

Please see the following details regarding the title history and status of the subject property at Lot 76 Lakeview Village:

Related Tract: Water rights of adjacent Lot 76-A

- Lot 76 was originally purchased with cash by Fermin Gonzales in July 1980.
- That same month, Fermin transferred ownership of Lot 76 to his sister, Gloria Gonzales, via deed.
- In January 1984, Lakeview Village Associates transferred Tract 76-A to Fermin Gonzales.
- Fermin Gonzales passed away within the last five years. The whereabouts of his heirs are currently unknown, making the transfer of Lot 76-A impractical or impossible.
- As a result, the decision has been made to proceed with the sale of **Lot 76 only**.
- Gloria's son, Jose Ortiz, holds an international Power of Attorney for Gloria and is managing her U.S. affairs.
- Providence Title has verified the validity of the Power of Attorney and has approved it for use in conveying the property.
- Providence Title has also confirmed they are able to deed and insure the transfer of Lot 76 **without encumbrances**.

Please also see the attached notes from the seller's attorney for further reference.

The following verbiage was copied and pasted from a memorandum typed by Real Estate Attorney Scott Hively who was retained by the Seller:

First, the Tract 2 Easement Owner (Fermin) was determined to be a domiciliary of Mexico at the time of death. Therefore, the Texas courts lack jurisdiction for an original probate. It would first have to take place in Mexico with a Mexico attorney--then those certified records could be sent under seal to the Montgomery County probate court in a future Ancillary Probate to give legal effect in Texas.

Second, even if this process is carried out, it will vest the heirs of Fermin with title to the Tract 2 easement--it was determined that many/most of these heirs are unknown or their whereabouts are unknown. Therefore, a successful probate/heirship process would only vest title in a bunch of people we have no communication or cooperation with--which would get us no closer to closing.

As a result of the above, the Tract 2 easement appears impossible to transfer, and will likely eventually be deemed abandoned at some future point.

Please note the language of the easement document itself that your office provided: "nothing herein contained shall be taken or construed to prevent or impair rights of free access to Lake Conroe and the area within said easement by all owners in LAKEVIEW VILLAGE, SECTIONS ONE AND TWO, in Montgomery County, Texas." (Conveyance and Assignment of Easement Rights, page 2--emphasis added). This language means that the owner of Tract 1 (being a property within "Section Two" of Lake View Village) already has access to (and within) the easement area, whether or not such owner has the Tract 2 Easement--so there should be no access issue to and from the water/easement area and the Tract 1 property boundary area--with or without the Tract 2 easement. As a last resort option, then, we could simply remove Tract 2 from the transaction and proceed to closing

Contacts; Providence Title: Closer Amy Kellar, Assistant Jessica King 713-840-1130 address: 10497 Town and County Way Ste 120 Houston Tx 77024 jking@protitltx.com. akellar@protitltx.com