

OWNER'S POLICY OF TITLE INSURANCE

Issued by

Old Republic National Title Insurance Company

SCHEDULE A

Name and Address of Title Insurance Company:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

777 Post Oak Blvd. Ste. 240, Houston, Texas 77056

File No.: 130164

Policy No.: **TO-08053420**

Issued with Policy No. **TL-08187121**

Address for Reference only: **FM 773, Van, TX 75790**

Amount of Insurance: **\$300,000.00**

Premium: **\$1,911.00**

Date of Policy: **April 10, 2013, at 03:48 pm**

1. Name of Insured: **Terry L. Richards and Joyce E. Richards**
2. The estate or interest in the Land that is insured by this policy is: **Fee Simple**
3. Title is insured as vested in: **Terry L. Richards and Joyce E. Richards**
4. The Land referred to in this policy is described as follows:

BEING 51.37 acres of land situated in the PHEBE ARNOLD SURVEY, ABSTRACT NO. 20, Van Zandt County, Texas, and being all of a called 51.385 acre tract described in a warranty deed with vendor's lien from Harold M. Smotherman to Energy Devices, Inc., recorded in Volume 2000, Page 275 of the Real Records of Van Zandt County, Texas. Said 51.37 acres of land being more particularly described as follows:

BEGINNING at a ½ inch iron rod (found) for the Northeast corner of the above mentioned 51.37 acres, and being generally located in the center of County Road No. 1512. Said corner also being on the East line of the Phebe Arnold Survey, Abstract No. 20, and the West line of the W. H. Hazelwood Survey, Abstract No. 390;

THENCE: South 00 deg. 33 min. 04 sec. East, along the West line of a called 35 acres to Hullum Family Trust recorded in Volume 1464, Page 312 of the Real Records of Van Zandt County, Texas. Also along the above mentioned common line between the Phebe Arnold Survey and the W. H. Hazelwood Survey, passing at 27.14 feet, a ½ inch iron rod (found) for reference, also passing at 1591.49 feet a ½ inch iron rod (found) for the Northwest corner of a called 45 acres to Cynthia Bailey and Jimmy Todd, recorded in Volume 1504, Page 725 of the Real Records of Van Zandt County, Texas. Continuing along said line a total distance of 1730.08 feet to a ½ inch iron rod (set) for corner;

THENCE: South 87 deg. 26 min. 24 sec. West, along the North line of a called 12.000 acres to Jerry D. Preston recorded in Volume 1739, Page 636 of the Real Records of Van Zandt County, Texas, a distance of 1296.63 feet to a ½ inch iron rod (found) for corner. Said corner also being on the East right of way line of F. M. Road No. 773, a variable width right of way;

THENCE: following the East right of way line of F. M. Road No. 773, and along a non-tangent curve to the left having a radius of 1949.86 feet, a chord length of 267.05 feet, a chord bearing of North 03 deg. 16 min. 26 sec. East, a central angle of 07 deg. 51 min. 12 sec. and an arc length of 267.26 feet to a ½ inch iron rod (found);

THENCE: North 00 deg. 46 min. 07 sec. West, continuing along the East right of way line of F. M. Road No. 773 a distance of 905.60 feet to a ½ inch iron rod (found);

THENCE: continuing along the East right of way line of F. M. Road No. 773, and a curve to the right having a radius of 1392.39 feet, a chord length of 529.05 feet, a chord bearing of North 10 deg. 13 min. 09 sec. East, a central angle of 21 deg. 54 min. 10 sec. and an arc length of 532.28 feet to a ½ inch iron rod (set);

THENCE: North 21 deg. 10 min. 06 sec. East, following the East right of way line of F. M. Road No. 773 a distance of 153.84 feet to P. K. nail found in the center of County Road No. 1512;

THENCE: generally following the center of County Road No. 1512, the following courses and distances;

South 85 deg. 18 min. 03 sec. East, a distance of 242.85 feet to a point for corner;

South 85 deg. 49 min. 21 sec. East, a distance of 442.24 feet to a point for corner;

South 88 deg. 23 min. 31 sec. East, a distance of 133.55 feet to a point for corner;

North 89 deg. 06 min. 02 sec. East, a distance of 209.49 feet to a point for corner;

North 87 deg. 34 min. 35 sec. East, a distance of 100.20 feet back to the PLACE OF BEGINNING and containing 51.37 acres of land.

The above field notes were prepared from an actual on the ground survey, made under the direction and supervision of Jeff D. Douglas, R.P.L.S. No. 5757, dated March 27, 2013.

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SCHEDULE B

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EXCEPTIONS FROM COVERAGE

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

1. ~~The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):~~
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year **2013**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception.):
 - a. **Vendor's Lien retained in deed dated April 9, 2013 from Energy Devices, Inc, a Texas corporation, by and through Ronald C. Gabriel, President to Terry L. Richards and Joyce E. Richards, filed for record in the office of the County Clerk of Van Zandt County, Texas on April 10, 2013, under Document No. 2013-002906, Real Records of Van Zandt County, Texas, securing the payment of one certain promissory note of even date therewith in the principal amount of \$197,600.00, payable to the order of Legacy Land Bank, FLCA as therein provided. Said note being additionally secured by a Real Estate Deed of Trust of even date therewith to Joseph Crouch, Trustee filed for record in the office of the County Clerk of Van Zandt County, Texas, on April 10, 2013, under Document No. 2013-002907, Real Records of Van Zandt County, Texas.**
 - b. **Easements or claims of easements which are not recorded in the public records of Van Zandt, County, Texas.**
 - c. **Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.**