

# COMMITMENT FOR TITLE INSURANCE

Issued By

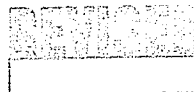
***Stewart Title Guaranty Company***

## SCHEDULE B

### EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' 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):~~
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 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 **2011**, 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 (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 (T-2R). (Applies to Texas Short Form Residential Loan Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy (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. **Rights of parties in possession. (Owner's Policy Only)**
  - b. **Oil, Gas and Mineral Lease dated February 12, 1980, recorded in Volume 114, Page 435, Oil Lease Records of Bastrop County, Texas, by and between Walter Droemer and Alvina Droemer, husband and wife, as Lessor(s) and Energetics, Inc., as Lessee; together with all rights incident thereto. Said mineral interest not traced subsequent to the date of the above cited instrument. (6 month primary term)(Affects 80 acres, among other property)**
  - c. **Oil, Gas and Mineral Lease dated August 28, 1980, recorded in Volume 116, Page 226, Oil Lease Records of Bastrop County, Texas, by and between Walter Droemer and Alvina Droemer, husband and wife, as Lessor(s) and Energetics, Inc., as Lessee; together with all rights incident thereto. Said mineral interest not traced subsequent to the date of the above cited instrument. (6 month primary term)(Affects 80 acres, among other property)**
  - d. **Oil, Gas and Mineral Lease dated August 27, 1981, recorded in Volume 121, Page 717, Oil Lease Records of Bastrop County, Texas, by and between Walter Droemer and wife, Alvina Droemer, as Lessor(s) and Fenn, Ltd., as Lessee; together with all rights incident thereto. Said mineral interest not traced subsequent to the date of the above cited instrument. (2 year primary term)(Affects 80 acres)**
  - e. **Oil, Gas and Mineral Lease dated December 17, 2009, as evidenced by Memorandum of Oil, Gas and Mineral Lease dated December 24, 2009, recorded in Volume 1973, Page 163, Official Records of Bastrop County, Texas, by and between Bernard W. Drowmer, successor Trustee of The Walter and Alvina Droemer 1983 Trust, as Lessor(s) and Jim Burgin & Associates, Inc., as Lessee; together with all rights incident thereto. (Primary term of 3 years with an option to extend the primary term for an additional 2 years) Said mineral interest not traced subsequent to the date of the above cited instrument. (Affects 806.3596 acres)**

