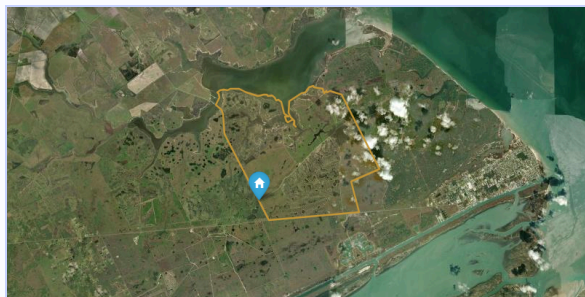


PRE-ACQUISITION CONSTRAINT SCREEN

Surface Constraint Verification

While title insurance guards against defects in the documentary record, this report is a technical audit of the physical asset. We conduct a spatial analysis across three distinct constraint domains: infrastructure, flood risk, and jurisdictional oversight, cross-referencing authoritative state and federal databases to identify encumbrances that could compromise the utility or value of the land.

PROPERTY	Powderhorn State Park
COUNTY	Calhoun
ACREAGE	7,776
COORDINATES	28.434172, -96.535221
CLIENT	Sample Report



Satellite locator | Calhoun County, TX. Parcel footprint approximate. Not a licensed survey.

CONSTRAINT VERDICT

WALK AWAY

One or more critical constraints detected on this property. The identified encumbrances present material risk to the investment. Do not proceed without resolution of all deal-killing constraints.

2 ACTIVE CONSTRAINTS

REPORT FEE
\$495.00

CONSTRAINT INDEX

INFRASTRUCTURE
CAUTION

FLOOD & WATER
CONSTRAINT

JURISDICTIONAL
UNINCORPORATED

PREPARED FOR
Sample Report

PREPARED BY
Thorpe Land Services
Daniel J. Thorpe, Principal

1.0 Executive Summary

This Pre-Acquisition Constraint Screen evaluates three independent constraint domains for the 7,776-acre subject property in Calhoun County, Texas. The screen queries state and federal spatial databases to identify physical and jurisdictional encumbrances not covered by standard title insurance policies. Results below represent screening-level accuracy suitable for pre-acquisition decision-making.

INFRASTRUCTURE CAUTION No wells detected, 2 pipeline(s), no orphan wells	FLOOD & WATER CONSTRAINT FEMA Zone VE, SFHA Designated	JURISDICTIONAL UNINCORPORATED Unincorporated, N/A
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2 DUE DILIGENCE REQUIREMENTS IDENTIFIED

REF.	FINDING	STATUS
R-1	2 pipeline(s) detected within proximity. Pipeline easements restrict surface use and may affect development.	OPEN
R-2	Property intersects FEMA Special Flood Hazard Area (Zone VE). Flood insurance required for federally-backed mortgages.	OPEN

2.0 Scope of Work, Limitations, and User Reliance

2.1 SCOPE OF WORK

This Pre-Acquisition Constraint Screen evaluates the subject property for physical and jurisdictional encumbrances not covered by standard title insurance. The analysis queries RRC well and pipeline data, FEMA NFHL flood zones, Edwards Aquifer Authority boundaries, and municipal ETJ/city limit boundaries. This screen does not constitute a title opinion, environmental site assessment, or formal appraisal.

2.2 STANDARD ASSUMPTIONS

- Coordinates provided are accurate and represent the subject parcel
- DuckDB spatial data reflects most recent agency publication
- 660 ft pipeline proximity buffer per PHMSA potential impact radius methodology (per Gas Research Institute, Stephens 2000; not a regulatory setback)
- ETJ distance model per Texas LGC Sec. 42.021
- Edwards Aquifer 20% impervious cover cap per TWC Sec. 26.046 (applies only within designated recharge/transition zones)
- Orphan well plugging liability at \$100,000 per well (RRC average)
- Spatial intersections utilize county appraisal district parcel polygons with an inherent +/- 50-foot geospatial tolerance. This screen cannot detect physical encroachments.

2.3 MATTERS NOT EVALUATED

- Mineral ownership and chain of title not evaluated
- Environmental Phase I/II assessment not performed
- Wetlands and endangered species not reviewed
- OSSF/septic feasibility not evaluated
- County-specific zoning or overlay districts not reviewed
- Boundary survey not performed or verified

2.4 INTENDED USER & RELIANCE

This report is prepared solely for Sample Report and their authorized agents, representatives, and legal counsel in connection with the evaluation of the subject property. No third party may rely on the findings, conclusions, or recommendations contained herein without prior written consent of Thorpe Land Services. Unauthorized distribution or reliance by third parties is expressly disclaimed.

3.0 Site Description and Geospatial Methodology

3.1 PROPERTY DESCRIPTION

ATTRIBUTE	VALUE
Property Name	Powderhorn State Park
County	Calhoun
Acreage	7,776
Coordinates	28.434172, -96.535221
Client	Sample Report

3.2 GEOSPATIAL METHODOLOGY

This constraint screen employs bounding-box spatial queries against DuckDB-loaded agency datasets supplemented by live API queries to authoritative government endpoints (FEMA NFHL MapServer, Calhoun appraisal district records where available). ETJ distances are computed using the statutory population-tier model prescribed by Texas LGC Section 42.021. Pipeline proximity buffer distances reference PHMSA potential impact radius methodology. All coordinates are referenced to WGS 84 (EPSG:4326).

3.3 DATA SOURCES & CURRENCY

DATA SOURCE	DATE ACCESSED	STATUS	NOTE
RRC Well Database (Rule 37/38)	March 07, 2026	Queried	
RRC Pipeline GIS (T-4 Permits)	March 07, 2026	Queried	
RRC Orphan Well Database	March 07, 2026	Queried	
FEMA NFHL (Live API)	March 22, 2026	Queried	Real-time query to FEMA MapServer
Edwards Aquifer Authority Boundaries	March 07, 2026	Queried	
Jurisdictional Boundaries	March 22, 2026	Fallback	Analytical (population-distance model)
Texas LGC Ch. 42 (ETJ Distance Model)	March 22, 2026	Queried	Statutory computation, always current

4.0 Infrastructure Findings

⚠ CAUTION: NEGOTIATE

The Railroad Commission of Texas (RRC) maintains regulatory jurisdiction over all oil and gas operations within the state. This check screens the subject property against three RRC-regulated infrastructure categories: active wellbores within Rule 37/38 spacing thresholds, T-4 permitted pipelines within the 660 ft proximity buffer (per PHMSA potential impact radius methodology), and orphan wells registered with the state plugging program under Texas Natural Resources Code Chapter 89. Any of these conditions can materially affect both property value and future development potential.

4.1 RRC WELL DATABASE ANALYSIS

One or more infrastructure constraints were identified that require additional investigation before acquisition. The conditions below do not necessarily prevent acquisition but should be factored into purchase price negotiations and development planning.

RRC WELLS	PIPELINES	ORPHAN WELLS
NONE DETECTED No wells detected	2 max 4.5" diam, 660 ft setback	0 None detected

4.2 PIPELINE CORRIDOR ANALYSIS

OPERATOR	DIAMETER	COMMODITY	DISTANCE (FT)
PITCO INVESTMENTS, LTD.	2.88"	--	0
HIGH ISLAND GAS LLC	4.5"	--	492

4.3 ORPHAN WELL ASSESSMENT

Authority. 16 TAC Sec. 3.37 (Rule 37 Spacing), 16 TAC Sec. 3.38 (Rule 38 Density), 49 CFR Parts 192 and 195 (PHMSA Pipeline Safety, Class Location). Orphan well plugging liability per Tex. Nat. Res. Code Ch. 89. The 660 ft proximity buffer reflects the PHMSA potential impact radius for high-consequence areas; no statewide surface setback is mandated by the Railroad Commission of Texas. Well and pipeline data sourced from Railroad Commission of Texas Digital Map Data publication, current as of most recent agency release.

5.0 Flood, Water, and Environmental Findings

5.1 FEMA FLOOD ZONE DETERMINATION

✘ CONSTRAINT: WALK AWAY

The Federal Emergency Management Agency (FEMA) publishes the National Flood Hazard Layer (NFHL) designating Special Flood Hazard Areas (SFHAs) subject to the 1% annual-chance flood event. SFHA designation triggers mandatory flood insurance for all federally-backed mortgages under the National Flood Insurance Program (NFIP) and may restrict development under local floodplain ordinances.

One or more flood or water-related constraints were identified. The conditions below should be evaluated during due diligence and factored into acquisition economics, insurance requirements, and development planning.

FLOOD ZONE	ZONE TYPE	SFHA	PANEL
FEMA FLOOD ZONE VE SFHA. Mandatory flood insurance per 44 CFR 60	SFHA STATUS YES Mandatory flood insurance required	FLOOD STATUS DEAL KILLER Walk away. SFHA flood zone	
VE		Yes	48057C_58

SPECIAL FLOOD HAZARD AREA

Property intersects FEMA SFHA (Zone VE). Mandatory flood insurance required for federally-backed mortgages. Development may require CLOMR/LOMR or elevation certificate. Contact county floodplain administrator for BFE determination.

5.2 EDWARDS AQUIFER ANALYSIS

EDWARDS AQUIFER No Constraints No TCEQ development restrictions

The property is not within the Edwards Aquifer recharge or contributing zone. No TCEQ impervious cover restrictions or water quality compliance plans are required under 30 TAC Chapter 213.

Authority. 44 CFR Part 60 (NFIP Floodplain Management Criteria), 42 U.S.C. Sec. 4012a (NFIP Mandatory Purchase). Tex. Water Code Sec. 26.046 (Edwards Aquifer Protection), 30 TAC Ch. 213 (TCEQ Edwards Aquifer Rules); see also *Bragg v. Edwards Aquifer Auth.*, 71 S.W.3d 729 (Tex. 2002) (regulatory authority over aquifer recharge zones). FEMA NFHL data current per most recent county Flood Insurance Rate Map (FIRM) panel. Edwards Aquifer Authority boundary data per EAA GIS publication.

6.0 Jurisdictional, Municipal, and County Findings

Texas cities exercise Extraterritorial Jurisdiction (ETJ) extending beyond their corporate limits under Local Government Code Chapter 42. Within the ETJ, municipalities hold subdivision and platting authority under LGC Chapter 212 without providing city services. Senate Bill 2038, enacted by the 88th Legislature in 2023, created a petition-based opt-out process allowing residents to petition for release from a city's ETJ per LGC Ch. 42, Subch. D-E. This check determines whether the property falls within city limits, ETJ, or unincorporated county territory, and evaluates SB 2038 applicability.

6.1 MUNICIPAL JURISDICTION

✓ **UNINCORPORATED: COUNTY ONLY**

LOCATION	SB 2038	NEAREST CITY
UNINCORPORATED No municipal overlay	N/A Property not in ETJ	N/A --

The property is located outside all known city limits and ETJ boundaries. County-level regulation only applies. No platting requirements, no impact fees, and no municipal building codes govern this property, providing maximum flexibility for agricultural, residential, or commercial development. Only county subdivision rules under LGC Chapter 232 may apply if the county has adopted them.

6.2 ETJ ANALYSIS

UNINCORPORATED: COUNTY ONLY
Property outside all known city limits and ETJ boundaries. County-level regulation only. No platting requirements, no impact fees, no municipal building codes. Maximum flexibility for agricultural, residential, or commercial use.

6.3 SB 2038 ASSESSMENT

SB 2038 APPLICABILITY N/A Property not within any ETJ

Authority. *Tex. LGC Ch. 42 (Extraterritorial Jurisdiction), Tex. LGC Sec. 42.021 (ETJ Distance by Population Tier), Tex. LGC Ch. 212 (Municipal Regulation of Subdivisions), SB 2038 (88th Leg., 2023, ETJ Opt-Out Petition).* Note: SB 2038 constitutionality has been challenged by multiple Texas municipalities; consult counsel for current litigation status. City boundary data from TxDOT City Boundary GIS. Population data from U.S. Census Bureau American Community Survey.

6.4 PROXIMITY TO PUBLIC LANDS AND CONSERVATION AREAS

2 public land(s) and conservation area(s) identified within a 10-mile radius of the subject property. Nearest: Powderhorn State Park (State Park, 0.0 mi). Proximity to conservation lands may influence land valuation, development potential, recreational access, and environmental review requirements.

NAME	TYPE	AGENCY	DISTANCE
Powderhorn State Park	State Park	TPWD	0.0 mi
Powderhorn WMA	Wildlife Management Area	TPWD	3.38 mi

Distances are measured from parcel centroid to nearest feature centroid. Actual boundary distances may differ. Conservation lands data sourced from TPWD State Parks, TPWD Wildlife Management Areas, and USFS National Forest System boundaries. Data does not include USFWS National Wildlife Refuges, USACE reservoir lands, LCRA preserves, or privately held conservation easements.

7.0 Conclusions and Identified Constraints

7.1 CONSTRAINT SUMMARY

INFRASTRUCTURE CAUTION No wells detected, 2 pipeline(s), no orphan wells	FLOOD & WATER CONSTRAINT FEMA Zone VE, SFHA Designated	JURISDICTIONAL UNINCORPORATED Unincorporated, N/A
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7.2 DUE DILIGENCE REQUIREMENTS

The following due diligence items were identified during the constraint screening process. Each item represents a condition that warrants investigation or verification before closing. Items are numbered for cross-reference with the check sections above. All items carry an OPEN status until the buyer or buyer's counsel confirms resolution.

NO.	FINDING	DUE DILIGENCE RECOMMENDATION	STATUS
R-1	2 pipeline(s) detected within proximity. Pipeline easements restrict surface use and may affect development.	Request T-4 permit copies from RRC. Verify easement width and commodity type. Factor easement into site plan.	OPEN
R-2	Property intersects FEMA Special Flood Hazard Area (Zone VE). Flood insurance required for federally-backed mortgages.	Obtain FEMA Elevation Certificate. Evaluate flood insurance costs. Commission detailed floodplain study if pursuing LOMA/LOMR.	OPEN

8.0 Appendices

A-D MAP EXHIBITS

The following cartographic exhibits support the constraint analysis findings presented in this report. Maps are generated from the same spatial databases queried during the screening process. The gold parcel footprint is estimated from reported acreage and centroid coordinates. All boundaries are approximate and do not constitute a licensed survey. These exhibits are intended for due diligence reference only.

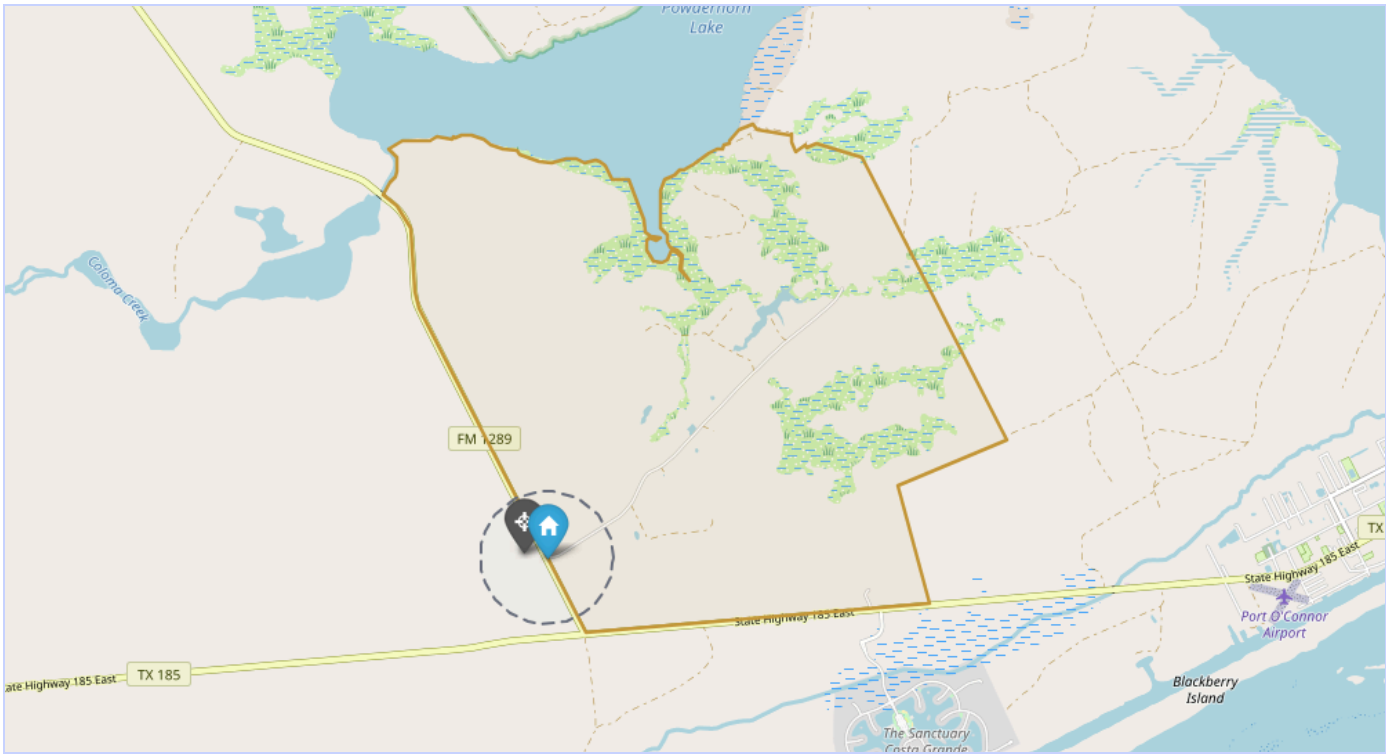
EXHIBIT A: PROPERTY LOCATOR



WGS 84 / EPSG:4326

Subject property within Calhoun County, Texas. Parcel boundary (7,776 ac) shown in gold per TNRIS StratMap GIS record. Not a licensed survey. Source: Esri World Imagery.

EXHIBIT B: INFRASTRUCTURE SCAN

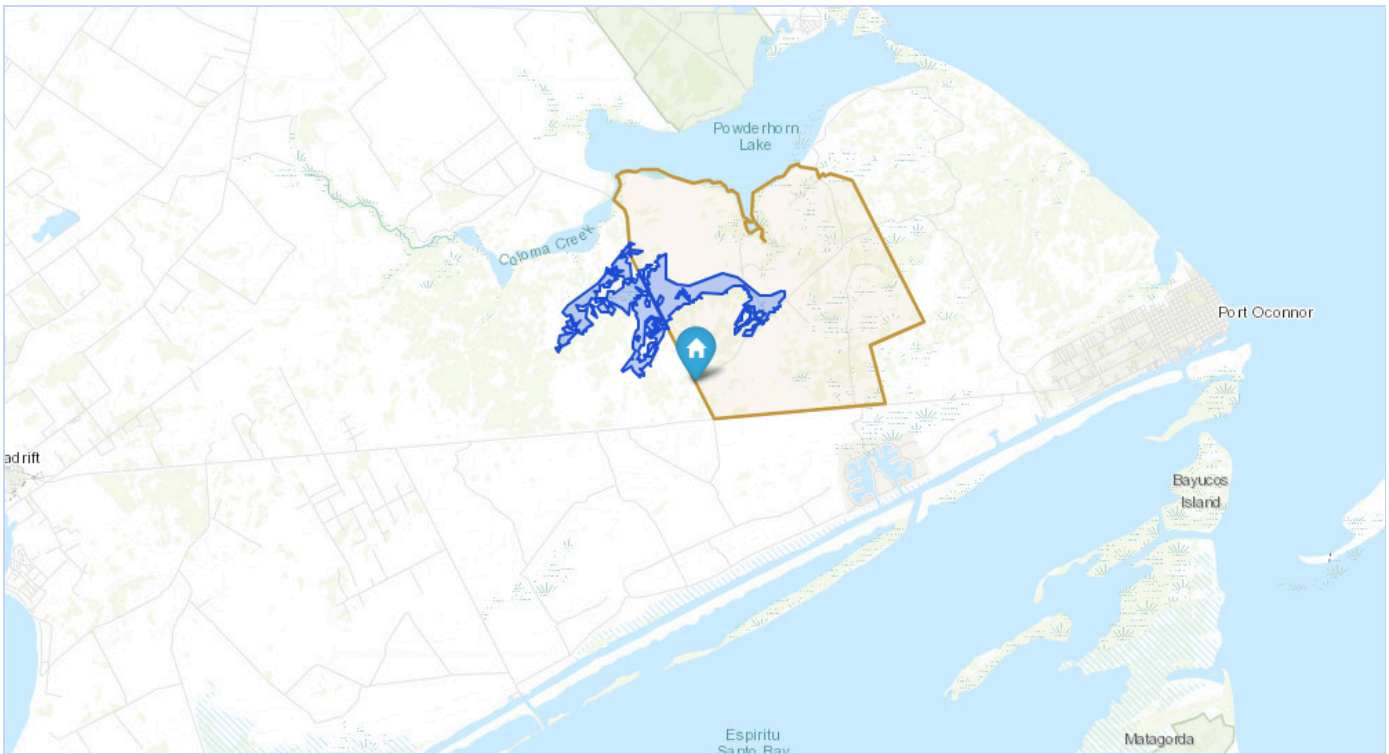


WGS 84 / EPSG:4326

▲ N

1 RRC well(s) (red = active, gray = inactive) within 0.5-mile scan radius (dashed gray circle). Parcel boundary (7,776 ac) shown in gold per TNRIS StratMap GIS record. Not a licensed survey. Data: Railroad Commission of Texas Digital Map publication. Source: RRC Digital Map Data; OpenStreetMap.

EXHIBIT C: FLOOD & WATER OVERLAY



WGS 84 / EPSG:4326

▲ N

FEMA NFHL SFHA zones AE (dark blue), Zone X minimal risk overlaid on subject property vicinity. Parcel boundary (7,776 ac) shown in gold per TNRIS StratMap GIS record. Not a licensed survey. Data: FEMA NFHL, Edwards Aquifer Authority GIS. Source: FEMA NFHL; Edwards Aquifer Authority GIS; Esri World Topo Map.

EXHIBIT D: PUBLIC LANDS & CONSERVATION AREAS



WGS 84 / EPSG:4326



1 state park(s) (green), 1 WMA(s) (teal). Nearest: Powderhorn State Park (0.0 mi). Parcel boundary (7,776 ac) shown in gold per TNRIS StratMap GIS record. Not a licensed survey. Data: TPWD State Parks, TPWD Wildlife Management Areas, USFS National Forests. Source: TPWD; USFS; Esri World Topo Map.

E SIGNIFICANT DATA GAPS

The following data limitations were identified during preparation of this report. These gaps may affect the completeness of findings and should be considered when evaluating the constraint analysis.

DOMAIN	DATA GAP	POTENTIAL IMPACT
RRC Well/Pipeline	DuckDB static snapshot; new permits may post between publication cycles (typical latency: 30-90 days)	Recently permitted wells or pipelines may not appear in scan results
Parcel Geometry	County appraisal district polygons carry +/- 50 ft tolerance; not survey-grade	Spatial intersections are approximate; boundary-adjacent features may be missed or falsely included
Historical Records	No historical aerial imagery, Sanborn maps, or city directory review performed	Historical surface use, prior structures, and legacy contamination not evaluated
Zoning/Entitlements	County-specific zoning, overlay districts, and CCN utility boundaries not reviewed	Development restrictions beyond ETJ subdivision authority not captured
Physical Inspection	No site visit or physical inspection performed; analysis is entirely remote/desktop	Physical encroachments, unmapped structures, and site conditions not evaluated

F DATA AGGREGATION ATTESTATION

DATA AGGREGATION ATTESTATION

Daniel J. Thorpe

Principal, Thorpe Land Services

I certify that this Pre-Acquisition Constraint Screen was prepared under my direction using proprietary spatial analysis software. The data sources referenced herein are believed to be reliable, and the conclusions expressed represent my professional judgment based on the

information available as of the report date. This screen does not constitute a title opinion, environmental site assessment, or formal appraisal.

Date: March 22, 2026

G MATERIALS EXAMINED

◆ RRC Well Database (Rule 37/38)	March 2026
◆ RRC Pipeline GIS (T-4 Permits)	March 2026
◆ RRC Orphan Well Database	March 2026
◆ FEMA National Flood Hazard Layer (Live API)	March 22, 2026
◆ Edwards Aquifer Authority Boundaries	March 2026
◆ TxDOT City Boundary GIS (DuckDB)	March 2026
◆ Texas LGC Ch. 42 (ETJ Distance Model)	March 22, 2026

UPL Safe Harbor Notice: This report is prepared for informational and due diligence purposes only and does not constitute the unauthorized practice of law. No attorney-client relationship is created by the preparation or delivery of this report. Recipients should consult with licensed legal counsel before making transactional decisions based on the findings herein.

Surveying Limitation: Spatial analyses in this report are based on publicly available GIS datasets and do not constitute a land survey. Boundary depictions are approximate. A licensed professional land surveyor (RPLS) should be engaged for definitive boundary determination, construction staking, or legal descriptions.

Data Accuracy: Data sources referenced herein are believed to be reliable but are not warranted for accuracy or completeness. Public records may contain errors, omissions, or recording delays. All findings should be independently verified through primary-source records and on-site inspection.

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