

COMMITMENT FOR TITLE INSURANCE

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:

~~The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):~~

1. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
2. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only).
3. 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 Policy only.)

Standby fees, taxes and assessments by any taxing authority for the year 2004, 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 Mortgage 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.")

The terms and conditions of the documents creating your interest in the land.

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 Mortgagee 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 Mortgagee Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee 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. Any visible and apparent easement on or across the property the existence of which does not appear of record.
 - c. Any portion of the property herein described which falls within the boundaries of any road or roadway.
 - d. Any and all leases, recorded or unrecorded, with rights of tenants in possession.
 - e. Right-of-way easement granted to United Producers Pipe Line Company, as recorded in Volume 85, Page 77, Deed Records of Bastrop County, Texas. (255 acres)
 - f. Subject to a 60' roadway easement along the east or northeast property line, as recorded in Warranty Deed dated January 10, 1985, executed by Elbert Williams and wife, Elva Williams, to Billy G. Radford, recorded in Volume 357, Page 504, Official Records of Bastrop County, Texas.
 - g. 10' utility easement granted to Billy G. Radford, as recorded in Volume 357, Page 504, Official Records of Bastrop County, Texas.
 - h. Oil, Gas and Mineral Lease dated February 6, 1926, recorded in Volume 13, Page 131, Oil Lease Records of Bastrop County, Texas, by and between J. E. Ferguson and Amanda Ferguson, his wife, as Lessor(s) and B. A. Johnson, as Lessee; together with all rights incident thereto. Said mineral interest not traced subsequent to the date of the above cited instrument. (5 year primary term) (covers 120 acres)
 - i. An undivided 1/16th interest in and to all oil, gas, and other minerals, in, on, under or that may be produced from the herein described property, together with all rights relating thereto, express or implied, conveyed by J. E. Ferguson and wife, Amanda Ferguson, to B. A. Johnson, by Deed dated January 22, 1927, recorded in Volume 16, Page 418, Oil Lease Records of Bastrop County, Texas. Said mineral interest not traced subsequent to the date of the above cited instrument. (covers 80 acres) (10 year term) (reversionary clause contained therein)
 - j. Oil, Gas and Mineral Lease, as stated in "Escrow Agreement" dated December 6, 1928, recorded in Volume 20, Page 265, Oil Lease Records of Bastrop County, Texas, by and between J. E. Ferguson and wife, Amanda Ferguson, as Lessor(s) and Shell Petroleum Corporation, as Lessee; together with all rights incident thereto. Said mineral interest not traced subsequent to the date of the above cited instrument. (no primary term) (covers 85 acres)
 - k. Oil, Gas and Mineral Lease dated November 11, 1937, recorded in Volume 42, Page 59, Oil Lease Records of Bastrop County, Texas, by and between James E. Ferguson and wife, Amanda Ferguson, as Lessors)

