres	0.480
Zoning	A-2
Zoning Type	Apartment District
Flood Zone	X or C

Transaction Data

Sale Price	\$90,000
Adjusted Price	\$90,000
Date	December 09, 2020
Grantor	Sadova Properties III, LLC
Grantee	JCGAR Ventures, LLC
Instrument #	20200102522
Property Rights	Fee Simple
Conditions of Sale	Arm's length

Purchased to build apartments, listed for \$94,000 for 6 days, corner lot in a commercial area

Economic Indicator Data

Price Per SF/Gross	\$4.30	Price Per Acre	\$187,452
Price Per SF/Useable	\$4.30	Price Per Acre/Useable	\$187,498

Sales Comparable No. 1941

Location	Northeast
Address	8820 Norton Street
City	El Paso
State	TX
Zip	79904
PID	D361-999-0210-7100
Confirmation	MLS, Listing Agent, Alex Sandoval
Confirming Appraiser	Walker Beard
Legal Description	Lot 19, Block 21, Del Norte Acres, City of El Paso, El Paso County Texas

**Land Data**

Gross Size SF	7,500
Gross Size Acres	0.172
Useable Size SF	7,492
Useable Size Acres	0.172
Zoning	A-2
Zoning Type	Apartment District
Flood Zone	X or C

Transaction Data

Sale Price	\$19,000
Adjusted Price	\$19,000
Date	October 07, 2020
Grantor	El Paso Reside LLC, Series A
Grantee	Lawrence David
Instrument #	20200082602
Property Rights	Fee Simple
Conditions of Sale	Arm's length

Purchased for construction of a single-family residence, listed for \$32,000, sold in 14 days.

Economic Indicator Data

Price Per SF/Gross	\$2.53	Price Per Acre	\$110,352
Price Per SF/Useable	\$2.54	Price Per Acre/Useable	\$110,470

Sales Comparable No. 1942

Location	Northeast
Address	9935 Taj Mahal Street
City	El Paso
State	TX
Zip	79924
PID	S033-999-0020-7800
Confirmation	MLS
Confirming Appraiser	Walker Beard
Legal Description	Lots 23, 24 & 25, Block 2, Sabaroc Subdivision, City of El Paso, El Paso County, Texas

**Land Data**

Gross Size SF	18,000
Gross Size Acres	0.413
Useable Size SF	17,990
Useable Size Acres	0.413
Zoning	R-4
Zoning Type	Residential District
Flood Zone	X or C

Transaction Data

Sale Price	\$95,000
Adjusted Price	\$95,000
Date	June 15, 2020
Grantor	Sang N. Ornelas
Grantee	Iglesia Apostolica La Fe En Cristo Jesus
Instrument #	20200045334
Property Rights	Fee Simple
Conditions of Sale	Arm's length

Three lots purchased for development with small apartment complex

Economic Indicator Data

Price Per SF/Gross	\$5.28	Price Per Acre	\$229,900
Price Per SF/Useable	\$5.28	Price Per Acre/Useable	\$230,028

Sales Comparable No. 1943

Location	Northeast
Address	8601 Polaris Street
City	El Paso
State	TX
Zip	79924
PID	S912-999-001H-0020
Confirmation	MLS, Listing Agent, Reggie Harris
Confirming Appraiser	Walker Beard
Legal Description	Lot 2, Block 1, Sunrise Acres #1 Replat H, City of El Paso, El Paso County, Texas

**Land Data**

Gross Size SF	9,550
Gross Size Acres	0.219
Useable Size SF	9,540
Useable Size Acres	0.219
Zoning	R-4
Zoning Type	Residential District
Flood Zone	X or C

Transaction Data

Sale Price	\$40,000
Adjusted Price	\$40,000
Date	July 24, 2019
Grantor	Miguel De La Riva III
Grantee	Francisco J. Ascencio
Instrument #	20190057361
Property Rights	Fee Simple
Conditions of Sale	Arm's length

Listed for \$34,000, sold in 535 days, purchased for development with a single-family residence, site was improved with a garage.

Economic Indicator Data

Price Per SF/Gross	\$4.19	Price Per Acre	\$182,450
Price Per SF/Useable	\$4.19	Price Per Acre/Useable	\$182,642

ADJUSTMENTS TO THE LAND COMPARABLES:

Adjustments are made to the site comparables to reflect economic and physical differences in contrast with the subject. The following are the economic and physical adjustments considered in this site valuation analysis.

1. Property Rights Conveyed
2. Financing Terms
3. Buyer/Seller Motivation
4. Buyer Costs
5. Market Conditions (Time)
6. Location
7. Frontage/Corner Influences
8. Utility
9. Size (Economies of Scale)
10. Topography
11. Zoning
12. Other Physical Features

Adjustments for the first five categories reflect economic adjustments to the comparables while categories six through 12 reflect physical differences. Adjustments for the first four categories are made on a Dollar basis while all remaining adjustments are made on a percentage basis.

Economic Adjustments:

Property Rights Conveyed: The sales reflect 100% equity interests of fee simple transactions requiring no adjustment.

Financing Terms: There are no unusual financing terms requiring consideration associated with the sales.

Buyer/Seller Motivation: There was no buyer or seller motivation indicated in the sales transactions that requires consideration.

Buyer Costs: There were no unusual buyer costs associated with the sales that require consideration.

Market Conditions (Time): Market conditions for land sites have been increasing over the past few years at a typical rate of 2% per year. However, because of current uncertain market conditions I have not included an increase.

Physical Adjustments:

Location: The subject and sales are all located in the same market area with similar surrounding development.

Frontage/Corner Influence: The subject is located in an area with established residential development. Sales 1939 and 1942 were adjusted downward **-5%** for superior traffic count and access.

Utility: The sales with inferior utility for development were adjusted upward **+5%**.

Size (Economies of Scale): Economies of scale suggest that smaller properties generally sell for more per unit than larger properties. An adjustment of **3%** has been made for every incremental increase in the total unit size of the smaller property as compared to the larger property (3% for every 100% change).

Topography: the subject and sales are considered to have similar topography and are not adjusted.

Zoning: The subject is zoned R-5-S. Those sales A-2 zoning are adjusted downward **-5%**.

Other Physical Features: No other adjustments are considered.

The following are the adjustments to the comparables.

LAND SALES ADJUSTMENT GRID																																						
PROPERTY INFORMATION	Subject	1940	1939	1941	1942	1943																																
Sale/Asking Price/SF	9,669	\$3.17	\$4.30	\$2.53	\$5.28	\$4.19																																
Size - Square Feet		6,000	20,914	7,500	18,000	9,550																																
Date Of Sale		Feb-21	Dec-20	Oct-20	Jun-20	Jul-19																																
ECONOMIC ADJUSTMENTS																																						
Property Rights Conveyed:		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple																																
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00																																
Financing Terms:		Market	Market	Market	Market	Market																																
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00																																
Buyer/Seller Motivation:		Normal	Normal	Normal	Normal	Normal																																
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00																																
Buyer Costs:		Normal	Normal	Normal	Normal	Normal																																
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00																																
Fee Simple/Stabilized/Cash Equivalent Price		\$3.17	\$4.30	\$2.53	\$5.28	\$4.19																																
Market Conditions (Time):		0.00%	0.00%	0.00%	0.00%	0.00%																																
Tot. Time Adj.		0.00%	0.00%	0.00%	0.00%	0.00%																																
Updated Price		\$3.17	\$4.30	\$2.53	\$5.28	\$4.19																																
PHYSICAL ADJUSTMENTS																																						
Location:		Northeast	Northeast	Northeast	Northeast	Northeast																																
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%																																
Frontage / Access:		Similar	Superior	Similar	Superior	Similar																																
% Adjustment		0.00%	-5.00%	0.00%	-5.00%	0.00%																																
Utility:		Inferior	Similar	Inferior	Similar	Inferior																																
% Adjustment		5.00%	0.00%	5.00%	0.00%	5.00%																																
Size (Economies of Scale):		Smaller	Larger	Smaller	Larger	Smaller																																
% Adjustment		-1.83%	3.49%	-0.87%	2.58%	-0.04%																																
Topography:		Similar	Similar	Similar	Similar	Similar																																
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%																																
Zoning:		A-2	A-2	A-2	R-4	R-4																																
% Adjustment		-5.00%	-5.00%	-5.00%	0.00%	0.00%																																
Other Physical Features:		Similar	Similar	Similar	Similar	Similar																																
% Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%																																
Composite Physical Adjustment %		-1.83%	-6.51%	-0.87%	-2.42%	4.96%																																
Composite Physical Adjustment \$		(\$0.06)	(\$0.28)	(\$0.02)	(\$0.13)	\$0.21																																
INDICATED SUBJECT VALUE / SQ. FT.		\$3.11	\$4.02	\$2.51	\$5.15	\$4.40																																
<table><tr><td></td><td>Unadjusted</td><td>Adjusted</td><td>Applied</td></tr><tr><td>min</td><td>\$2.53</td><td>2.51</td><td></td></tr><tr><td>max</td><td>\$5.28</td><td>5.15</td><td></td></tr><tr><td>average</td><td>\$3.89</td><td>3.84</td><td></td></tr><tr><td>median</td><td>\$4.19</td><td>4.02</td><td></td></tr><tr><td>Value</td><td></td><td></td><td>\$ 3.90</td></tr><tr><td>Applied</td><td></td><td></td><td>\$ 37,709</td></tr><tr><td>Rounded</td><td></td><td></td><td>\$ 38,000</td></tr></table>								Unadjusted	Adjusted	Applied	min	\$2.53	2.51		max	\$5.28	5.15		average	\$3.89	3.84		median	\$4.19	4.02		Value			\$ 3.90	Applied			\$ 37,709	Rounded			\$ 38,000
	Unadjusted	Adjusted	Applied																																			
min	\$2.53	2.51																																				
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median	\$4.19	4.02																																				
Value			\$ 3.90																																			
Applied			\$ 37,709																																			
Rounded			\$ 38,000																																			

SUBJECT SITE VALUE CONCLUSION:

Fee Simple Land Value: The adjusted sales indicate a range from \$2.51 to \$5.15 per square foot with a mean and median of \$3.84 and \$4.02 per square foot. A value in the middle of the range is considered well supported. I am of the opinion a fee simple value of **\$3.90** per square foot is appropriate for the subject site.

CONCLUSION:

I am of the opinion that the current market value of the fee simple rights of ownership of the subject site as of April 7, 2021, is:

THIRTY-EIGHT THOUSAND DOLLARS

(\$38,000) *

** Subject to the Extraordinary Assumptions and Limiting Conditions as noted on Page 7 of this report.*

I certify that to the best of my knowledge and belief:

the statements of fact contained in this report are true and correct,

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions,

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved,

I have not provided any services, appraisal or otherwise for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment,

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment,

my engagement in this assignment was not contingent upon developing or reporting predetermined results,

my compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event, directly related to the intended use of this appraisal,

my analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and to the Uniform Standards of Professional Appraisal Practice,

the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives,

I have made a personal inspection of the property that is the subject of this report,

no one provided significant real property appraisal assistance to the person signing this certification,

as of the date of this report, Walker R. Beard, MAI, has completed the continuing education program of the Appraisal Institute.



Walker R Beard, MAI
State Certified
TX-1320551-G

WALKER R. BEARD

PROFESSIONAL EXPERIENCE:

Member Appraisal Institute (MAI)
Certified Commercial Investment Member (CCIM)
International Right of Way Association – Appraisal Certified (R/W-AC)
Qualified Expert Witness - El Paso County Courts at Law
State Certified General Real Estate Appraiser - Texas 1320551-G
State Certified General Real Estate Appraiser – New Mexico 02024-G
Broker – State of Texas #0381227
Past Member – Texas Appraiser Licensing and Certification Board

EDUCATIONAL BACKGROUND AND SPECIAL TRAINING:

Graduate from the California Polytechnic State University, Bachelor of Science Degree, Major - Agricultural Education, Minor – Biological Science

Completed the following real estate courses from the Appraisal Institute:

- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques - Part A and B
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis
- Standards of Professional Practice

Completed the following Commercial Investment Real Estate Institute courses:

- Financial Analysis for Commercial Investment Real estate
- Market Analysis for Commercial Investment Real Estate
- User Decision Analysis for Commercial Investment Real Estate
- Investment Analysis for Commercial Investment Real Estate

Completed the following Institute of Real Estate Management courses:

- Developing Human Resource Strategies for Real Estate Management
- Marketing and Leasing Strategies for Multifamily Properties
- Understanding Financial Calculations and Strategies for Real Estate Managers
- Financing and Valuation Strategies for Real Estate Assets
- Measuring Performance of Real Estate Assets
- Applying Investment Criteria to Real Estate Asset Decisions
- Writing and Using Management Plans

EMPLOYMENT:

- May 2002 to Present - Partner, Wilkinson, Pendergras & Beard, L.P.
- February 1995 to December 2001 – Senior Vice President, Regional Real Estate Manager, JPMorgan Chase Private Bank.
- July 1986 to January 1995 – Vice President, Regional Appraisal Manager, Texas Commerce Bank.
- February 1983 to June 1986 – Vice President, Trust Real Estate Officer, El Paso National Bank.
- June 1979 to January 1983 – Property Administrator, Salyer American.
- Prior to 1979 – Assistant Manager, J.G. Boswell Company, Assistant Manager Double U Cattle Company.

REPRESENTATIVE CLIENTS:

JP Morgan Chase Bank, Bank of the West, Century Bank, Wells Fargo Bank, Bank of America, Comerica Bank, Summit Investment Partners, Citizens Bank of Las Cruces, Southern Farm Bureau Life Insurance Company, State National Bank, West Coast Life Insurance Company, Inter National Bank, El Paso Corporation, First Federal Bank, First Savings Bank, Hunt Building Corporation, Justin Brands Inc., El Paso ISD, New Mexico State University, Krafur, Gordin, Mott PC Attys, Kemp Smith Attys, Scott Hulse Attys, Mounce Green Attys, Gilbert, Coffee, Hobson Attys, Ryan Sanders, LLP Attys

REPRESENTATIVE APPRAISALS:

Light Industrial, Heavy Industrial, Office, Governmental Office, Retail, Apartments, Hotel/Motel, Banks, Self-Storage, Residential Subdivisions, Commercial Land, Automotive Dealerships, Special-Purpose, Truck Dealerships, Mobile Home, Private Schools, Car Washes, Restaurants, Churches, Fast-Food Restaurant, Partial Interests, Assessment Bond Underwriting

QUALIFIED AS EXPERT WITNESS:

El Paso County Court #65, Cause 2003, CM 6449, 2004, Paula Thomas, Legal Council
El Paso County Statutory Court #2, Cause 2007, P00983, 2008, Carl Ryan, Legal Council
Deposition, 207 pages, 6/10/2009 at Keith and Miller, Carlos Eduardo Cardenas, Legal Council

