#### FINAL REPORT

#### As Required by

#### THE ENDANGERED SPECIES PROGRAM

#### **TEXAS**

Grant No. TX E-144-RL (F12AP00218)

Endangered and Threatened Species Conservation

Lesser Prairie Chicken Habitat Acquisition in the Yoakum Dunes Region of Texas

Prepared by:

Jeff Francel



Carter Smith Executive Director

Clayton Wolf Division Director, Wildlife

28 June 2013

#### FINAL REPORT

STATE: Texas	GRANT NUME	BER: _	TX E – 144-RL
<b>GRANT TITLE:</b> Lesser Prair Region of Texas	rie Chicken Habitat Acquis	sition in	the Yoakum Dunes
REPORTING PERIOD:	1 Apr 2012 to 31 Mar 20	15	
<b>OBJECTIVE(S):</b>			
To acquire in fee simple 3,500 Conservancy's Yoakum Dunes occupied Lesser Prairie Chicke southwestern portion of its cur.  Segment Objectives:	Preserve to create the largen habitat in Texas, a crucia	est sing	gle protected expanse of
Complete Desc Diller and Commission	-1		:1 2012
Complete Due Diligence (apprais Exercise Option	ai, survey, title review)		pril 2012 Iay 2012
Acquire Property Final Report to TPWD/USFWS			une 2012 ummer 2012
Final Report to 1FWD/USFWS		51	unniner 2012
Significant Deviation: None.  Summary Of Progress: See (Settlement Statement, Controversed Deed) for each of Shelton).	act for Sale, Title Insur	ance F	Policy, and file-stamped
Location: Yoakum and Cochi	ran counties, TX		
Cost: Costs were not available	able at time of this report.	_	
Prepared by: _Craig Farquha	<u>r</u>	Dat	te: <u>28 June 2013</u>
	Farquhar Dat	e:2	28 June 2013

#### Attachment A

# Final Report TX E-144-RL

#### Lesser Prairie Chicken Habitat in the Yoakum Dunes Region of Texas

#### **Project overview**

In early 2012, The Nature Conservancy was awarded \$730,644 from Section 6 Recovery Land Acquisition funds to purchase an approximately 3500acre portion of the Moore-Shaheen property in Yoakum and Cochran Counties, Texas. The Conservancy agreed to provide \$408,956 in matching funds. The purpose of the grant was to acquire habitat adjacent to the Conservancy's Yoakum Dunes Preserve to benefit the Lesser Prairie Chicken.

#### **Purchase**

Between August 29 and November 26, 2012, the Conservancy purchased 3,364.12 acres. The acquisition occurred in four transactions involving three different owners. The Nature Conservancy acquired the land parcel submitted in the original grant application; the discrepancy in the acreage is due to a more accurate boundary survey that was completed as part of the purchase. The first and largest transaction was completed in August with the owners, F. E. Shaheen and Buddy Moore. In September, two properties were acquired from separate owners: Janice Biggerstaff and Clay West sold owned an undivided interest in 159.75 (the other undivided interest was acquired from Buddy Moore and F.E. Shaheen) and Susan Shelton and Jacqueline Batjer sold 320.24 acres. A third tract was acquired from Moore and Shaheen after a risk assessment on a title issue involving wind energy production.

The total purchase price for the 3,364.12 was \$1,059,698 excluding due diligence and closing costs. The purchase price of \$315 per acre was confirmed by a USFLA appraisal that was reviewed and approved by a qualified USFLA review appraiser.

#### Management

The land purchased with this grant will be managed in accordance with the goals of the grant agreement, specifically to benefit the recovery of the Lesser Prairie Chicken. Management of this property will comply with any recovery plans for the LPC, if such a plan is created. Public access will be limited in occupied habitat areas and it is not anticipated that any facilities would be located on the property other than water distribution or other improvements developed directly for preserve management or to benefit the species. The Conservancy will operate this property along with the remainder of the Yoakum Dunes Preserve for biological research and outreach to the

public and local stakeholders, including other private landowners in the area. This outreach will focus on the diverse, vital, and fragile wildlife habitat and plant communities found in the vicinity of the Yoakum Dunes Preserve. In addition, the Conservancy may lease the property for compatible hunting or agricultural practices that benefit the LPC habitat.



1007 Leavenworth St. Omaha, NE 68102 Tef. (402) 342-0282 Fax. (402) 342-0474 nature.org/nebraska

TX E-144-P

January 18, 2013.

Dr. C. Craig Farquhar
Endangered Species Grants Coordinator
Wild Division
Texas Parks and Wildlife Department
4200 Smith School Road
Austin, TX 78744

PO#: V3 (017)

Recpt'd in : 1/23//3

Recv'd Coods/Sarvices: Dec. 0/3

Recv'd Involg: 1/23//3

Receipt #: 175586

RE: Invoice No. 1-Final / TWPD Contract No. 426172 / Lesser Prairie Chicken Habitat in the Yoakum Dunes Region of Texas

Dear Craig:

Enclosed please find The Nature Conservancy's first and final invoice for acquisitions made under the above-referenced Contract, in the amount of \$715,145.46. The Nature Conservancy contributed matching funds to this project in the amount of \$400,280.73.

In addition to our invoice, please find a Settlement Statement, Contract for Sale, Title Insurance Policy and a file-stamped recorded copy of the deed for each of the acquisitions make in the Yoakum Dunes Region (Moore-Shaheen; Biggerstaff; and Batjer Shelton).

The Nature Conservancy's project manager under this Contract, Jeff Francell, will be submitting the final report to your attention under separate cover by <u>January 25, 2013</u>.

Please do not hesitate to contact either Jeff Francell at 512-623-7250 or <u>ifrancell@tnc.org</u>, or me at 402-342-9282; ext. 1007 or <u>kdoy@tnc.org</u> if you have questions or require further information.

Sincerely,

Kathy Doy

Sr. Grants Specialist – Worldwide Office, Grants Services Network The Nature Conservancy Approved for Payment

JANA Parquiar

Craft Farquiar

		1. CONTRACT	ΓNO. 42617	2	PAGE OF	
REQUEST FOR OR REIMBUI				<del>-</del> .	<u> </u>	
OR REIMBUI	RADVANCE	<del>-</del>	•		13.	
OR REIMBURSEMENT  AGENCY TO WHICH THIS REQUEST IS SUBMITTED		TYPE OF PAYMENT	"X" one		INVOICE NUMBER	
A AGENCY TO WHICH THIS R		REQUESTED	_	<b></b>	1430263879, et a	
Dr. C. Craig Farquhar		5. PERIOD COVERED BY THIS REQUEST			IS REQUEST	
Endangered Species Grants Co	ordinator	FROM (month	, day, year)	TO (month	, day, year)	
Wildlife Division						
Texas Parks & Wildlife Department		August 2	0, 2012	Dece	ember 31, 2012	
4200 Smith School Road		[		٠ .		
<i>Austin, TX 78744</i> 6. RECIPIENT ORGANIZATION	7. EFT PAYM	ENT INFOR	MATION:	•		
Remit checks to:		For EFT:				
Susan Yang		Bank of Amer	ica, Richmon	d, VA	:	
The Nature Conservancy		1111 E. Main	Street, Richr	nond, VA 2	3219	
318 Congress Avenue		ABA Rounting	No:	051000017	7	
Austin, TX 78701	:	Account No:	3	004112981	1822	
		Account Nam	<u>e</u> .	The Nature	ire Conservancy	
	8. COMPUTATION OF REIM	BURSEMENT	REQUESTE	<u> </u>	· · · · · · · · · · · · · · · · · · ·	
	Current Expenses	s		Cumulative	Expenses	
Conservation Land - Fee Title	1,058,922.60		1,058,922.60			
Appraisal Costs	6,950.00		. " <u>.</u>	6,950.00		
Survey Costs	48.00		···			
Closing Costs	16,308.66		16,308.66			
Salaries; Per Diem; & Assoc Costs	27,409,75		27,409.75			
Miscellaneous	853.42	<u>.</u> .			853.42	
Other						
Total Direct Charges	1,110,492.43			\$1,1	10,492.43	
Indirect Charges @ 18%	4,933.76	· · <u>-</u>			4,933.76	
Totals	\$1,115,426.19			\$1,1	115,426.19	
Total Outlays	•••			\$1,1	115,426.19	
Less Non-State Share of Tota	ıl (35.8859%)				100,280.73	
State Share of Total (64.1141)	%)			7	715,145.46	
Less State Payments Receive	ed .				0.00	
State Share Now Requested			:	\$7	15,145.46	
	9. CERTII	FICATION				
SIGNATURE OF AUTHORIZE	D CERTIFYING OFFICIAL		DATE REQU	JEST SUBI	MITTED	
JA Frances	xy		ONK	1/248	?	
TYPED OR PRINTED NAME A	NO TITLE		TELEPHON	E (AREA CO	DE, NUMBER, EXT.)	
Jeff Francell, Accoc Director	of Land Protection		512-623-7250			

# Wildlife and Sport Fish Restoration Program Summary of Land Costs

State : Texas					
· · · · · · · · · · · · · · · · · · ·	٠.				
Grantee: Texas Parks & Wildlife Di	epartr	ment			
					·
Subgrantee (if applicable): The Nat	ure C	onservancy:			
			· · ·		
County(ies): Cochran			•,		
_			<del></del>		
Grant No.: TX E-144-RU-1					
			··	·	· ·
Grant Title: Endangered Species Re	cover	y Land Acquistion	Program		
			· ,		
Grant Period: April 1, 2012 - Marc	h 30, 2	2035	<del> </del>		
	<del></del>		\$ · · · · · · · · · · · · · · · · · ·		
Crant Funding Approved	ŧ	Federal	State/Third Party	-	Total
Estimated Costs	15	730,644.90	\$ 408,956.00	- 5	1,139,600,00
Cost Share Pertentage		64.1141%	35.8859%		100%
Acquisition Name: Lesser Prairie C	hicke	n Habitat Acquisi	lion in the Yoakum Dunes I	Region o	fittas
·		**			
Grantor: Texas Parks and Wildlife	Depa	rtment	· · · · · · · · · · · · · · · · · · ·		
·					<del></del>
Date Acquired: November 26, 2012	!				
	!				· · · · · · · · · · · · · · · · · · ·
Date Acquired: November 26, 2012 Acreage: 3,365.79 acres	! -				· · · · · · · · · · · · · · · · · · ·
Aereage: 3,365.79 acres	! - -			· · · · · · · · · · · · · · · · · · ·	
	:				
Aereage: 3,365.79 acres Appraised Value: St,100,000.00	:		Notes Day As		Cords
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A	Letual	-	Notes Re: Ac	quisition	ı Çaştş
Acreage: 3,365.79 acres  Appraised Value: St,100,000.00  Acquisition Costs (A	Lefual)	1,058,922.60	Notes Re: Ac		1 Caşiş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Parchase Price Appraisal Costs	hetual	-	Notes Re: Ac	Quisition	ı Çaştş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Purchase Price Appraisal Costs Relocation Costs	s s	1,058,922.60 6,950.00	Notes Re: Ac	quisition	ı Caşiş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Purchase Price Appraisal Costs Relocation Costs Survey Costs	s s	1,058,932.60 6,950.00 48.00	Notes Re: Ac	quisitior	ı Caştş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Purchase Price Appraisal Costs Relocation Costs Survey Costs Closing Costs	s s	1,058,922.60 6,950.00	Notes Re: Ac	quisitio	ı Coştş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Purchase Price Appraisal Costs Relocation Costs Survey Costs	s s s	1,058,922,60 6,950,00 48,00 16,308,66	Notes Re: Ac	quisition	ı Caştş
Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Parchase Price Appraisal Costs Relocation Costs Survey Costs Closing Costs Salaries, Per Diem & Associated Costs	s s	1,058,932.60 6,950.00 48.00	Notes Re: Ac	quisition	ı Caştş
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Aereage: 3,365.79 acres  Appraised Value: St,100,000.00  Aequisition Costs (A Purchase Price Appraisal Costs Relocation Costs Survey Costs Closing Costs Salaries, Per Diem & Associated Costs In-Kind Match Value Miscellaneous (including Lands Donated Value)  TOTAL COST  Total Federal Reimbursement (Stewardship Investment)*  Excess Match**  Final Grant Costs	\$   \$   \$   \$   \$   \$   \$   \$   \$   \$	1,058,932,60 6,950,00 48,00 16,308,66 32,343,51 853,42 1,115,426,19 715,145,46	Instr  If Total Cost < Total Crant   Actual costs reimbarsement se Total Grant Funding Estimate Cost > Total Grant Funding E E19 here.  ** When Total Cost (accust) > then place difference here.  State / Third Party	ut fions Fooding E tion belo then sam stimate th	stimule then fill out w. If Total Cost = e amount if Total en place amount from out Funding Estimate Total
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#### A. Settlement Statement (HUD-1)

B. Type of Loan					
	B. File Number:	7. Loan Number:	B. Martgage Insurance Case Nu	mber:	
1. FHA 2. RHS 3. Com. Unins	9648				
4. VA 5 Conv. Ins. 6, X Other	33-4				
) ]		<del></del>			
C, Note: This form is furnished to give you a statem	ent of actual settlement co	osis. Amounts paid to and by	the selflement agent are shown. I	terns marked	
"(p.o.c.)" were paid conside the closing; the	y are shown here for info	medonal purposes and are n	ol included in the lotals.		
D, Name & Address of Borrower:	E. Name & Address of S	le <b>tt</b> en	F. Name & Address of Lender:	:	
The Nature Conservancy	R. D. Batjer, Jr. Cred	It Shelter Trust		}	
By, its	by Jacqueline Bye B	latcher, Truslee	•	1	
P.O. Box 1440	1942 South Seventh	<b>\$</b> L			
San Antonio, TX 78295	Abilene, TX 79602				
	Susan Batler Shellor				
`	725 Rivercresi Drive	ı	•		
	Abilene, TX 79605			·	
G. Property Location:	H. Settlement Agent		I. Settlement Date: 08/31/201	2	
The North Que-half (N/Z) of Section 25,	Yoakum County Abs	stract Company	^	_	
Block O, John H. Gibson Survey, Yeakum	Place of Settlement		Settlement Agent ID		
County, Texas	630 Cowboy Way P	O. Box 457	75-1968460		
,	Plains, TX 79355		Phone No.: (805) 456-2615	<u></u> -	
J. Summary of Borrower's Transaction	1415	K. Sommany of Setter's	Transaction		
100. GROSS AMOUNT OUE FROM BORROWER:	;·	400. GROSS AMOUNT			
101. Contract Sale Price	100,878.0	_ <del>'</del>		100,876.00	
102. Personal property		402. Personal property			
103. Settlement charges to borrow (inc 1400)	1,125.0		e in	· -	
104.		404.	<del></del>		
105.	• • • • • • • • • • • • • • • • • • • •	405,	<del></del>		
Adjustments for Herns paid by seller in adv	ance	Adjustments for	items paid by seller in advance		
106. City/lown taxes to		406. City/fown taxes	to		
107. County taxes to		407. County taxes	· ·1a·		
108. DCISD taxes to		408, OCISE taxes	to		
109,		409,			
±10.		410.	·		
£11,		415.			
112.		412.			
120, GROSS AMOUNT QUE FROM BORROWER	102,001.0	A 420, GROSS AMOUN	I DUE TO SELLER:	166,878.00	
200. AMOUNTS PAID BY OR IN BEHALF OF BORR			AMOUNT DUE TO SELLER:		
201. Deposit or earnest money	2,500.0	X) 501. Excess Deposit (s	se instructions)	13: 1	
202. Principal amount of new loan from		502. Settlement charge	s to setter (line 1400)	0.00	
203. Existing loan(s) taken subject to	· · · · · · · · · · · · · · · · · · ·	503. Existing loan(s) ta	ken subject to		
204,		504, Payoff of first mor	igage Ioan Io	,	
265.		506. Payoff of second	mortgage loan		
206.		566.			
207.		507.			
208.		508.	•		
209.		509.			
Adjustments for items unpaid by seller		Adjustments for	items unpaid by seller		
219. CZyňown taxes		510. City/town taxes			
211. Al properly taxes 01/01/12 to 09/31/12	. 53.9		I#01/12 to 08/31/12	53.95	
212. DCISD taxes		512. DCISD taxes	·		
213,		513.		<u></u>	
214.		514.			
215.		515.			
216.	<del>  ''</del>	1 516.			
217.		517.		<u>                                     </u>	
216.		51B.	:	<u> </u>	
219,		519.	<u>.</u>		
220. TOTAL PAID/BY FOR BURROWER: .	7,553.9	95   520. TOTAL REDUCT	ION AMOUNT QUE SELLER	53.95	
300. CASH AT SETTLEMENT FROMTO BORRO	<del></del>		EMENT TO/FROM SELLER		
301. Gross amount due from borrower (fine 120)	102,001.1		e to seller (line 420)	100,875.00	
302. Less amounts paid by/for borrower (line 220)	· ( 2.553.	<del></del>	in ami due seller (line 520)	( 53.95	
303. Cash X From To Borrowers			From Seller	100,822.05	
I am samowen	- ayan   aa,441.1	05   603 Česh to X	L TANK SPIRET .	100,055,03	

Previous editions are obsolete Page 1 of 2 GF No.: 9548 HUO-1

#### A. Settlement Statement (HUD-1)

B. Type of Lean					
	6. File Number:	7. Loan Number:	8. Mortgage Insuzance Case N	whee	
1. FHA 2 RHS 3 Conv. Unios	9643	11 240111441114011	o. Mongage massanes cosse in		
4 VA 5 Corv. Ins 6 X Other				:	
	<u> </u>		<u></u> .		
C. Note: This form is furnished to give you a stateme	ent ol actual settlement o	osts. Amounts paid to and by	the settlement agent are shown.	Items marked	
"(p.o.c.)" were paid outside the closing; the				: :	
	E. Name & Address of S				
D. Name & Address of Borrower:			F. Name & Address of Lender:		
The Nature Conservancy	R. D. Batjer, Jr. Cred				
8y	by Jacqueline Bye B	latcher, Trusten			
P,O. Box 1440	1942 South Seventh	SL ,			
San Antonio, TX 78296	-Abilena, TX 79602				
	Susan Baller Sheltor	n			
	725 Rivercrest Drive				
	Abitene, TX 79605	•			
G. Preperty Location:	M, Settlement Apent	· · · ·	I. Settlement Date:		
The North One-half (N/2) of Section 25,	Yoakum County Abs	teral Commercia	08/31/20	12	
, -	· · · · · · · · · · · · · · · · · · ·	edact Company		<del> </del>	
Block D, John H. Gibson Survey, Youkum	Place of Settlement		Settlement Agent ID	:	
County, Texas	630 Cowboy Way P	.Q. Box 457	76-1968460	]	
	Plains, TX 79355		Phoce No.: (808) 456-2615	1	
J. Summary of Borrower's Transaction		K. Summary of Seller's	Transaction		
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT	<del></del>	<u> </u>	
101, Contract Sale Price	100 878.0		: <u></u>	100,875.00	
102. Personal property		402. Personal property			
103. Settlement charges to borrow (line 1400)	1,125.0	0 ] [ <03.			
104,		Ì 404,			
105.		405.		· i	
Adjustments for Koms paid by seller in adve	inck	Adjustments for	terns paid by seller in advance	<u> </u>	
106, ÇilyAzıvın taxeş to		406. City/fores taxes	lo	ı i	
707. County taxes to	· ·   · · · · · · · · · · · · · · · · ·	407. County taxes	to		
108, DOISD Gres to	· <del></del> · · ·	408. DCISD taxes	to .		
109,		):		ļ	
	<u>'</u>	1409.			
110.		410.			
111.		411.		<u> </u>	
112.		1412.	· · · · · · · · · · · · · · · · · · ·		
120. GROSS AMOUNT QUE FROM BORROWER:	102,005,0	A LASA GROSS AMOUNT	Puic to errire.	444.494.44	
200. AMOUNTS PAID BY OR IN BEHALF OF BORRO	<del></del>	<b>⊣</b>		100,876.00	
	<del></del>		AMOUNT DUE TO SELLER:		
201. Deposit or earnest money	2,590.0				
202. Principal errount of new loan from		502. Settlement charge	Settlement charges to seller (line \$400): 0.00		
203. Existing loan(s) taken subject to		903. Existing loan(s) (a)	cen subject to		
204.		564, Payoff of 6rst mort	gage lean to		
205.		505. Payoff of second n	nodgage toan		
206.		508.			
207.		507.			
208.		508	<del></del>	<del></del>	
209.		509.	<del></del> -		
Adjustments for items unpaid by seller	· · · · · · · · · · · · · · · · · · ·		terns unpaid by seller	<del></del>	
210. City/town laxes		510. City/town taxes	Cana Colpana by Scient	·	
211. All property leases 01/01/12 to 08/31/12	53.9		1011712 to US/31/12	53.95	
212. DCISD laws		512. DCISO taxes			
213.		513.			
214.		514.		· · · · · · · · · · · · · · · · · · ·	
215.		515.			
218,		518.	<u></u> -	i	
217.	1	517.		·i	
218.	i	518.		i	
219.	<u> </u>	519.	<del> </del>		
	<u> </u>	1	<del></del> -		
220. TOTAL PAIDIBY FOR BORROWER:	2,553.9	5   \$20. TOTAL REDUCTH	ON AMOUNT DUE SELLER	53.95	
300. CASH AT SETTLEMENT FROWTO BORROY			MENT TO/FROM SELLER		
3D1. Gross amount due from borrower (line 123)	162,001.0	<del>-11</del>		100,876.00	
302. Less amounts paid by/for borrower (fine 220)	( 2,553.9	-{ <del></del>	n ami due seller (line 520)	( 53,95 )	
		71 —	<u> </u>	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
303. Cash   X   From   To Borrowen8:	uyer 99,447,0:	5 603 Cash To X	From SeBer	100,822.05	
. <u> </u>	<u> </u>				

L. Settlement Charges	7	
700. TOTAL SALES/BROKER'S COMMISSION	Paid From	Pard From
Division of commission (fine 700) as follows:	Borrowers	Seller's
761.	Funds at	Funds at
702.	Settlement	Selfement
703, Commission paid at settlement to	<u> </u>	
704.	<u> </u>	<u> </u>
800, LITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan Origination fee	]	_
802, Lean Discount	<u> </u>	
803. Appraisal Fee to		
804, Credit Report to		<u> </u>
808. Londer's inspection les		
806. Mortgage insurance application fee		
BO7. Assemption Fee	1	
608.		
809.	<del> </del>	
BáD.	<u> </u>	
811.	<u>,,                                     </u>	
900, ITEMS RECURRED BY LENDER TO BE PAID IN ADVANCE		
901. Maresi	]	
902. Morfgage Insurance premium	1	
903. Hazard insurance premium to		
904.	1	
905:	·	
AND DESCRIPTION OF DEPOSITE AMERICAN COMPANY	· · · · · · · · · · · · · · · · · · ·	
1000. RESERVES DEPOSITED WITH LENDER	T . I	
1001. Hiszard insurance mo. @ per mo	<del>                                     </del>	<del></del>
1002. Morigage insurance mo. 色 për mo 1003. City property taxes mo. 色 per mo	<del>-[</del>	
1003. City property taxes mo. @ per mo	1	
1005-DCISD property taxes mo. @ per mo	<del> </del>	
1006.	i i	
1007.	<del>1 · · · · · 1</del>	
1008. Aggregate Accounting Adjustment	1	
	· · · · · · · · · · · · · · · · · · ·	
1100. TITLE CHARGES	1 1	
1101. Settlement or Clasking Fee	<del>                                     </del>	
\$102. Abstract of tiffe search	·	
1403. Title examination	<del> -</del> ·	
1104. Title insurance binder		·
\$105. Occument preparation to	<del>                                     </del>	··
1106. Notary Rees	<del> </del> -	
1107. Attorney's fees to 1108. Title insurance-Title Resources Guarenty Company.	848.00	·-
1109, Lender's coverage	3,0,00	<del></del>
1110. Owner's coverage \$100,876.00	<del>i ·                                     </del>	· · ·
1111. State of Texas Policy Guarantee Fee	2.00	***
1112. Internet Delivery, Overnight fees-Youkum Co., Abs	20.00	
1113. Estrow Fee-Yoakum County Abstract Company	200.00	
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES	25.00	
1201, Recording fees Deed \$35.00 Ret\$	35.00	
1202. City/county lax/stamps	1	<del></del>
1203. State tax/stamps	20.00	
12D4. Tax Certificates-Taxing Authorities	2000	_
1205.	t	<u> </u>
1300. ADDITIONAL SETTLEMENT CHARGES		
1301. Survey to Where on Earth (paid in GF 9615)		
1302. Pest inspection to		
¥303,	1	
1304.		
1305,	i	
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section X)	1,125.00	0.00

Previous editions are obsolete : Page 2 of 2 GF No.: 9648 HUD-1

#### YOAKUM COUNTY 2012-3508

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS
COUNTY OF YOAKUM

SPECIAL WARRANTY DEED

Date: August 29 , 2012

Grantor: JACQUELINE BYE BATJER, TRUSTEE

THE ROBERT D. BATJER, JR. CREDIT SHELTER TRUST Mailing address: 1942 South 7th Street, Abilene, Texas 79602

and

SUSAN BATJER SHELTON

Mailing address: 725 Rivercrest Drive, Abitene, Texas 79605

Grantee: THE NATURE CONSERVANCY, a District of Columbia non-profit corporation

Mailing address: 4245 N. Fairfax Dr., Suite 100, Arlington, Virginia 22203 With local address of: 318 Congress Avc., Austin, Texas 78701 [Travis County]

Consideration: TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration.

Property: The North one-half (N/2) of Section 25, Block D, John H. Gibson Survey, located in Yoakum County, Texas. This conveyance includes all rights, hereditaments, and appurtenances belonging to the Property, including, without limitation, all of Granter's right, title, and interest, if any, in and to (i) any easements, rights of way, or rights of ingress and egress benefiting the Property, (ii) any "excess land", "vacancies", strips and gores between the Property and abutting properties, and land lying in or under any public road, highway or the bed of any creek, stream or river running through or abutting or adjacent to the Property, whether owned or claimed by deed, limitations, or otherwise, (iii) any riparian, water, wind, development or wastewater rights appurtenant to the Property, and (iv) any and all claims, demands and causes of action of whatever kind or nature against any person, accruing from or during Granter's ownership of the Property or which Grantor may otherwise own, for or relating to pollution, damage or other injury to the surface and/or subsurface of the Property, whether arising by breach of contract, tort, strict liability, statute, regulation or otherwise.

Reservations from Conveyance: Grantor reserves all of Grantor's interest in and to all oil, gas, methane, and other liquid or gaseous hydrocarbons in and under and that is produced or producible from the Property, subject however to a surface waiver with the following restrictions: (i) no development, exploration, extraction or production activities or operations under the authority of or by virtue of these reserved rights or interests of Grantor shall be conducted on the Property, (ii) Grantor waives and conveys to Grantee the right of ingress and egress to and from the surface of the Property involving these reserved rights or interests of Grantor, and (iii) any activities and operations involving these reserved

rights or interests of Grantor that are conducted or carried out on land owned by Grantor other than the Property shall in no manner interfere with the surface or subsurface support of any structures, improvements, or natural habitat features on the Property.

Exceptions to Conveyance and Warranty (to the extent same are valid and existing and affect the Property): Those certain exceptions more particularly described below:

- All previous reservations of oil, gas, and other minerals of record, together with all rights, privileges, and immunities related thereto; and
- 2. Lack of a right of access to and from the Property.

Taxes for the current year have been prorated to the date hereof and are assumed by the Grantee; provided, however, that if Grantor's change in the use of the Property prior to this Deed or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to this Deed, then Grantor shall be responsible for the payment of such taxes.

Grantor Susan Batjer Shelton is not joined by her spouse, if any, because she is dealing with her sole and separate property.

Grantor, for the consideration and subject to the Reservations from Conveyance and Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors, and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, when the claim is made by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and Exceptions to Conveyance and Warranty.

Grantee acknowledges that payment for the Property is made available by a Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant funded by the United States Secretary of the Interior, thereby creating a Federal interest in the Property. The Grantee shall not dispose of or encumber its title or other interest in the Property without permission and instructions from the United States except as expressly permitted by the grant. In the event the Grantee fails to fully comply with the terms and conditions set forth through the acceptance of the Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant, Grant # E-144-RL, after having been given written notice of such alleged failure and a reasonable opportunity to cure the same, the property interest acquired with the grant funds or the grant funds themselves shall be subject to transfer, replacement, or repayment proportionally to the United States in accordance with instructions from the United States and applicable law. No right of access by the general public is granted to any portion of the Property subject to these restrictions merely by virtue of the fact that all or a portion of the Property was acquired using federal grant funds or used as a match there under; provided, however, if the owner of the Property permits access to the general public to the Property subject to these restrictions, then such access shall be open to all persons who are otherwise eligible regardless of race, color, national origin, sex, age or disability.

When the context requires, singular nouns and pronouns include the plural.

This Deed may be may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

Executed as of the date set forth above.

GRANTOR:

THE ROBERT D. BATJER, JR. CREDIT SHELTER TRUST

By: Garaha Bir Datiw

Jacqueline Bye Batjer, Trustee

COUNTY OF Laylor

This instrument was acknowledged before me on the 20th day of August , 2012, by JACQUELINE BYE BATJER, TRUSTEE OF THE ROBERT D. BATJER, JR. CREDIT SHELTER TRUST, in such capacity on behalf of said trust.

JAYAN KEHR

Notary Public, Stale of Texas

My Commission Exp 05-07-14

NOTARY PUBLIC

GRANTOR:

THE STATE OF TEXAS

COUNTY OF Jaylor

This instrument was acknowledged before me on the

SUSAN BATJER SHELTON.



AFTER RECORDING RETURN TO:

The Nature Conservancy

Attn: Legal

200 E. Grayson St., Suite 202 San Antonio, Texas 78215

THE STATE OF TEXAS ](

COUNTY OF YOAKUM }{ #2012-3508 I, DEBORAH L. RUSHING, County Clerk, do hereby Certify that this Instrument was filed and imaged for official public records on \_\_\_\_\_\_\_\_at \_\_\_\_\_\_\_at \_\_\_\_\_\_\_\_\_\_at

AND AND SEAL



#### OWNER'S POLICY OF TITLE INSURANCE

#### Issued by

#### Title Resources Guaranty Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

#### COVERED SISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, TITLE RESOURCES GUARANTY COMPANY, a Texas corporation (the "Company") insures, as of Date of Policy, and, to the extent stated in Covered Bisks 9 and 10, either Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

- 1. Title being vested other than as stated in Schedule A.
- Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by:
    - forgery, fraud, undue influence, duresa, incompetency, incapacity or impersonation;
    - (a) fazure of any person or Entity to have authorized a transfer or conveyance;
    - a document affecting Title not properly created, exacuted, witnessed, sealed, acknowledged, notarized or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - a document executed under a faisified, expired or otherwise invalid power of attorney;
    - a document not properly fited, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the fille by a governmental authority due or payable, but unpaid.
    - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The larm "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
    - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's sen for labor or materials having its inception on or before Đate of Poticy.
- 3. Lack of good and indefeasible Title,
- No right of access to and from the Land.
- The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:

- (a) the occupancy, use or enjoyment of the Land;
- (b) the character, demensions or location of any improvement erected on the Land;
- (c) subdivision of iznd; or
- (d) environmental protection

if a notice, describing any part of the tund, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

- 6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement reterred to in that notice.
- The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
- Any taking by a governmental body that has occurred and is bloding on the rights of a purchaser for value without Knowledge.
- Title being vested other than as stated in Schedule A or being defective:
  - (a) as a result of the avoldance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a traudulant or preferential transfer under tederal bankruptcy, state insolvency or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under lederal bankruptcy, state insolvency, or similar creditors' rights faws by reason of the failure of its recording in the Public Records (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value
- or a judgment or then creditor.

  10. Any defect in or then or encumbrance on the Title or other
- 10. Any detect in or ken of encumbrance on the first or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to take of PoRoy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, altomays' less, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

Title Resources Guaranty Company

An Authorized Signature

Yoakum Gounty Abstract Company d/b/a Elliott & Waldron Abstract Company

Plains, Texas

Comme

Effective 2/01/2010

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, afterneys' less or expenses that arise by reason of:

(a) Any law, ordinance, permit, or governmental regulation (including those relating to building and scoring) restricting, regulating, prohibiting or relating to:

(i) the occupancy, use, or enjoyment of the Land;

the character, dimensions or location of any improvement erected on the Land;

(南) subdivision of land; or

(iv) environmental protection;

or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Pist 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Detects, liena, encumbrances, adverse claims or other matters:

  (a) created, suffered, assumed or agreed to by the insured Claimant;

  (b) not known to the Company, not recorded in the Public Records at Claim of Policy.

but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimani prior to the date the insured Claimani became an

Insured under this policy: resulting in no loss or damage to the insured Claimant;

attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or resulting in loss or damage that would not have been sustained if the insured

Oleimant had paid value for the Tiba.

 Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar craditions rights laws, that the transaction vesting the Table as shown in Schedule A. Is:

- (a) a knowlesst conveyance or transfer transfer or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this postcy.
- Any iten on the Tide for reat estate taxes or assessments imposed by governmental authority and created or attacting between Oate of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shoun in Schedule A.
- The refusal of any parson to purchase, lease or lend money on the estate or interest. covered hereby in the land described in Schedule A because of Enmarkstable Title.

#### CONDITIONS

1. DEFINITION OF TERMS.

- Objection of Terms.

  The loboring terms when used in this policy mean:

  (a) "Amount of insurance": the amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

  (b) "Date of Policy": the date designated as "Date of Policy" in Schedule A.
- Entity: a corporation, partnership, trust, finited fability company or other similar legal entity.

"Insured": the insured named in Schedule A.

(i) The term "insured" also includes:

- (A) successors to the Title of the Insured by operation of law as distinguished from purchase; including helia, devisees, survivors, personal representatives or next of kin;

  (B) successors to an insured by dissolution, merger, consolidation,
- distribution, or reorganization;
- successors to an insured by its conversion to another kind of Entity; a grantee of an insured under a deed delivered without payment of actual valuable consideration conveying the Tide;

actual valuable consideration, conveying the Title;

(1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named insured,

(2) If the grantee is wholly-owned by an attitized Entity of the named insured, provided the attitisted Entity and the named insured are both wholly-owned by the same person or Entity, of

(4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the fessured named in Schedule A for estate oligination trustness.

for estate planying purposes.

(ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": a Insured claiming loss or damage.

(i) "Knowledge" or "Known": actual knowledge, not constructive knowledge or notice that may be imputed to an insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

other records that impart constructive notice of matters affecting the Title. "Land": the land described in Scheckle A, and attitud improvements that by law constitute rest property. The term "Land" does not include any property beyond the times of the wrist described in Scheckle A, nor any right, little, interest, estate or externers in abunting streets, reads, svenues, alleys, tenes, ways or water ways, but that does not modify or limit the extert that a right of excess to and from the 1 and to be served the time. the Land is insured by this policy.
"Mortgage": mortgage, deed of trust, trust dead, or other security instrument, including one evidenced by electronic means authorized by law.

moreoning one evidenced by excurance means auritanzed by law.

Public Records'; records established under clate statutes at Date of Policy for the purpose of imparting constructive rotics of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Rick 5(d), "Public Records" shall also include environmental protection. Earns filled in the records of the client of the United States District Court for the district where the Land is located.

"Title": the estate or interest described in Schedule A.

"Long-retable Title": Title affected by an alleged or appearent matter that would permit a prospective purchaser or lessee of the Title or kinder on the Title to be released from the obligation to purchase, leaze or lend it there is a contractual condition requiring the delivery of markstable title.

CONTINUATION OF INSURANCE.

The coverage of the policy shall continue in force as of Oate of Policy in favor of an Insured, but only so long as the insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mongage given by a purchaser from the Insured, or only so long as the insured shall have tablety by reason of warrantes in any transfer or conveyance of the Tibe. This policy shall not continue to long its light of the first policy shall not continue. in lorce in layor of any purchaser from the insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Modgage given to the fraured.

NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The Insured shall notify the Company promptly in witing (i) in case of any fogation as set forth in Section 5(a) below, or (i) in case Knowledge shall come to an Insured hereucolar of any claim of title or interest that is enverse to the Title, as insured, and that might cause loss or demage for which the Company may be Vable.

by virtue of this policy, if the Company is prejudiced by the fature of the Insured Chairmant to provide prompt notice, the Company's liability to the insured Chairmant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notices the Company as required when, easi the crate or the prototy, the sequent houses the company de required herein of a 5em, encumbrance, adverse datin or other defect in Tide insured by this policy that is not excluded or excepted from the coverage of this poscy, the Company shall promptly knessingate the charge to determine whether the tien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The adverse claim or detect or other matter to valid and not barred by law or statute. The Company shall notify the instance in writing, which a reasonable time, of its determination as to the vestify or invalidity of the instruct's claim or charge under the policy. If the Company concludes that the tien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in concection with which this policy was issued, the Company shall specifically advise the instead of the reasons for its describination. If the Company concludes that the fine, encumbrance, adverse claim or defect is valid, the Company shall take one of the following sollows: (it institute the necessary proceedings to clear the life.) hen, excumbrance, adverse daim or defect is valid, the Company shall take one of the following sotions: (i) institute the necessary proceedings to clear the fent excumbrance, adverse claim or defect from the Tide as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premain and charges therefor, issue to the insured Claimant or to a subsequent owner, mortgages or holder of the estate or interest in the Eard insured by this policy, a policy of title insurence without exception for the list, encumbrance, adverse claim or defect, said policy to be in an amount equal to the ourrent value of the Eard or, ii a foan policy, the amount of the foan, (iv) indemnity another title insurance company in connection with its issuance of a policy(es) of little insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other the Ken, encumbrance, adverse claim or delect; (v) secure a release or other document discharging the ken, encumbrance, edverse claim or defect; or (v) undertake a combination of (i) through (v) harbin.

PROOF OF LOSS. In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant hansah a signed proof of loss. The proof of loss must describe the defect, then, encumbrance or other matter insured against by this policy that constructs the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the insured, and subject to the options contained in Sections 3 and 7 of these Concations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in Rigation in which any third party assents a calm covered by this policy adverse to insured. This obligation is limited to only those stated causes of action alleging matters insured analysis to title collect. The Company shall have the circle to select matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to chiect for reaspectable cause) to represent the insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pe same for any wallow pay any section any same content of the defense of those pay any fees, costs, or expenses incurred by the instituted in the defense of those causes of action that allege matters not institute against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding.

or to do any other act that in its opinion may be necessary or desirable to establish the Tide, as insured, or to prevent or reduce toss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be Sable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company appropriate action under the terms of these rights shall not be an admission of liability or large than extending it in the company approximate the states. policy. If the Company exercises as rights under this subsection, it must do

so differently.

(c) Whenever the Company brings an action or asserts a defense as required or parmitted by this policy, the Company may pursue the lifegation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

8. OUTY OF INSURED CLAIMANT TO COOPERATE.

(a) in all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the instrued shall secure to the Company the right to so protection or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, theil give the Company all reasonable aid (i) in

securing evidence, obtaining vitnesses, prosecuting or defending the action or securing evidence, obtaining vignesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other iswinul act that in the option of the Company may be recessary or destrable to establish the Title or any other matter as insured. If the Company is prejudiced by the fature of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any fability or obligation to detend, prosecute, or continue any fitigation, with regard to the matter or matters requiring such cooperation.

The Company may reasonably regains the insured Claimant to stemit to examination under out by any estimated means setable of the Company and to

1.30

examination under nothing to successful the presentative of the Company and to produce for examination, impection and copying, at such reasonable trees and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, company and representative products, employed, including books, ledgers, checks, memoranda, company and products. checks, memoranda, correspondence, reports, e-mails, disks, tages, and videos sylvether bearing a date before or after Cate of Policy, that reasonably pertain to the loss or damage. Further, it requested by any authorized representative of the Company, the insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidenced by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable pudgment of the Company, it is necessary in the administration of the cistm. Failure of the Insured Claimant to submit for examination under dath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third portice as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

(c) If the insured demands that the Company accept a settlement ofter that is not greater than the Amount of theorems or if the Insured expressely agrees that a settlement offer should be accepted, the Company has a right to be reimbursed if

settlement offer should be accepted, the Company has a right to be reimbursed if It has timely essented its reservation of highly and notified the inscred that it intends to seek reimbursement it it pays to settle or detend a claim that is not

covered by the policy.

OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF SIABILITY.
 In case of a claim lander this policy, the Company shall have the lollowing additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees and expenses incurred by the Insured Claimark that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all flability and obligations of the Company to the insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, processed, or continue any Rigation.

- To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.
  - (ii) To pay or otherwise settle with other parties for or in the name of an insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys less, and expenses incurred by the insured Claimant that were authorized by the Company up to this time of payment and that the Company is obligated to pay; or
    (ii) To pay or otherwise settle with the insured Claimant the loss or demage

provided for under this policy, together with any coals, attorneys' less, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue.

<u>PETERMINATION AND EXTENT OF LIABALITY.</u>
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the lessified Claimani who has seffered loss or damage by

reason of matters insured against by this policy.

(a) The extent of liability of the Continuing for loss or damage under this policy shall not exceed the lesser of:

(i) the Amount of Insurance; or

(ii) the Amount of Insurance; or Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Tide, as insured,

- (i) the Amount of Insurance shall be increased by 10%, and
  (ii) the insured Claimant shall have the right to have the loss of damage determined either as of the date the claim was made by the insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, alterneys' less, and expenses incurred in eccordance with Sections 5 and 7 of these Conditions.

#### UMITATION OF LIABILITY.

- (a) If the Company establishes the Tilla, or removes the alleged defect, tien or (a) If the Company establishes the Title, or removes the alleged defect, then or encumbrance, or curse the tack of a right of access to or from the Land, at as insured, or takes action in accordance with Section 3 or 7, in a reasonably different manner by any method, including lifegation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be table for any loss or damage caused to the insured.
  (b) In the event of any titigation, including Stigation by the Company or with the Company's consent the Company shall have no tablety for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- The Company shall not be liable for loss or damage to the Insured for liability votuntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REQUESTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY. All payments under this policy, except payments made for costs, attorneys fear and expenses, shall reduce the Amount of insurance by the smount of the payment.

11. <u>LIABILITY NONCUMULATIVE</u>.
The Amount of insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule 8 or to which the insured has agreed, assumed, or taken subject, or which is executed by an insured efter Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the insured under this policy,

12. PAYMENT OF LOSS.
When Sirbilly and the extent of loss or damage have been definitely fixed in accordance with those Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

(a) Whenever the Company shall have settled and paid a claim under this posicy, it shall be subrogated and entitled to the rights of the insured Claimant in the Title and of other rights and remedies in respect to the claim that the Insured Claimant. has against any person or property, to the extent of the amount of any loss, costs, attorneys' less and expenses paid by the Company. If requested by the Company, the insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The insured Claimant shall pennit the Company to stue, compromise or settle in the name of the Insured Claimant and to use the name of the insured Claimant and to use the name of the insured Claimant in any transaction or signation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Ciginant, the Company shall drive the exercise of its right to recover until after the insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARSITHATION.

Either the Company or the insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Tide insurance Arbitration Rules of the American Lacd Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consocitation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured artific out of or relating to this pokery, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as dislinguished from an Entity). All arbitrative matters when the Amount of insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Roles shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

16. CABILITY CHITTED TO THIS POLICY: POLICY ENTIRE CONTRACT.

(a) This posity logarity mith all endorsements, it any, sitsoched is it by the Company is the exiting to an indicate the endorsements, it any, sitsoched is it by the Company is the exiting to any provision of this policy, this policy shall be construed as a whole.
(b) Any claim of loss or damage that arises out of the status of the Trite or by any action asserting such claim shall be restricted to this policy must be its writing and authoritisated by an authorized person, or expressly incorporated by Schedule A of the roofer.

of this policy.

of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, if modify any prior endorsement, (iii) extend the Date of Policy, or (v) increase the Amount of insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless. of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, andorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.

In the erect any provision of this policy, in whole or in part, is held invalid or unexpressible under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in full force and effect.

17. CHOICE OF LAW: FORUM.

(a) Choice of Law, The Insured eclinowiedges the Company has underwriting the risks covered by this policy and determined the premium charged therefor in relance upon the law effecting interests in real properly and applicable to the interpretation, rights, remedles or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and to interpret and enforce the lamma of this policy. In neither case shall the court or arbitrator apply its condicts of taw principles to determine the applicable law.

(b) Choice of Forum: Any Registron or other proceeding brought by the insured against the Company must be filed only in a state or federal court within the United States of America or its tentiones having appropriate jurisdiction.

Any notice of claim; and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

Tida Resources Guaranty Company 9111 LBJ Freeway, Suite 1200 Dallas, TX 75251

# Title Resources Guaranty Company A TEXAS CORPORATION

Title Resources
uaranty Compan

of Title Insurance

FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL; 1-800-526-8018



1. AGENT CODE 2. PROPERTY TYPE 3. COLNITY 4. POLICY AMOUNT 5. PREMILM 6. RATE CODE ... 7, EVFECTIVE DATE 8, SURVEY AMENDMENT 9, ADDITIONAL CHAINS

#### OWNER'S POLICY:

F. 613	11.	3, 501	£ \$100,876.00	\$, \$1,025.20	6, 3000, 0500, 0803	7. 9/5/2012 GUGUN	B.	9.
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#### TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

GF NO. OR FILE NO. DATE OF POLICY AMOUNT OF INSURANCE

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST. AGREE WITH THE PREPRINTED NUMBER ON THE COVER

9648

September 5, 2012

@8:00 A.M.

\$100,876.00

1143-026046

Schedule A

- 1. Name of Insured: The Nature Conservancy.
- 2. The estate or interest in the land is insured as vested in: fee simple.
- 3. Title to the estate or interest in the land is insured as vested in: The Nature Conservancy.
- 4. The land referred to in this policy is described as follows: The North One-half (N/2) of Section 23, Block D, John H. Gibson Survey, Yoakum County, Texas, subject to, and the Company does not insure title to, and excepts from the description of the Land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto.



#### TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

GF NO. OR FILE NO

DATÉ OF POLICY

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED HUMBER ON THE COVER

9648

September 5, 2012 @8:00 A.M. 1143-026046

#### Schedule B

#### EXCEPTIONS FROM COVERAGE

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

- The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception): This item is hereby deleted.
- 2. Any-discrepancies-conflicts-or shortages in area or-houndary-lines-or-any-encrose-ments-or-protrusions-ornay-overlapping-of-improvements /fb
- 3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.
- Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities.
  - to tidelands, or land 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 the 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.
- 5. Standby fees, taxes and assessments by any taxing authority for the year 2012, 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 (We must insert matters or delete this exception.):
- a. The sole means of legal access to and from the property is via other lands owned by the insured.



#### Minerals and Surface Damage Endorsement (T-19.3)

ISSUED BY

#### TITLE RESOURCES GUARANTY COMPANY

(Herein called the Company)

Attached to Policy No.: 1143-026046

Applies to Parcel(s): The North One-half (N/2) of Section 25, Block D, John H. Gibson Survey, Yoakum County, Texas

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Yoakim County Abstract Company

d/b/a Elliott & Waldron Abstract Cong

Plains, Texas

Title Resources Guaranty Company



#### 1 IMPORTANT NOTICE

- 1 To obtain information or make a complaint:
- 2 You may contact your (title) at (telephone number).

Yoakum County Abstract Company d/b/a Eiliott & Waldron Abstract Company (806) 456-2615

3 You may call Title Resources Guaranty Company's toll-free telephone number for information or to make a complaint at:

#### 1-800-526-8018

4 You may also write to Title Resources Guaranty Company at:

8111 LBJ Freeway, Ste. 1200 Dallas, TX 75251

5 You may contact the Texas Department of Insurance to obtain information on companies, doverages, rights or complaints at:

#### 1-800-252-3439

6 You may write the Texas Department of Insurance:

P.O. Box 149104 Austin, TX 78714-9104 Fax: (512) 475-1771

Web: http://www.tdi.state.ix.us

E-mail: ConsumerProtection@tdi.state.tx.us

#### PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the (agent) or Title Resources Guaranty Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

Yoakum County Abstract Company P O Box 457 Plains, TX 79355

#### ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

#### **AVISO IMPORTANTE**

- 1 Para obtener informacion o para someter una queja:
- 2 Puede comunicarse con su (title) al (telephone number).

Yoakum County Abstract Company d/b/a Elliott & Waldron Abstract Company (806) 456-2615

3 Usted puede llamar al numero de telefono gratis de Title Resources Guaranty Company's para información o para someter una queja al:

#### 1-800-526-8018

4 Usted tambien puede escribir a Title Resources Guaranty Company:

8111 L8J Freeway, Ste. 1200 Dallas, TX 75251

5 Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al: 1-800-252-3439

6 Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104 Austin, TX 78714-9104 Fax: (512) 475-1771

Web: http://www.tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

#### DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el (agente) o Title Resources Guaranty Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

Yoakum County Abstract Company P O Box 457 Plains, TX 79355

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de información y no se convierte en parte o condicion del documento adjunto.



In consideration of \$2,500 (the "Option Consideration") paid to the Title Company (defined below), the receipt and adequacy of which are hereby acknowledged, and of the agreements contained in this Option, Jacqueline Bye Batjer, Trustee of the Robert D. Batjer, Credit Shelter Trust, and Susan Batjer Shelton ("Seller"), hereby grants to The Nature Conservancy, a non-profit corporation of the District of Columbia (the "Conservancy"), and its successors and assigns, the exclusive and irrevocable right and option to purchase that certain land containing 320 acres, more or less, located in Yoakum County, Texas, more particularly described as the N/2 of Section 25, Block D, John H. Gibson Survey, together with all rights, appurtenances, casements, improvements, fixtures and hereditaments thereon and pertaining thereto, including without limitation, water rights, access rights, timber rights, development rights, wastewater rights and all other rights, but expressly reserving unto Seller, its successors and assigns, forever, all of its interest in and to any oil, gas, methane and other liquid or gaseous hydrocarbons, subject however to the surface waiver described in Section 10 below (collectively, the "Property"), under the following terms and conditions:

- 1. OPTION TERM AND EXERCISE. This Option shall commence on the effective date of this Option and terminate on August 1, 2012 ("Option Period"). Setler must receive by August 1, 2012 written notice from the Conservancy (the "Notice of Election") to exercise the Option (the "Option Exercise Date"). If the Seller does not receive the Notice of Election from the Conservancy on or before the Option Exercise Date, this Option shall automatically terminate.
- 2. <u>Purchase Price</u>. If the Conservancy elects to exercise the Option, the total purchase price for the Property is \$315 per acre, plus a prorated amount for any fractional acre. The total acres of the Property will be determined by a survey, and any acreage excepted to by the Title Company shall be excluded from the total acreage used for calculating the purchase price. The survey requirements are set out in Section 4 below. The Option Consideration will be applied to the purchase price. The balance of the purchase price will be paid at closing.
- 3. TAX DISCLAIMER & NO GIFT. Seller hereby represents and warrants that (i) Seller has not relied upon any representation by or on behalf of the Conservancy concerning the tax consequences of this specific transaction; and (ii) Seller has been advised by the Conservancy to seek Seller's own professional advice regarding such tax consequences.

Seller does not consider this transaction to have a "bargain sale" component. Seller will not submit an IRS Form 8283 "Noncash Charitable Contributions" to the Conservancy in connection with this transaction.

4. Survey. The Conservancy shall secure and deliver to the Seiler and the Title Company (defined below) a survey of the Property by a registered or licensed land surveyor to determine the boundaries, legal description and acreage of the Property ("Survey"). The Survey shall be in a form acceptable to the Title Company to delete from a final title insurance policy the standard exception(s) routinely deleted based upon a survey of the insured Property and shall conform to survey requirements established by the State of Texas.

The Seller and the Conservancy shall each have the right to be present during the Survey. The final legal description prepared by the surveyor and accepted by the Seller, Conservancy, and the Title Company will be substituted for the property description and shall be attached to the deed. The cost of the Survey shall be the responsibility of the Conservancy.

- 5. <u>Assignment</u>. This Option may only be assigned with approval from the Seller, which approval shall not be unreasonably withheld.
- 6. <u>CLOSING</u>. Closing will be on August 31, 2012, or as soon thereafter as the conditions for closing set forth in this Agreement have been met. In the event that the Conservancy does not receive the Title Commitment (defined below) and copies of exception documents within the time period specified herein, the Option Exercise Date and closing shall be extended one (1) day for each day any of said documents are past due. Closing will take place at the offices of Yoakum County Abstract Co., 630 Cowboy Way, Plains, TX 79355, Tele. (806) 456-2615, is (the "Title Company") or such other place as the parties may mutually agree. Closing may be held in escrow through overnight delivery of closing documents to the Title Company or as otherwise agreed to by the parties.
- 7. EVIDENCE OF TITLE. On or before July 9, 2012, the Conservancy may, at its sole cost and expense, obtain a title commitment (the "Commitment") binding the Title Company to issue a title policy (the "Title Policy") at the time of closing. The cost of the Title Policy shall be the responsibility of the Conservancy.
- 8. <u>TITLE</u>. At closing, the Seller will convey, by Special Warranty Deed, good, insurable and marketable title to the Property together with all rights, hereditaments and appurtenances belonging to the Property (including insurable legal access, all water rights, all timber rights, and all government farm program crop bases and contract acres), to the Conservancy in fee simple, free and clear of all liens, encumbrances, restrictions, rights or exceptions except those of record that are acceptable to the Conservancy and Seller's reservation of all of its interest in and to any oil, gas, methane and other liquid or gaseous hydrocarbons subject to a surface waiver. Title shall also be sufficient for the issuance of any additional endorsements desired by the Conservancy; provided, however, that the Conservancy shall be responsible for the premium cost for such endorsements. The Seller shall not transfer or encumber any interest in the Property prior to closing.
- 9. <u>TITLE DEFECTS</u>. If for any reason the Seller cannot deliver title at closing as required by this Option, the Conservancy may elect to: a) accept the Property with title as it is, or b) refuse to accept the Property in which case the Option Consideration shall be refunded to the Conservancy.
- 10. <u>DOCUMENTS FOR CLOSING</u>. The Seller shall execute and deliver at closing aSpecial Warranty Deed, evidence of Seller's authority to sell the Property satisfactory to the Conservancy and the Title Company, a FIRPTA Affidavit (as defined in the Seller's Representations and Warranties paragraph below), an owner's affidavit and/or other documents required by the Title Company to remove the standard title policy exceptions (including without limitation, the

mechanic's and materialmen's liens exception and the "Rights of Parties in Possession" exception), and any other documents necessary to close in accordance with the terms of this Option and as may be required by the Title Company. These documents will be prepared at the expense of the Seller, except that the Conservancy agrees to prepare the deed.

The deed shall contain a surface waiver regarding the Seller's reservation of its interest in and to any oil, gas, methane and other liquid or gaseous hydrocarbons with the following language: (i) no development, exploration, extraction or production activities or operations under the authority of or by virtue of these reserved rights or interests of Grantor shall be conducted on the Property, (ii) Grantor waives and conveys to Grantee the right of ingress and egress to and from the surface of the Property involving these reserved rights or interests of Grantor, and (iii) any activities and operations involving these reserved rights or interests of Grantor that are conducted or carried out on land other than the Property shall in no manner interfere with the surface or subsurface support of any structures, improvements, or natural habitat features on the Property.

11. <u>Property Taxes</u>. Any delinquent real estate taxes, all real estate taxes due in the year of closing and all levied assessments are the Seller's responsibility and shall be satisfied of record by the Seller at or before closing.

Any real estate taxes assessed against the portion of the Property in the year of closing, but which are not yet due and payable, will be prorated to the date of closing based upon the most recent available tax statements. Ad valorem taxes for the Property for the calendar year of Closing shall be prorated to the date of Closing – if the tax assessment for the calendar year of Closing is available, the Seller shall pay the full amount of such taxes prior to Closing and the Conservancy's pro rata portion shall be paid to Seller at closing; otherwise the Conservancy shall receive a credit against the purchase price for the Seller's pro rata portion of such taxes. The Seller's pro rata portion of such taxes shall be based upon taxes actually assessed and charged for the calendar year of Closing and shall not include any taxes accrued under agricultural or other special use exceptions. If, for any reason, ad valorem taxes for the calendar year of Closing have not been assessed on such portion of the Property, such proration shall be estimated based upon ad valorem taxes for the immediately preceding calendar year and an appropriate adjustment shall be made between the parties when the taxes of the calendar year of Closing are assessed.

Seller shall be responsible for ad valorem taxes on the Property for periods prior to the calendar year of Closing; provided, however, if Seller's change in the use of the Property prior to Closing or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to Closing, Seller shall be responsible for the payment of such taxes. The obligations in this paragraph shall not merge with the Deed to be delivered hereunder but shall survive the Closing.

12. <u>MISCELLANEOUS CLOSING EXPENSES</u>. Closing fees shall be paid by the Conservancy, except that (i) Seller shall be responsible for any costs related to satisfying Schedule C of the Title Policy and any like-kind exchange, and (ii) each party will be responsible for its own attorney's fees.

- 13. <u>Possession</u>. The Seller will deliver possession of the Property to the Conservancy at closing.
- 14. [Intentionally deleted]
- 15. PRESERVATION OF PROPERTY. Seller agrees that the Property shall remain as it now is until closing, and that Seller will prevent and refrain from any use of the Property for any purpose or in any manner that would adversely affect the Conservancy's intended use of the Property. Specifically, but without limitation, Seller shall make no alterations to any improvements, timber resources, other vegetation, topography, wetlands or watercourses, or other natural resources.

In the event of any actions or adverse change in the condition of the Property, the Conservancy may elect to: a) refuse to accept the Property, in which case the Option Consideration shall be refunded to the Conservancy, or b) accept the Property, or a portion thereof, in which case there may be an equitable adjustment of the purchase price based on the change in circumstances.

- 16. RIGHT OF ENTRY AND INSPECTION. The Conservancy and their agents shall have the right to enter upon the Property at reasonable times for surveying, for conducting an environmental inspection and assessment to detect hazardous or toxic substances, for conducting an inspection of the buildings on the Property to determine the condition and performance of the buildings' condition, structure and systems, and for other reasonable purposes related to this transaction. Based upon the results of the environmental inspection and assessment and other inspections, the Conservancy may elect to refuse to accept the Property, in which case the Option Consideration shall be promptly refunded.
- 17. <u>SELLER'S REPRESENTATIONS AND WARRANTIES</u>. The Seller warrants and represents to the Conservancy the following matters and agrees to indemnify, defend and hold harmless the Conservancy from any loss or liability relating to these matters, with the intent that these representations, warranties and indemnities shall survive closing:
  - Title to the Property/Authority. The Seller is the sole legal owner of the Property in fee simple. The Property is not now subject to any written or oral lease, license, permit, option, agreement of sale, claim or legal proceeding except as set forth herein. There are no condemnation proceedings pending with regard to any portion of the Property, and Seller does not know of any proposed condemnation proceedings involving the Property. Seller has the full power and authority to execute this Option and all agreements and documents referred to in this Option and to fully perform as required by this Option.
  - b. <u>Condition of Property</u>. The Seller is not aware of any facts that would adversely affect the Conservancy's intended uses of the Property.
  - c. Access. To the best of Selfer's knowledge, the Property has, and shall have at closing, legal and physical access to a public road, that is insurable with title insurance.

#### d. Hazardous Substances. To the best of Seller's knowledge:

- (i) There is no and has been no condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment, whether or not in compliance with law;
- (ii) There is no and has been no petroleum production, use, treatment, storage, transportation, or disposal on the Property;
- (iii) There is no and has been no release or threatened release of any Hazardous Substance, pollutant or contaminant into, upon, or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property;
- (iv) There is not now and has never been any Hazardous Substance stored on the Property in underground tanks, pits, or ponds;
- (v) The Property is not subject to any "superfund" or similar lien or any claim by any government regulatory agency or third party related to the release or threatened release of any Hazardous Substance.

The term "Hazardous Substance(s)" means any substance that is defined as a hazardous substance, hazardous material, hazardous waste, petroleum product, pollutant or contaminant under any environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et. seq., the Clean Water Act, 42 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C., Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., and any and all regulations promulgated thereunder, or any similar federal, state or local laws, ordinances or regulations adopted under these acts.

- e. <u>Tanks/Wells</u>. To the best knowledge and belief of Seller, there have not been and there are not now any underground or aboveground storage tanks, septic tanks or wells located on or under the Property, or if there have been or are any such tanks or wells located on the Property their location has been identified to the Conservancy in writing, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release of any Hazardous Substance into the environment.
- f. Non-foreign Status. To inform the Conservancy that withholding of tax is not required under § 1445(b)(2) of the Internal Revenue Code and regulations thereunder and under penalties of perjury, the Seller hereby certifies that the Seller is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax law. At closing,

Seller agrees to deliver to the Conservancy an affidavit certifying Seller's non-foreign status, together with Seller's social security number/federal taxpayer identification number (FIRPTA Affidavit). The Seller consents to the delivery of such affidavit to the Conservancy, and understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.

- g. <u>Broker's Claims</u>. No brokers have been engaged by Seller for this transaction, and Seller shall be solely responsible for any claims or demands for brokers fees or commissions arising in connection with this transaction.
- h. Government Farm Programs. The Property is not enrolled in the Direct and Countercyclical Payment Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture except: NONE. The Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements.
- i. Conflict of Interest. In order to assist the Conservancy in identifying potential conflicts of interest, Seller has completed, signed and delivered to the Conservancy its disclosure form (the "Disclosure Form"). Seller warrants and represents to the Conservancy that the information in the Disclosure Form is, to the best of Seller's knowledge, true and correct. Seller shall promptly notify the Conservancy in writing if any change in circumstances occurs prior to closing that would change any response on the Disclosure Form. In the event that any answer on the Disclosure Form changes prior to closing, or in the event that any material misrepresentation or mis-statement in the Disclosure Form is discovered before closing, the Conservancy may elect to declare this Option null and void, in which case the Option Consideration shall be returned to the Conservancy. We need to know what "Disclosure Form" you are referencing.

### 18. CERTIFICATION REGARDING MATERIAL SUPPORT AND RESOURCES TO TERRORISTS.

#### A. Seller hereby certifies:

- (1) Seller does not and will not engage in, advocate, commit, facilitate, or support any terrorist acts.
- (2) Seiler will take all reasonable steps to ensure that Seller does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts.

- (3) Before providing any material support or resources to an individual or entity, Seller will consider all information about that individual or entity of which it is aware.
- (4) Seller will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

#### B. For purposes of this Certification:

- (1) "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.
- United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or (b) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or (c) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.
- (3) "Entity" means a partnership, association, corporation, or other organization, group or subgroup.
- C. In the event that any material misrepresentation in this Certification is discovered before closing, the Conservancy may elect to declare this Agreement null and void and immediately terminate it. Notice of termination shall be given to Seller at the address set forth under "Notices".
- REPRESENTATION BY LEGAL COUNSEL. Seller acknowledges that the Conservancy has advised Seller to have Seller's attorney review this Option and all attached exhibits, and that the Conservancy is not acting on behalf of, or advising Seller in this transaction and Seller has not relied on any information or advice provided by Conservancy or its agents.
- 20. <u>REMEDIES</u>. If proper notice is received by the Seller hereunder and the Conservancy otherwise fully performs hereunder, the Conservancy shall be entitled to a full refund of the Option Consideration or enforce specific performance in the event of default by Seller. Conservancy shall elect one (1) of the available remedies provided herein to the exclusion of the other.

- 21. <u>EXHIBITS</u>. The following exhibits are attached to and incorporated into this Option by this reference: Exhibit A Legal Description.
- 22. <u>NOTICES</u>. Except as otherwise expressly set forth in this Agreement, all notices required to be given under this Option shall be deemed given upon the earlier of actual receipt or two days after being mailed by U.S. mail, or on the date of successful facsimile transmission (if received prior to 5:30 p.m. Central Time), addressed to:

#### Seller:

Susan Batjer Shelton 725 Rivercrest Drive Abilene, TX 79605 Tele.: (325) 672-1032

Jacqueline Bye Batjer, Trustee, Robert D. Batjer, Jr. Credit Shelter Trust 1942 South 7th Street
Abilene, TX 79602
Tele.: (325) 677-0089

#### Conservancy:

The Nature Conservancy
Attn: Legal Department
200 E. Grayson St., Suite 202
San Antonio, Texas 78215
Telephone Number: (210) 224-8774

Fax Number: (210) 228-9805

With a Copy to:

The Nature Conservancy Attn: Jeff Francell 318 Congress Avenue Austin, TX 78701 Telephone Number: (512) 623-7250

or to such other addresses as the parties may designate in writing.

23. No WAIVER. No provision of the Option shall be deemed amended or waived unless such amendment or waiver is set forth in a writing signed by the Conservancy. No act or failure to act by the Conservancy shall be deemed a waiver of its rights hereunder, and no waiver in any one circumstance or of any one provision shall be deemed a waiver in other circumstances or of other provisions.

- 24. <u>HOLIDAYS</u>. If any date set forth in this Option or computed pursuant to this Option falls on a Saturday, Sunday or national holiday, such date shall be deemed automatically amended to be the first business day following such weekend day or holiday.
- 25. <u>ATTORNEYS' FEES.</u> In the event of any breach or default hereof by a party, the non-defaulting party shall be entitled to recover its costs and expenses of litigation and settlement, including, without limitation, attorneys' fees and expenses, court costs, settlement costs and experts' costs, and fees.
- 26. <u>EFFECTIVE DATE</u>. This Option becomes effective on the date of the last signature of Seller and the Conservancy.
- 27. <u>COMPLETE AGREEMENT: COUNTERPARTS</u>. This Option constitutes the sole and complete agreement between the parties and cannot be changed except by written amendment. No representation or promise not included in this Option or any written amendment shall be binding upon the parties. This Option may be executed in multiple counterparts, each of which taken together shall constitute a single instrument.

[Signature Page(s) to Follow]

Executed on the dates set forth below, to be effective as of the date of the last signature of Seller and the Conservancy.

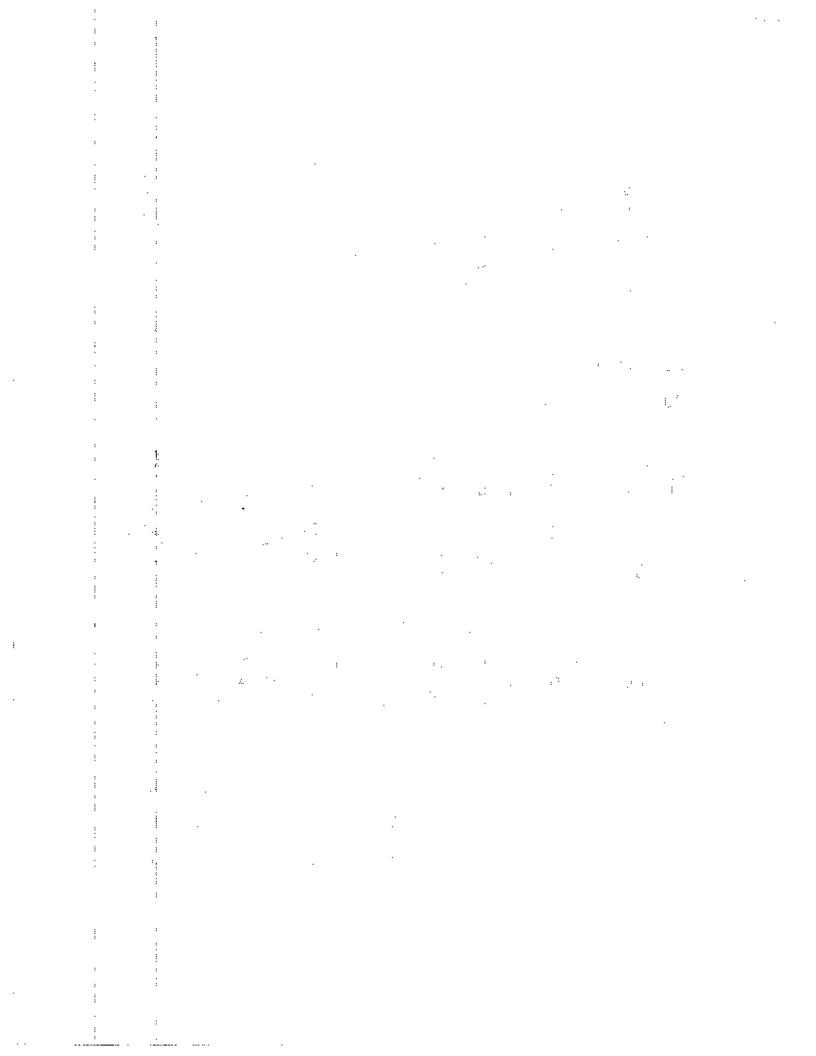
SELLER:	
Jacqueline Bye Batyer	
Date: 7/2/2012	
SUSAN BATJER SHELTON	
Date: 7/2/2012	
STATE OF TEXAS § COUNTY OF 134/or § This instrument was acknowledged before	ore me on the $2$ day of $304$ , 2012,
MARY SETH SIMS Notary Public. State of Texas My Commission Expires June 20, 2016	Montal Symps Notary Public, State of Texas
STATE OF TEXAS § COUNTY OF 1846 S	· ·
This instrument was acknowledged before by SUSAN BATJER SHELTON.	ore me on the Oday of July 2012,
MARY BETH SIMS  Notary Public, State of texas  No Commission Expires	Mony Both Simo Notary Adolic, State of Texas

THE NATURE CONSERVANCY	
By: Name: Lativa Huffman Title: Cayaa State Director	
Date: 01/10/12-	
STATE OF TEXAS §	
COUNTY OF TRUE \$	
This instrument was acknowledged before me on the day of July, 2012, by as X September 97, 2014  ROSANNA SUTHERLAND Notary Public, State of Texas My Commission Expires September 97, 2014  Notary Public, State of Texas	
TITLE COMPANY RECEIPT	
YOAKUM COUNTY ABSTRACT COMPANY acknowledges receipt of this Option executed by Seller and the Conservancy and the Option Consideration of \$2,500.00, this day of, 2012, and agrees to hold same in accordance with the terms hereof.	
BY:	
NAME:	
Escrow Officer DATE:	

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## A. Settlement Statement (HUD-1)

B. Type of Loan				
Total of Tana	6. File Number;	7, Loso Number:	8. Morigage Insurance Case	Murhar
1. FHA 2 RHS 3. Conv. Units	9615		A significant forms	
VA 5 Conv. Ins 6 X Other	<u> </u>		· .	
C. Note: This form is furnished to give you a statem	ent of actual settlement co	osts. Amounts paid to and by	the settlement agent are shown	liems marked
"(p.o.c.)" were cald oxiside the closing: the	y are shown here for info	metional purposes and are n	not included in the totals.	i incina individuali
O. Name & Address of Borrower:	E. Name & Address of S		F. Name & Address of Lender;	
The Nature Conservancy	Moore-Shaheen Lane	d, LLP	,	
Atin: Legal Department	PO Sox 1594			
P.O. Box 1440	Levelland, TX 79336			
San Antonio, TX 78295	Buddy Moore			l
	Sheri Moore 102 Duvai			
	Levelland, TX 79336			
		Addendum attached)		
G. Property Location:	H. Settlement Agent;		I. Settlement Date;	-,
Parts of Sec. 1, 2, 3, 8lock G, Part of	Yorkum County Abs	tract Company.	06/29/20	112
Sec. 5, Block P, PubBs School Land,	Place of Settlement	<del>'</del> "	Settlement Agent JD	: · · · · i
Sec. 26, Part of Sec 25 & 27, Blk D,	530 Cowboy Way P.	O. Box 457 .	75-1968460	
JHG Survey, Cochren & Yoskum Co., TX	Plains, TX 79355		Phone No.: (805) 456-2815	
J. Summary of Borrower's Transaction		K. Summary of Seller's	Transaction	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT	OUE SELLER:	
101. Contract Sale Price	883,788.0X	401. Contract sales pric		883,789,00
102. Personal property		402. Personal property	<u>':</u>	<u> </u>
103. Settlement charges to corrow (Ena (400) 104. Right of First Refusal Fee to Setter	11,486.21		sal from Buyer	7,500.00
105.	7,900.00	404.		<del></del>
Adjustments for items paid by seller in adva	ince		toms paid by selier in advance	<del>                                     </del>
106. Cityflown taxes to		406. City/lown taxes	to	<del>'                                    </del>
107. County taxes to		407. County taxes	#o	<del> </del>
108. DCISD taxes to		400. DCISD taxes	\$0	<del> </del>
109.		409.		<u> </u>
111,	<del> ;</del>	410.		<u> </u>
112.	<del></del>	411.   412.	<del> </del>	<del> </del> .
	<del>-                                    </del>	<del></del>	<del>_</del> -	<del>-</del>
120. GROSS AMOUNT DUE FROM BORROWER: 200. AMOUNTS PAID BY OR PHISEHALF OF BORRO	902,774.21			891,288.00
201. Osposit or earnest money	NVER:		AMOUNT DUE TO SELLER:	<del>, :</del>
202. Principal emount of new loan from	1,500.00	501. Excess Deposit (se 502. Settlement charge:		
203. Existing loan(s) taken subject to	· · · · · · · · · · · · · · · · · · ·	503. Existing loan(s) tak		6,018.00
204,	_		gage loan to Capital Ferm	663,587,42
205		505. Payoff of second m		
205.		505.		<u> </u>
207.	<del></del>	1,507.		
ZD8	<del>-  </del>	508. 509.		
Adjustments for items unpaid by selfer	!	1	tems unpaid by seller	
210. Cityflown taxes	· T	510. City/town taxes	enia unpaga by seller	
211. Committaniyases 04/01/12 to 08/29/12	914.74		01/12 to 08/29/12	914.74
212, YolunOurlytes 01/01/12 to 08/29/12	256.97	512. YoskumCartytees 01/	01/12 to 08/25/12	255.97
213.		512,		
214.		514.		
215. 216.	<del>-</del> +	515.	<u>,</u> ,	
217.	·	518.	<u> </u>	
218.	. <u>1</u>	518.	<u> </u>	<del> </del>
219.	· <u>i</u>	519,		<del>'-</del>
220, TOTAL PAIDING FOR BORROWER:		<del></del>		<del> </del>
200. CASH AT SETTLEMENT FROM TO BORROW	E 2,674.71		MAMOUNT DUE SELLER MENT TO/FROM SELLER	679,777.13
301. Gross amount due from borrower (line 120)	902,774,21	601. Gross amount due		BQ1 388 00
302. Less amounts paid by/for borrower (559 220)	( 2,871,74)			891,288,00 { 670,777.13 }
303. Cash X From To Borrower/Bu	<del>-</del> -	1		
TI 10 BOLLOWANADO	yer 900,102.50	603.Cash To X	From Setter	220,510.87

Settement Charges	Paid From	Paid From
700. TOTAL SALES/BROKER'S COMMISSION	-Borrower's	Seller's
Division of commission (line 700) as follows:	Fundsiat	Funds at
701,	Settlement	Settement
702.		-
703, Commission paid at settlement to	· · ·	· <del>-</del> ·
704.	<u></u>	
NOD, ITEMS PAYABLE IN CONNECTION WITH LOAN	<del> </del>	
901, Loan Okkination (ee		
802, Loan Discount		
803. Appraisal Fee to	1	
804. Creda Report to	<u> </u>	
805, Lender's inspection fee		<u> </u>
805. Mortgage Insurance application fee		
907, Assumption Fee	· !	
808.	ļ <u> </u>	<u></u>
809,	1	<u> </u>
810.		·
<u> </u>		
900, ITEMS REQUIRED BY LENGER TO BE PAID IN ADVANCE	· · ·	<del>_</del>
901. Interest	<del>}</del>	
902. Morágáge insurance premium	<del>}</del>	
903, Hazerd insurance premium to		<del></del>
904.	<del></del>	· <del>-</del> .
sos	<u>  ;                                    </u>	<del></del>
1000. RESERVES DEPOSITED WITH LENDER	<del></del>	_
	1 -	• • •
1001, Hazard insuranca mo. @ per mo	<del> </del>	· ·
1002 Mongage insurance mo. @per mo	<u> </u>	· · ·
1603. City property laxes no. @ per mo	† <del>-</del> -	<del>-</del> -
1004, County property laxes mo. @ per mo	·-	
1005.DCISO property taxes mo. @ per mo.	_	_
100\$,	· [ -	
1007.	<del></del>	
1006, Aggregate Accounting Adjustment	<del></del>	
1100, T)TLE CHARGES	<u>-y</u> ,	· <del></del>
1101. Settlement or Closing Fee	<del> </del> _	_
1102. Abstract or title search	<u>·</u>	<u> </u>
1103, Tide examination to Western Abstract \$2,578.75	<u> </u>	<u></u>
1104. Title insurance binder	<u> </u>	
1105. Occarrient preparation to Bradford L. Moore	<u> </u>	· —
1106, Notary Tees	<u></u>	
1107. Attorney's fees to		
1108, Title insurance-Title Resources Guaranty Corrgany	872.90	5,486.00
1109, Lender's coverage		
1110. Cwrier's coverage \$883,788.00	-	<u> </u>
1111, State of Texas Policy Guarantee Fee		2.0
1112. Internet Delivery, Overnight fees-Youkum Co. Abs	<u> </u>	
1113, Escrow Fee-Yoakum County Abstract Company	250.00	250.0
1200, GOVERNMENT RECORDING AND TRANSFER CHARGES	1	T
1201, Recording fees Deed \$69 1st Ref \$53 Rel 537	69.00	90.0
1202. City/county tax/stamps	_}_	<del> </del>
1203. State (ax/stamps	<del></del>	ļ. <del></del>
1204, Tax Certificates-Taxing Authorities-Yoakum	ļ	j- 130.0
1205. Tax Certificates-Taxing Authorities-Cockran	<u>l — </u>	60.0
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1309. ADDITIONAL SETTLEMENT CHARGES	8.053.90	1
1301. Survey to Where on Earth	2.040.51	<del> </del>
1302, Servey to Where on Earth	E.U4U.31	<del>  -</del>
1303.		<del> -</del>
		F
1304 Inspection fee to Western Abstract Co.	200.00	
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Previous editions are obsolete Page 2 of 2 GF No.: 9615 HUD-1

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Seller's Copy

GF No.: 9615

#### YOAKUM COUNTY 2012-3402

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS

8

COUNTIES OF YOAKUM & COCHRAN

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#### WARRANTY DEED

Date:

August 29, 2012

Grantor:

MOORE-SHAHEEN LAND, LLP, a Texas limited liability partnership

Mailing address: P.O. Box: 1594, Levelland, Texas 79336

F. E. SHAHEEN, III and his wife, JACKIE SHAHEEN Mailing address: P.O. Box 1594, Levelland, Texas 79336

BUDDY MOORE and his wife, SHERI MOORE

Mailing address: P.O. Box. 1594, Levelland, Texas 79336

Grantee:

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation Mailing address: 4245 N. Fairfax Dr., Suite 100, Arlington, Virginia 22203

With local address of: 318 Congress Ave., Austin, Texas 78701 [Travis County]

Consideration: TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration.

Property: A 3,364.83 acre tract of land located in Sections 25, 26, and 27, Block D, John H. Gibson Survey, Sections 1, 2, and 3, Block G, Public School Land, and Section 8, Block P, Public School Land, located in Yoakum and Cochran Counties, Texas, as more particularly described in Exhibit A attached hereto and made a part hereof, SAVE & EXCEPT therefrom the North half (N/2) of Section 25, Block D, John H. Gibson Survey, which the Grantor's don't own, the Southeast Quarter (SE/4) of Section 27, Block D. John H. Gibson Survey. Yoakum County, Texas, which remains owned by Moore-Shaheen Land, LLP, AND an undivided one-half (1/2) interest held by third parties in the Southwest Quarter (SW/4) of Section 25, Block D, John H. Gibson Survey, in Yoakam County, Texas. This conveyance includes all rights, hereditaments, and appurtenances belonging to the Property, including, without limitation, all of Granter's right, title, and interest, if any, in and to (i) any easements, rights of way, or rights of ingress and egress benefiting the Property, (ii) any "excess land", "vacancies", strips and gores between the Property and abutting properties, and land lying in or under any public road, highway or the bed of any creek, stream or river running through or abutting or adjacent to the Property, whether owned or claimed by deed, limitations, or otherwise, (iii) any riparian, water, wind, development or wastewater rights appurtenant to the Property, and (iv) any and all claims, demands and causes of action of whatever kind or nature against any person, accruing from or during Grantor's ownership of the Property or which Grantor may otherwise own, for or relating to pollution, damage or other injury to the surface and/or subsurface of the Property, whether arising by breach of contract, tort, strict liability, statute, regulation or otherwise.

Reservations from Conveyance: Grantor reserves all of Grantor's interest in and to all oil, gas, methane, and other liquid or gaseous hydrocarbons in and under and that is produced or producible from the Property, subject however to a surface waiver with the following restrictions: (i) no development, exploration, extraction or production activities or operations under the authority of or by virtue of these reserved rights of Grantor shall be conducted on the Property, (ii) Grantor waives and conveys to Grantoe the right of ingress and egress to and from the surface of the Property involving these reserved rights of Grantor that are conducted or carried out on land owned by Grantor other than the Property shall in no manner interfere with the surface or subsurface support of any structures, improvements, or natural habitat features on the Property.

In addition, Moore-Shaheen Land, LLP, a Grantor herein ("MSL"), reserves a non-exclusive easement upon and across existing roads on the Property that are located within Section 8, Block P. Public School Land, Yoakum and Cochran Counties, Texas, and Section 27, Block D, John H. Gibson Survey, Yoakum County, Texas, for the purpose of providing ingress and egress from MSL's land in Section 8, Block P, Public School Land, Yoakum and Cochran Counties, Texas, that is located outside of the Property description ("MSL Adjacent Property") to the Southeast Quarter (SE/4) of Section 27, Block D, John H. Gibson Survey, Yoakum County, Texas, that is owned by MSL ("MSL Inholding Tract"). This ingress-egress easement is appurtenant to and runs with the MSL Inholding Tract and exists in favor of MSL, its successors, and assigns. This easement shall be perpetual except that it shall terminate without further act upon merger of ownership in the Property and the MSL Inholding Tract or in the event the MSL Inholding Tract obtains legal access to a public road. Grantee and MSL each have the right, but not the obligation, to maintain or repair the roads covered under this ingress-egress easement at its respective expense. MSL agrees to release Grantee and indemnify, defend, and hold Grantee and its successors in interest harmless from any loss, damages, suits or claims arising from its use of this ingress-eggess easement.

Exceptions to Conveyance and Warranty (to the extent same are valid and existing and affect the Property): Those certain exceptions more particularly described on Exhibit B attached hereto and made a part hereof.

Taxes for the current year have been prorated to the date hercof and are assumed by the Grantee; provided, however, that if Grantor's change in the use of the Property prior to this Deed or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to this Deed, then Grantor shall be responsible for the payment of such taxes.

Grantor, for the consideration and subject to the Reservations from Conveyance and Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors, and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and Exceptions to Conveyance and Warranty.

Grantee acknowledges that payment for the Property is made available by a Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant funded by the United States Secretary of the

Interior, thereby creating a Federal interest in the Property. The Grantee shall not dispose of or encumber its title or other interest in the Property without permission and instructions from the United States except as expressly permitted by the grant. In the event the Grantee fails to fully comply with the terms and conditions set forth through the acceptance of the Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant, Grant # E-144-RL, after having been given written notice of such alleged failure and a reasonable opportunity to cure the same, the property interest acquired with the grant funds or the grant funds themselves shall be subject to transfer, replacement, or repayment proportionally to the United States in accordance with instructions from the United States and applicable law. No right of access by the general public is granted to any portion of the Property subject to these restrictions merely by virtue of the fact that all or a portion of the Property was acquired using federal grant funds or used as a match there under, provided, however, if the owner of the Property permits access to the general public to the Property subject to these restrictions, then such access shall be open to all persons who are otherwise eligible regardless of race, color, national origin, sex, age or disability.

When the context requires, singular nouns and pronouns include the plural.

This Deed may be may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

[Signature Page(s) to Follow]

-----

Executed as of the date set forth above.

GRANTOR;

MOORE-SHAHEEN LAND, LLP

Name: Buddy Moore

Title: Its Partner

By:

Name: F.E. Shaheen, III

Title: Its Partner

BUDDY MOORE, Individually

SHERI MOORE, Individually

F.E. SHAHEEN, III, Individually

JACK E SHAHEEN, Individually

STATÉ OF TEXAS COUNTY OF Hock less

This instrument was acknowledged before me on the 20th day of August, 2012, by Buddy Moore, as Partner of MOORE-SHAHEEN LAND, LLP, on behalf of said limited liability partnership.

> Stace Albert NOTARY PUBLIC (SEAL)

My commission expires:

<u> 2121/15</u>

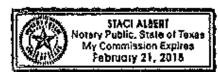
STAC: ALBERT Notary Public, State of Taxas My Commission Expires February 21, 2015

STATE OF TEXAS COUNTY OF Hockbery

This Instrument was acknowledged before me on the <u>AQFL</u> day of August, 2012, by F.E. Shaheen, III, as Partner of MOORE-SHAHEEN LAND, LLP, on behalf of said fimited liability partnership.

My commission expires:

*3*/21/15



STATE OF TEXAS COUNTY OF Hock I to

This instrument was acknowledged before me on the 20th day of August, 2012, by F.E. SHAHEEN, III.

Staci Albert (SEAL) NOTARY PUBLIC

My commission expires: 2/21/15



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STATE OF TEXAS SCOUNTY OF Hockies

This instrument was acknowledged before me on the 29th day of August, 2012, by JACKIE SHAHEEN.

Staci Albert (SEAL)

My commission expires: 2121/15

STACI ALBERT
Notary Public, State of Texas
My Commission Expires
February 21, 2015

STATE OF TEXAS §
COUNTY OF Hockley §

This instrument was acknowledged before me on the 29th day of August, 2012, by BUDDY MOORE.

Staci Albert (SEAL)

My commission expires:

STACI ALBERT
Notary Public, State of Texas
My Commission Expires
February 21, 2815

STATE OF TEXAS & COUNTY OF Hockley &

This instrument was acknowledged before me on the August, 2012, by SHERI MOORE.

Staci Albrit (SEAL)

NOTARY PUBLIC

My commission expires: 2/21/15

STACI ALBERT
Notary Public, State of Texas
My Commission Expires
February 21, 2015

AFTER RECORDING RETURN TO:

The Nature Conservancy

Attn: Legal P.O. Box 1440

San Antonio, Texas 78295-1440

14883 Vol F9

#### EXHIBIT A

Description of 3,364.83 Acre Tract









P3

405



#### LEGAL DESCRIPTION

A 3364.83 acre tract of land located in Sections 25, 26, and 27, Block D, John H. Gibson Survey, Sections 1, 2, and 3, Block G, Public School Land, and in Section 8, Block P, Public School Land, Cochran and Yoakum Counties, Texas, and being more particularly described as follows:

BEGINNING at a 1" iron gipe with aluminum cap found at the patented Southeast corner of said Section 25, for the Southeast corner of this tract,

THENCE N.87°43'45"W. 2646.4 feet to a 1/2" fron rod found in the bottom of an old 2" fron pipe at the patented Southeast corner of the SW/4 of said Section 25, for a corner of this tract; (Bearings are compared to the Texas Coordinate System of 1983, North Central Zone. Distances and area are surface.)

THENCE N.87°25'30"W. 2627.2 (set to the patented Southwest corner of said Section 25 and the Southeast corner of said Section 26, for a corner of this tract;

THENCE N.87°36'10"W. 5282.3 feet to the Southwest corner of said Section 26 and the Southeast corner of said Section 27, for a corner of this tract;

THENCE N.87°36'05"W: 2626.3 feet to a 1 ½" iron pipe found at the Southwest corner of the SE/4 and the Southeast comer of the SW/4 of said Section 27, for a comer of this tract;

THENCE N.87°34°10"W, 2640.2 feet to a 1 1/2" iron pipe with bronze cap found at the Southwest corner of said Section 27, for the most Southerly-Southwest corner of this tract;

THENCE N.2007'45"E. 2643.0 feet to a ! 1/2" iron pipe found at the Northwest corner of said SW/4 and the Southwest corner of the NW/4 of said Section 27, for a corner of this tract;

THENCE N.2°08'35"E. 2641.9 feet to a 2" iron pipe with bronze cap found at the Northwest corner of said Section 27, for a corner of this tract;

THENCE N.87°46'00"W. 562.2 feet to a 2" iron pipe with bronze cap found at the Southwest corner of said Section 8, for the most Westerly-Southwest corner of this tract;

THENCE N.3°24'30"E., along the West line of said Section 8, at 330.7 feet pass the North line of Yeakum County and the South line of Cochran County, in all 4625.4 feet to a 1/2" fron rod with cap marked "RPLS 4983" set in an East-West fence for the Northwest corner of this tract;

THENCE S.87°15'45"E., along the general course of said fence, at 5038.7 feet pass the East line of said Section 8 and the West line of said Section 1, at 8333.5 feet pass the East line of said Section 1 and the West line of said Section 2, at 11650.8 feet pass the East line of said Section 2 and the West line of said Section 3, in all 14,013.3 feet to a 1/2" iron rod with cap marked "RPLS 4983" set at a fence corner for the most Northerly-Northeast corner of this tract;

THENCE S.14°52'50"W., along the general course of a fence, 1641.0 feet more or less to a fence corner, for a corner of this tract;

THENCE S.4°42'20"W., along the general course of a fence, at 2595.9 feet more or less pass the South line of Cochran County and the North line of Yoakum County, in all 2951.1 feet more or less to a 1/2" iron rod with cap marked "RPLS 4983" set in the South line of said Section 3 and the North line of said Section 25, for a corner of this tract;

THENCE S.87°36'40" E., along the North line of said Section 25, at 1352.0 feet pass the Southeast corner of said Section 3, in all 2780.9 feet to a 1/2" iron rod with cap marked "RPLS 4983" set in place of a previously found 2" galvanized iron pipe at a fence corner and at the Northeast corner of said Section 25, for the most Easterly-Northeast corner of this tract;

THENCE S.2°19'30"W., along the East line of said Section 25, a distance of 5278.2 feet to the PLACE OF BEGINNING.

Surveyed on the ground May 7 and 8 and July 12, 2012. See Survey Plat

This the 16th day of August, 2012 Revised this the 23th day of August, 2012

P.O. Box 602, 199 SE 1251, Andrews, Texas 79714 Tel: 432-574-5198



#### exhibit B

#### Exceptions

- All previous reservations of oil, gas, and other minerals of record, together with all rights, privileges, and immunities related thereto including the rights of third parties of ingress and egress in and to the Land.
- Right of way dated June 4, 1947, from P. M. Williams to Stanolind Pipe Line Co., recorded in Vol. 41, Pg. 24, Deed Records, Cochran County, Texas regarding Sections 1, 2, and 3, Block G, Public School Land, Cochran and Yoakum Counties, Texas.
- 3. Rules and regulations promulgated by The High Plains Underground Water Conservation District
- Right of way dated April 9, 1953, from P. M. Williams to West Texas Gas, recorded in Vol. 59, Pg. 120, Deed Records, Cochran County, Texas regarding Sections 1, 2, and 3, Block G, Public School Land, Cochran and Yoakum Counties, Texas.
- 5. Right of way and Easement dated April 17, 2009, from Moore-Shaheen Land, LLP to Readrunner Pipelina L.L.C., recorded in Vol. 291, Pg. 68, Official Real Property Records, Cochran County, Texas, and recorded under Clerk's File No. 2009-1371, Official Public Records, Yoskum County, Texas regarding Sections 1, 2, and 3, Block G, Public School Land, and Section 8, Block P, Public School Land, Cochran and Yoskum Counties, Texas, and Section 27, Block D, John H. Gibson Survey, Yoskum County, Texas.
- 6. Lack of a right of access to and from the Property.

PAID: \$4700 WITHESS MY HAND AND SEAL

By Statlan



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#### OWNER'S POLICY OF TITLE INSURANCE

#### Issued by

#### Title Resources Guaranty Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

#### COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, TITLE RESOURCES GUARANTY COMPANY, a Texas corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

- 1. Title being vested other than as stated in Schedule A.
- Any defect in or tien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by:
    - forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (a) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
    - (iv) tazura to parform those acts necessary to create a document by electronic means authorized by law;
    - a document executed under a faisified, expired or otherwise invalid power of attorney;
    - a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law, or.
    - (vii) a defective judicial or administrative proceeding.
  - (b) The tien of real estate laxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroactiment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
  - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's fien for labor or materials having its inception on or before Date of Policy.
- Lack of good and indefeasible Title.
- 4. No right of access to and from the Land.
- The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and /zoning) restricting, regulating, prohibiting or relating to:

- (a) the occupancy, use or enjoyment of the Land;
- the character, dimensions or location of any improvement eracted on the Land;
- (c) subdivision of land; or
- (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

- 6. An enforcement action based on the exercise of a governmental police power not covered by Covered Fisk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
- The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
- Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
- Title being vested other than as stated in Schedule A or being defective:
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulant or preferential transfer under lederal bankruptcy, state insolvency or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankrupitry, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be limely, or
    - (i) to impart notice of its existence to a purchaser for value or a judgment or lien creditor.
- 10. Any detect in or tien or encumbrance on the Tide or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that yests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in detense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

This Home Office Issue Directly Issued Policy Was Countersigned in Dallas, TX By:

Title Resources Guaranty Company



Title Resources Guaranty Company

Executive Vice President

Secretary

Effective 2/01/2010

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this posity, and the Company pile riol pay loss of damage, does, attorneys fees or expenses that arise by resson of:

Any law, ordinance, permit, or governmental regulation (including those retailing to building and porting) restricting, regulating, prohibiting or relating to:

(i) the occupancy, use, or enjoyment of the Land;

the character, dimensions or location of any irreprovement erected on the Land;

- (iii) subdivision of land; or (iv) environmental protection;
- or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion ((a) does not modify or limit the coverage provided ander Covered Flisk 5.
- Any governmental police power. This Exclusion 1(b) does not modify or finit the obverage provided under Covered Risk 6.
- Rights of emineral domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, Sens, encumbrances, adverse dains or other matters;
  (a) created, suffered, assumed or agreed to by the insured Claimant;
  (b) not Known to the Company, not recorded in the Public Records at Date of Policy,

but Known to the insured Ciginant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an insured under this policy:

resulting in no loss or damage to the insured Claimant;

(d) attacting or created subsequent to Date of Policy (however, this does not modify or first the coverage provided under Covered Risks 9 and 10); or resulting in kiss or damage that would not have been sustained if the Insured

Claimant had paid value for the Title.

Any claim, by reason of the operation of federal bankruptcy, state insolvency, or smaller creditors' rights laws, that the transaction vesting the Tale as shown in Schoolda A, is:

- (a) is transferred to correspond or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any tien on the Tale for real estate taxes or assessments imposed by governmental exphority and created or attaching between Date of Policy and the date of recording of the dead or other instrument of transfer in the Public Records that vests Title as
- The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedute A bucause of Unmarketable Title.

#### CONDITIONS

1. DEFINITION OF TEHMS.

PRETINITION OF TERIMS.

The following terms when used in this policy mean:

(a) "Amount of Instrance": the amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 10 and 11 of these Conditions.

(b) "Date of Policy": the date designated as "Cate of Policy" in Schedule A.

(c) "Entry": a conforation, partiership, trust, limited liability company or other similar legal entity.

(d) "Insured": the fraumed named in Schedule A.

(i) The term "insured" also includes:

(A) successors to the "file of the Insured by operation of law as distinguished from puschase, including heirs, devisees, survivors, personal representatives of next of kirk;

(6) successors to an Insured by dissolution, merger, consodiation.

successors to an insured by dissolution, merger, consolidation,

distribution, or reorganization;

successors to an insured by its conversion to another kind of Entity; a grantee of an insured under a deed delivered without payment of social valuable consideration conveying the Title;

(1) If the stock, shares, memberships, or other equity interests of the grantee are wholly owned by the named Insured.

(2) If the grantee wholly owned the named Insured.

(3) If the grantee is wholly owned by an affiliated Entity of the named Insured, provided the affiliated behity and the named Insured are the stated by the same retent of Entity or both wholly owned by the same person or Entity, or if the grantee is a trustee or beneficiary of a trust created by a

written instrument established by the insured named in Schedute A

for estate planning purposes.

With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured.

Insured Claimant": an Insured claiming loss or damage.

Knowledge or Knower: school knowledge, not constructive knowledge or botice that may be imposed to an insured by reason of the Public Records or any

police that may be imposed to an insured by reason of the Public Records of any other records that impart constructive notice of matters affecting the Title. Land: the land described in Schedule A, and affixed improvements that by law constitute real groperty. The term "Land" does not include any property beyond the lines of the prea described in Schedule A, nor any right, life, interest, estate or easement in abusing streets, roads, svenues, alleys, lanes, ways or water years, but this does not modify or land the extent that a right of access to and from the time the improved for the policy. the tand is insured by this policy.
Mortgage: Inprogage, deed of treat, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

"Public Records": records established under state statutes at Date of Policy for the purpose of impaining constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 6(d), Public Records' shall also include environmental protection from field in the records of the clerk of the United States District Court for the district where the Land is located.

Castrict where to Land is notated.

Titles: the estate or interest described in Schedule A.

Funnarisetable (Title: Title affected by an alleged or apparent mailter that would

partnit a prospective purchases or lease of the Title or tender on the Title to be

preleased from the obligation to purchase, lease or tend it there is a contractual condition requiring the delivery of marketable title.

CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Oats of Policy in favor of an Insurad, but only so long as the insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Montgage given by a purchaser from the Insured, or only so long as the insured shall have fisherly by reason of warranties in any transfer or conveyance of the little. This policy shall not continue to the little of the continue of the little of the continue of the little of the continue of in torce in laws of any purchaser from the insured of either (i) an estate or interest in the tiend, or (ii) an obscalon secured by a purchase money Monages given to de insured.

NOTICE OF CLASS TO BE GIVEN BY INSURED CLASSANT.

The insured shall notify the Company promptly in writing (i) in case of any fligation as set forth in Section 5(a) below, or (ii) in case Knowledge shall come to an insured hereunder of any clasm of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable

by virtue of this policy. If the Company is prejudiced by the failure of the insured Claimant to provide prompt notice, the Company's liability to the insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Data of the Policy, the Insused nosites the Company as required herein of a ten, encombrance; adverse claim or other detect in Tide insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whather the fain, encumbrance, achieve claim or defect or other matter is valid and not barried by law or statute. The acrease cam or decouply opins matter as value and not connectly law or season. The Company shall notify the insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the insured's claim or charge under the policy. If the Company concludes that the fien, encumbrance, adverse claim or detect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the insured of the reasons for its determination. If the Company concludes that the the Insured of the reasons for its determination. If the Company concludes that the ten, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the fien, encumbrance, adverse claim or defect from the Tide as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the insured Claimant or to a subsequent owner, mortgages or holder of the estate or interest in the Land insured by this policy, a policy of tide insurance without exception for the lien, anountbrance, adverse claim or defect, each policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the Land or, if a loan policy, the amount of the Land or, if a loan poorly to on an amount equal to the contain value of the came a, if a loan policy, the amount of the loan; (iv) indemnity another title insurance company in connection with its latitance of a policy(les) of title insurance without exception for the ten; enoughbance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

PROOF OF LOSS.

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Ctairmant furnish a signed proof of loss. The proof of loss must describe the defect. ten, enoughbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

 GEFENSE AND PROSECUTION OF ACTIONS
 (a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the delants of an insured in Engation in which any third party asserts a claim covered by this policy adverse to the which any third party asserts a claim covered by this policy adverse to the insured. This obligation is limited to only those stated causes of action affecting matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action. It shall not be table for and will not pay the fees of any other counset. The Company will not called an exporting the pay and received any other contract. The company which pay any least, costs, or expenses incurred by the insured in the delense of those causes of action that strage matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its contract, to instatus and prosecute any action or proceeding.

or to do any other act that in its opinion may be necessary or desirable to establish the Tide, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be table to the insured. The exercise of these rights shall not be an admission of habitry or valver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so dilgentiy.

Whenever the Company brings an action or asserts a defense as required or parriated by this policy, the Company may pursue the Higation to a lineal determination by a court of competent jurisdiction, and it expressly reserves the och), in 24 sole discretion, to appeal from any adverse judgment or order.

DUTY OF INSURED CLAMANT TO COOPERATE

(a) In all cases where this policy permits or recipite the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the insured shall secure to the Company the right to use, at it option, the rathe of the insured or proceeding, including the right to use, at it is option, the rathe of the insured or this purpose. Whenever required by the Company, it is insured, at the Company, it is not to the purpose. at the Company's expense, shall give the Company all reasonable aid (i) in

securing evidence, obtaining witnesses, prosecuting or detending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or operation of the occupanty that de flowership is prejudiced by the failure of the lineared to furnish the required cooperation, the Company's obligations to the lineared under the policy shall leminate, including any liability or obligation to defend, prospects, or continue any litigation, with regard to the matter or matters

raquiring such cooperation.

(b) The Company may reasonably require the Insused Claimant to submit to examination under each by any authorized representative of the Company and to produce for examination, inspection and copying, all such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, Company, all records, in whatever medium maintained, including books, lédigers, checks, internorands, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a data between after Date of Policy, that reasonably pertain to the loss or damage. Further, it requested by any surfactized representative of the Company to examine, inspect and copy all of these moonts in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the inspect Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Compeny, it is necessary in the administration of the claim. Failure of the insured Claimant to submit for examination under eath, produce any reasonably requested information, or grant permission to a secure responsibly recessary information from third parties as

examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from thirt parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this poscy as to that claim.

(c) If the leasured demands that the Company abcept a sattlement ofter that is not greater than the Amount of insurance or if the insured expressly agrees that a settlement offer should be accepted, the Company has a right to be reimbursed if it has timely asserted its reservation of rights and notified the insured that it insents to seek reimbursement if it pays to settle or defend a claim that is not covered by the oration.

covered by the policy.

 OPTIONS TO PAY OR OTHERWISE SETTLE CLAWS; TERMINATION OF LIABILITY.
 In case of a claim under this policy, the Company shall have the lollowing additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of insurance under this policy together with any costs, altomays' less and expenses incurred by the Insured Claimani that were authorized by the Company up to the time of payment or lender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, at liability and obligations of the Company to the instruct under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to delend, prosecute, or continue any filipation.

- To  $\hat{P}_{\text{SV}}$  or Cherwise Settle With Parties Other than the lineured or With the Insured Claimant.
  - (i) To pay or otherwise settle with other parties for or in the name of an insured (i) To pay or otherwise settle with other parties for or in the name of an insured Cigiment any claim insured against under this policy. In addition, the Company will pay any costs, attorneys fees, and expenses incurred by the insured Claiment that were suchortzed by the Company up to the time of payment end that the Company is obligated to pay, or
    (ii) To pay or otherwise settle with the insured Claiment the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the insured Claiment that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue

OFTERMINATION AND EXTENT OF MARKETY.
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the inscreed Claimsest who has suffered loss or damage by. reason of matters insured egainst by this policy.

(a) The extent of Eablity of the Company for loss or demage under this policy shall

not exceed the lesser of:

- (i) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,

- (i) the Amount of insurance shall be increased by 10%, and (ii) the Insured Claimani shall have the right to have the loss of damage determined either as of the date the claim was made by the Insured Claimant
- or as of the data it is settled and path.

  (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

- 9. <u>Unitation of Liability</u>.
  (a) If the Company establishes the Title, or removes the staged defect, fan or encumbrance, or cures the tack of a right of access to or from the Land, all as insized, or takes action in accordance with Section 3 or 7, in a reasonably different manner by any neithod, including lisgation and the completion of any appeals, it is a company to the company of the property and shall not be accessed to the limiting and shall not be company and shall not be company. shall have fully performed so obligations with respect to that matter and shall not
  - span rave study performed se conjudents wan respect to that matter and students be stable for any loss or damage caused to the Insured.

    (b) In the event of any Rigation, including Esgation by the Company or mith the Company's consent, the Company shall have no Eablity for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

    (c) The Company shall not be liable for loss or damage to the Insured for Eablity

voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

 BEDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY.
 All payments under this solicy, except payments made for costs, afformage fees and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. <u>Liabrity noncumulative.</u>

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is executed by an insured after Date of Policy and which is a charge or ten on the Tida, and the emount so paid shall be deemed a payment to the insured under this policy.

12. PAYMENT OF LOSS.
When liability and the extent of loss or damage have been delinkely lixed in accordance with these Conditions, the payment shall be made within 30 days.

14. RIGHTB OF RECOVERY UPON PAYMENT OR SETTLEMENT.

Whenever the Company shall have settled and paid a claim under this postcy, it shall be subrogated and ensited to the rights of the Insured Claimant in the Tale and all other rights and remedies in respect to the district that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the insured Claimant shall execute documents to extend the transfer to the Company of these rights and remedian. The insured Claimant that pennal the Company to sue, compromise or settle in the name of the insured Claimant and to use the name of the insured Claimant in any transaction or kitigation involving these rights and remedies.

If a payment on account of a claim does not half cover the loss of the Insured Claimant, the Company shall dater the exercise of its right to recover until after the insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the trisured to indemnities, guarantees, other policies of instrumes or borids, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

Ethan the Company or the insured may demand that the claim or controversy shall be submitted to submitted in pursuant to the Tibe Insurance Arbitration Fusion of the submitted to sibilitation pursuant to the Tible Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to improve controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrable matters when the Amount of Insurance, is \$2,000,000 or less shall be arbitrable matters when the Amount of Insurance, is in except in the Insured Arbitrable matters when the Amount of Insurance, is in except of \$2,000,000 or less are insured. Amount of Insurance, is in except of \$2,000,000 or less are insured. to by both the Company and the Insured. Arbitration persuant to this policy and under the Peter shall be binding upon the parties. Judgment upon the award landered by the Arbitrator(s) may be extered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY: POUCY ENTIRE CONTRACT.
(a) This policy together with all endorsements, if any, stached to it by the Company is the ending policy and contract between the insured and the Company, in interpreting

any provision of this policy, this policy shall be construed as a whote.

(b) Any ctaim of loss or damage that arises out of the status of the Tale or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and suffernicated by an authorized person, or expressly incorporated by Schedule A

of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) mostly any of the terms and provisions of the policy, (ii) mostly any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy like trains to a farm defined in Section 5 of the Conditions shall be dearmed to refer to the term regardless of infestive the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stpadatons shall be deemed to refer to the Conditions of this policy.

16. SEVERÁBILITY.

In the event any provision of this posicy, in whose or in pen, is held invalid or unenforceable under applicable law, the posicy shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in lutt force and effect.

17. CHOICE OF LAW: FORUM.

(a) Choice of Law: The insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium changed itserator in refered upon the law affecting interests in real property and epidicable to the interpretation, rights, remedies or enforcement of policies of the insurance of the jurisdiction where the Land is located.

Therefore, the court or an erbitrator shall apply the law of the jurisdiction where the tend is located to determine the validity of claims against the Tille that ere suiverse to the insured, and to interpret and entires the terms of this policy. In cellular case shall the court or arbitrator apply its condicts of law principles to determine the applicable isw.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be Red only in a state or federal door within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

Title Resources Guaranty Company 8111 EBJ Freeway, Suite 1200 Dallas, TX 75251

# Title Resources Guaranty Company

Title Resources
Guaranty Company
Home Office
Dallas, Texas

of Title Insurance

Owner's Policy

FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL: 1-800-526-8018



1. AGENT CODE 2. PROPERTY TYPE 3. COUNTY 4. POLICY AMOUNT 5. PREMIUM : 6. S. RATE CODE TAMENTAL SYTTLES AT THE TRANSPORT OF THE PROPERTY OF THE PROPE

OWNER'S POLICY:

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#### TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

GENO, OR FILE NO. DATE OF POLICY AMOUNT OF INSURANCE

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER

9615 August 30, 2012

12 \$883,788.00

1143-026045

@ 3:15 P.M. Yoakum County

#### Schedule A

- 1. Name of Insured: The Nature Conservancy.
- 2. The estate or interest in the land is insured as vested in: fee simple:
- 3. Title to the estate or interest in the land is insured as vested in: The Nature Conservancy.
- 4. The land referred to in this policy is described as follows: As described on the attached Exhibit A.

#### EXHIBIT A

A 3364.83 acre, more or less, tract of land located in Sections 25, 26, and 27, Block D, John H. Gibson Survey, Sections 1, 2, and 3, Block G, Public School Land Survey, and in Section 8, Block P, Public School Land Survey, Cochran and Yoakum Counties, Texas, and being more particularly described as follows:

BEGINNING at a 1" iron pipe with aluminum cap found at the patented Southeast corner of said Section 25, for

the Southeast corner of this tract;

THENCE N.87°43'45"W. 2646.4 feet to a 1/2" iron rod found in the bottom of an old 2" fron pipe at the patented Southeast corner of the SW/4 of said Section 25, for a corner of this tract; (Bearings are compared to the Texas coordinate System of 1983, North Central Zone. Distances and area are surface.)

THENCE N. 87°25'30"W. 2627.2 feet to the patented Southwest corner of said Section 25 and the Southeast

corner of said Section 26, for a comer of this tract;

THENCE N.87°36' 10"W. 5282.3 feet to the Southwest corner of said Section 26 and the Southeast corner of said Section 27, for a corner of this tract;

THENCE N.87°36'05"W. 2626.3 feet to a 1 1/2" iron pipe found at the Southwest corner of the SE/4 and the

Southeast corner of the SW/4 of said Section 27, for a corner of this tract;

THENCE N.87°34' 10"W. 2640.2 feet to a 1 1/2" iron pipe with bronze cap found at the Southwest corner of said Section 27, for the most Southerly-Southwest corner of this tract;

THENCE N.2°07'45"E. 2643.0 feet to a 1 1/2" iron pipe found at the Northwest corner of said SW/4 and the Southwest corner of the NW/4 of said Section 27, for a corner of this tract;

THENCE N.2°08'35"E. 2641.9 feet to a 2" iron pipe with bronze cap found at the Northwest corner of said Section  $2\hat{I}$ , for a corner of this tract;

THENCE N.87°46'00"W. 562.2 feet to a 2" iron pipe with bronze cap found at the Southwest corner of said

Section 8, for the most Westerly-Southwest corner of this tract;

THENCE N.3°24'30"E., along the West line of said Section 8, at 330.7 feet pass the North line of Yoakum County and the South line of Cochran County, in all 4625.4 feet to a 1/2" from rod with cap marked "RPLS 4983" set in and East-West fence for the Northwest corner of this tract;

THENCE S.87°15'45"E., along the general course of said fence, at 5038,7 feet pass the East line of said Section 8 and the West line of said Section 1, at 8333.5 feet pass the East line of said Section 1 and the West line of said Section 2, at 11650.8 feet pass the East line of said Section 2 and the West line of said Section 3, in all 14,013.3 feet to a 1/2" iron rod with cap marked "RPLS 4983" set at a fence corner for the most Northerly-Northeast corner of this tract;

THENCE S.14°52'50"W., along the general course of a fence, 1641.0 feet more or less to a fence corner, for a

corner of this tract;

THENCE S.4°42'20"W., along the general course of a fence, at 2595.9 feet more or less pass the South line of Cochran County and the North line of Yoakum County, in all 2951.1 feet more or less to a 1/2" iron rod with cap marked "RPLS 4983" set in the South line of said Section 3 and the North line of said Section 25, for a corner of this tract;

THENCE S.87°36'40"E., along the North line of said Section 25, at 1352.0 feet pass the Southeast corner of said Section 3, in all 2780.9 feet to a 1/2" iron rod with cap marked "RPLS 4983" set in place of a previously found 2" galvanized iron pipe at a fence corner and at the Northeast corner of said Section 25, for the most Easterly-Northeast corner of this tract;

THENCE S.2°19'30"W., along the East time of said Section 25, a distance of 5278.2 feet to the PLACE OF

BEGINNING,

LESS AND EXCEPT the following described property:

a.) The undivided 1/2 interest of the heirs of C. L. West in and to the SW/4 of Section 25, Block D, John H. Gibson Survey, Yoakum County, Texas, and

b.) The North one-half (N/2) of Section 25, Block D, John H. Gibson Survey, Yoakum County, Texas,

e.) The Southeast Quarter (SE/4) of Section 27, Block D, John H. Gibson Survey, Yoakum County, Texas. subject to, and the Company does not insure title to, and excepts from the description of the Land, coal, ligaite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto.



#### TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

1143-026045

GF NO. OR FILE NO

DATE OF POLICY

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER

9615

August 30, 2013 @ 3:15 P.M. Yoakum County

September 4, 2012 @ 4:03 P.M. Cochran County

Schedule B

## EXCEPTIONS FROM COVERAGE

The Policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of the leases or 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): Schedule B, Item #1 is deleted.
- 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 fidelands, or land 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 the harbor or builthead lines as established or changed by any government, or
  - e. to filled-in lands, or artificial islands, or
  - il. 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.
- 5. Standby fees, taxes and assessments by any taxing authority for the year 2012, 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 (We must insert matters or delete this exception.):
- a. Right-of-way dated June 4, 1947, from P. M. Williams to Stanolind Pipe Line Co., recorded in Vol. 41, pg. 24, Deed Records, Cochran County, Texas, for a pipeline across Sections 1, 2, and 3, Blk G and Section 8, Blk P.

Continued on page B-2...



Form T-1 (illey, 12/30/1999) Concer Policy - Forth prescribed Texas Department of Interprete

Page 1 of Sthedule 1

#### **Title Resources Guaranty Company**

Policy No. 1143-026045

G.F. No. 9615

Continued from Schedule B. Item #6:

- 6. Continued...
- c. Rules and regulations promulgated by The High Plains Underground Water Conservation District No. 1.
- d. Right-of-way dated April 9, 1953, from P. M. Williams to West Texas Gas, recorded in Vol. 59, pg. 120, Deed Records, Cochran County, Texas, for a pipe line across Sections 1, 2, and 3, Blk G.
- c. Right-of-way & Easement for pipe line dated April 17, 2009, from Moore-Shaheen Land, LLP to Roadrunner Pipeline L.L.C., recorded in Volume 291, pg. 68, Official Real Property Records, Cochran County, Texas, and recorded under Clerks's File No. 2009-1371, Official Public Records, Yoakum County, Texas, crossing Sections 1, 2, 3, Block G, Section 8, Block P, Public School Land Survey, Yoakum & Cochran Counties, Texas, and Section 27, Block D, John H. Gibson Survey, Yoakum County, Texas.
- f. The sole means of legal access to and from the property is via other (ands owned by the insured.
- g. Liens or financing statements, if any, affecting crops growing or to be grown on the land.

This Home Office Issife/Directly Issued Policy Was Counters Energin Palles, TX By: Title Resources Guaranty Company



# FOURTH AMENDMENT TO OPTION FOR THE PURCHASE OF REAL ESTATE

This Fourth Amendment to Option for the Purchase of Real Estate ("Second Amendment") is entered into by and between MOORE-SHAHEEN LAND, LLP, a Texas limited liability partnership ("Seller"), and THE NATURE CONSERVANCY, a nonprofit corporation organized and existing under the laws of the District of Columbia ("Conservancy").

#### Recitals

- A. Seller and the Conservancy executed that certain Option for the Purchase of Real Estate (the "Agreement") dated effective March 2, 2012, pursuant to which Seller granted the Conservancy an option to purchase 3,000 acres, more or less, located in Yoakum and Cochran County, Texas, as more particularly described in the Agreement, as amended by that certain (i) Amendment to Option (undated) which extended the closing date to August 24, 2012, (ii) Second Amendment dated effective August 24, 2012, which further extended closing to August 29, 2012, excluded the Southeast Quarter (SE/4) of Section 27, Block D, John H. Gibson Survey, Yoakum County, Texas ("SE/4 of Section 27") from the property purchased at said closing due to a wind rights reservation and allowed TNC an additional 30 days after said closing under the Agreement to determine if the SE/4 of Section 27 can be purchased by TNC within said period in accordance with its due diligence and title requirements, and (iii) Third Amendment which extended closing for the SE/4 of Section 27 to October 26, 2012.
- B. TNC desires additional time for purchasing the SE/4 of Section 27 in order to obtain necessary approvals and to reduce the purchase price for said tract by \$1,000 due to the wind rights reservation, and Seller desires to allow this extension provided that closing on such purchase is completed on or before November 15, 2012, and TNC pays for the title policy costs at closing.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Conservancy agree as follows:

- Purchase Price Adjustment: Section 2 of the Agreement is hereby amended to provide that the purchase price for the SE/4 of Section 27 shall be \$49,097.60, which reflects \$315/acre multiplied by 159.04 acres (surveyed acreage of tract) less \$1,000 due to the wind rights reservation.
- Closing Cost Adjustment: In consideration of the extension, Section 8 of the Agreement
  is hereby amended to provide that TNC shall pay for the title policy at closing.
- Closing Extension. Section 7 of the Agreement is hereby amended to modify the closing date so that closing on the SE/4 of Section 27 shall occur on or before November 15, 2012. In the event that closing on the SE/4 of Section 27 does not occur within said time period, the Agreement shall terminate.
- 4. Miscellaneous,

- a. Except as amended by this Amendment, the Agreement is hereby ratified and confirmed in all respects. The Agreement as amended by this Amendment shall be read, taken and construed as one and the same instrument.
- b. No provision of the Agreement, as amended by this Amendment, shall be deemed amended or waived unless such amendment or waiver is set forth in a writing signed by Seller and Conservancy.
- c. Capitalized terms used in this Amendment herein shall have the meanings ascribed to them in the Agreement. This Amendment may be executed in multiple counterparts, each of which taken together shall constitute a single instrument.

Executed to be effective as of the date of October 26, 2012.

SELLER:

MOORE-SHAHEEN LAND, LLP, a Texas limited partnership

Name: Buddy Moore

Title: Partner

Date: 10/24/12

Ву: 502

Name: F.E. Shaheen, III

Title: Partner

Date: 102612

THE NATURE CONSERVANCY

Name: LAURA-HUFFM

Title: TEXAS STATE DIRECTOR

Date:

#### OPTION FOR THE PURCHASE OF REAL ESTATE

In consideration of \$1,500 (the "Option Consideration") paid to the Title Company (defined below), the receipt and adequacy of which are hereby acknowledged, and of the agreements contained in this Option, Moore-Shaheen Land, LLP, a Texas limited liability partnership ("Seller"), hereby grants to The Nature Conservancy, a non-profit corporation of the District of Columbia (the "Conservancy"), and its successors and assigns, the exclusive and irrevocable right and option to purchase that certain land containing approximately 3,000 acres, more or less, located in Yoakum and Cochran Counties, Texas, generally described on Exhibit A attached hereto and made a part hereof for all purposes, the exact description and number of acres to be determined pursuant to the survey as provided hereinafter, together with all rights, appurtenances, easements, improvements, fixtures and hereditaments thereon and pertaining thereto, including without limitation, wind and water rights, access rights, timber rights, development rights, wastewater rights and all other rights but expressly reserving unto Seller, its successors and assigns, forever, all of its interest in and to any oil, gas, methane and other liquid or gaseous hydrocarbons, subject however to a surface waiver (collectively, the "Property"), under the following terms and conditions:

- 1. OPTION TERM AND EXERCISE. This Option shall commence on the effective date of this Option and terminate on May 1, 2012 ("Option Period"). This Option may be exercised by the Conservancy sending written notice (the "Notice of Election") to the Seller on or before the expiration of the Option Period, as it may be extended if agreed upon by the parties (the "Option Exercise Date"). If the Conservancy does not send the Notice of Election to Seller on or before the Option Exercise Date, this Option shall automatically terminate.
- 2. <u>PURCHASE PRICE</u>. If the Conservancy elects to exercise the Option, the total purchase price for the Property is \$315 per acre, plus a prorated amount for any fractional acre. The total acres of the Property will be determined by a survey, and any acreage excepted to by the Title Company shall be excluded from the total acreage used for calculating the purchase price. The survey requirements are set out in Section 5 below. The Option Consideration will be applied to the purchase price. The balance of the purchase price will be paid at closing.
- 3. WELL SHARING & RIGHT OF FIRST REFUSAL AGREEMENT. If the Conservancy elects to exercise the Option, the Conservancy's obligation to close this transaction is conditioned upon the execution at closing of a well sharing and right of first refusal agreement between Seller and the Conservancy for a term of two years (the "Well Sharing RFR Agreement") that will provide for (i) limited use by the Conservancy of the Seller's water well and delivery system on Seller's 3,041 acre tract that is adjacent to the Property ("Adjacent Tract") and (ii) a right of first refusal to purchase the Adjacent Tract with 30 days for the Conservancy to match an offer and 75 days thereafter to close in consideration for the Conservancy's payment of \$7,500.00 and its agreement to maintain such water well and delivery system and provide Seller with limited access to the Property for controlling feral hogs. The specific terms and conditions of the Well Sharing RFR Agreement are subject to the approval of Seller and the Conservancy and may be set forth in separate instruments, and if such agreement is not reached by the parties, either party

may terminate this Agreement, in which case the Option Consideration shall be refunded to the Conservancy.

4. Tax DISCLAIMER & No GIFT. Seller hereby represents and warrants that (i) Seller has not relied upon any representation by or on behalf of the Conservancy concerning the tax consequences of this specific transaction; and (ii) Seller has been advised by the Conservancy to seek Seller's own professional advice regarding such tax consequences.

Scller does not consider this transaction to have a "bargain sale" component. Seller will not submit an IRS Form 8283 "Noncash Charitable Contributions" to the Conservancy in connection with this transaction.

5. Survey. The Conservancy may secure and deliver to the Seller and the Title Company (defined below) a survey of the Property by a registered or licensed land surveyor to determine the boundaries, legal description and acreage of the Property ("Survey"). The Survey shall be in a form acceptable to the Title Company to delete from a final title insurance policy the standard exception(s) routinely deleted based upon a survey of the insured Property and shall conform to survey requirements established by the State of Texas.

The Seller and the Conservancy shall each have the right to be present during the Survey. The final legal description prepared by the surveyor and accepted by the Seller, Conservancy, and the Title Company will be substituted for Exhibit A attached hereto and shall be attached to the deed. The cost of the Survey shall be the responsibility of the Conservancy. If the Seller and Conservancy cannot agree upon the Survey or the acreage to be utilized in calculating the purchase price, either party may terminate this Agreement, in which case the Option Consideration shall be refunded to the Conservancy.

- 6. ASSIGNMENT. This Option may only be assigned with approval from the Seller.
- 7. CLOSING. In the event that Conservancy exercises its option, closing will be on July 20, 2012, or as soon thereafter as the conditions for closing set forth in this Agreement have been met. In the event that the Conservancy does not receive the Title Commitment (defined below) and copies of exception documents within the time period specified herein, the Option Exercise Date and closing shall be extended one (1) day for each day any of said documents are past due. Closing will take place at the offices of Yoakum County Abstract Co., 630 Cowboy Way, Plains, TX 79355, Tele. (806) 456-2615, is (the "Title Company") or such other place as the parties may mutually agree. Closing may be held in escrow through overnight delivery of closing documents to the Title Company or as otherwise agreed to by the parties.
- 8. EVIDENCE OF TITLE. On or before March 15, 2012, Seller shall, at Seller's sole cost and expense, provide to the Conservancy an owner's title commitment (the "Commitment") binding the Title Company to issue at closing an owner's policy of title insurance (the "Title Policy"), in an amount equal to the purchase price together with legible copies of all exceptions and other matters shown thereon. The cost of the Title Policy shall be the responsibility of the Seller; however, any additional endorsements desired by the Conservancy shall be the responsibility of the Conservancy.

- 9. <u>Title</u>. At closing, the Seller will convey good, insurable and marketable title to the Property together with all rights, hereditaments and appurtenances belonging to the Property to the Conservancy in fee simple, free and clear of all tiens, encumbrances, restrictions, rights or exceptions except those of record that are acceptable to the Conservancy and as provided in this agreement. Title shall also be sufficient for the issuance of any additional endorsements desired by the Conservancy; provided, however, that the Conservancy shall be responsible for the premium cost for such endorsements. The Seller shall not transfer or encumber any interest in the Property prior to closing.
- 10. <u>TITLE DEFECTS</u>. If for any reason the Seller cannot deliver title at closing as required by this Option, the Conservancy may elect to: a) accept the Property with title as it is, or b) refuse to accept the Property in which case the Option Consideration shall be refunded to the Conservancy and this contract shall be deemed terminated without any further obligation on the part of either party.

Without limitation, the Property shall not be considered to be in compliance with this Option's title requirements unless all structures and improvements, including any driveways and accessory structures, if any, are located within the lot lines of the Property and do not encroach upon or under any property not within such lot lines; and no building, structure, improvement of property of any kind encroaches upon or under the Property from other property.

- 11. <u>DOCUMENTS FOR CLOSING</u>. The Seller shall execute and deliver at closing a general warranty deed which shall reserve all of the Seller's interest in the oil, gas, methane, and other liquid or gaseous hydrocarbons subject to a surface waiverand contain an exception to any other matter(s) which may appear of record concerning the Property that are identified in Schedule B of the final Commitment, the terms of which shall be approved by the Conservancy and the Attorney for Seller, the Well Sharing RFR Agreement, evidence of Seller's authority to sell the Property satisfactory to the Conservancy and the Title Company, a FIRPTA Affidavit (as defined in the Seller's Representations and Warranties paragraph below), an owner's affidavit and/or other documents required by the Title Company to remove the standard title policy exceptions (including without limitation, the mechanic's and materialmen's liens exception and the "Rights of Parties in Possession" exception), and any other documents necessary to close in accordance with the terms of this Option and as may be required by the Title Company. These documents will be prepared at the expense of the Seller, except that the Conservancy agrees to prepare the deed and Well Sharing RFR Agreement.
- 12. PROPERTY TAXES. Any delinquent real estate taxes are the Seller's responsibility and shall be satisfied of record by the Seller at or before closing.

Any real estate taxes assessed against the portion of the Property in the year of closing, but which are not yet due and payable, will be prorated to the date of closing based upon the most recent available tax statements. Ad valorem taxes for the Property for the calendar year of Closing shall be prorated to the date of Closing – if the tax assessment for the calendar year of Closing is available, the Seller shall pay the full amount of such taxes prior to Closing and the Conservancy's pro rate portion shall be paid to Seller at closing; otherwise the Conservancy shall receive a credit against the purchase price for the Seller's pro rate portion of such taxes and

Conservancy shall pay all of the ad valorem taxes for the year of closing when the same become due. The Seller's pro rata portion of such taxes shall be based upon taxes actually assessed and charged for the calendar year of Closing and shall not include any taxes accrued under agricultural or other special use exceptions. If, for any reason, ad valorem taxes for the calendar year of Closing have not been assessed on such portion of the Property, such proration shall be estimated based upon ad valorem taxes for the immediately preceding calendar year and an appropriate adjustment shall be made between the parties when the taxes of the calendar year of Closing are assessed.

Seller shall be responsible for ad valorem taxes on the Property for periods prior to the calendar year of Closing; provided, however, if Seller's change in the use of the Property prior to Closing or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to Closing, Seller shall be responsible for the payment of such taxes. The obligations in this paragraph shall not merge with the Deed to be delivered hereunder but shall survive the Closing.

- 13. <u>MISCELLANEOUS CLOSING EXPENSES</u>. The Selfer will pay any real estate transfer fee or any similar charge due upon conveyance of title to the Conservancy. Escrow fees shall be shared equally by the parties. Recording and other fees of any documents necessary for satisfying Schedule C of the Title Policy and any like-kind exchange shall be the Seller's cost; other standard closing costs not otherwise addressed in this Option will be paid according to local custom. Each party will be responsible for its own attorney's fees.
- 14. <u>Possession</u>. The Seller will deliver full possession of the Property to the Conservancy at closing.
- 15. <u>REMOVAL OF MATERIALS</u>. The Seller shall remove all personal property, rubbish, trash, and waste required to be removed by the Conservancy, if any, from the Property prior to closing. This provision shall expressly survive the Closing.
- 16. PRESERVATION OF PROPERTY. Seller agrees that the Property shall remain as it now is until closing, and that Seller will prevent and refrain from any use of the Property for any purpose or in any manner that would adversely affect the Conservancy's intended use of the Property. Specifically, but without limitation, Seller shall make no alterations to any improvements, timber resources, other vegetation, topography, wetlands or watercourses, or other natural resources.

In the event of any actions or adverse change in the condition of the Property, the Conservancy may elect to: a) refuse to accept the Property, in which case the Option Consideration shall be refunded to the Conservancy, or b) accept the Property, or a portion thereof, in which case there may be an equitable adjustment of the purchase price based on the change in circumstances.

17. RIGHT OF ENTRY AND INSPECTION. The Conservancy and their agents shall have the right to enter upon the Property at reasonable times for surveying, for conducting an environmental inspection and assessment to detect hazardous or toxic substances, for conducting an inspection of the buildings on the Property to determine the condition and performance of the

buildings' condition, structure and systems, and for other reasonable purposes related to this transaction. Based upon the results of the environmental inspection and assessment and other inspections, the Conservancy may elect to: (a) refuse to accept the Property, in which case the Option Consideration shall be promptly refunded.

- 18. <u>SELLER'S REPRESENTATIONS AND WARRANTIES</u>. The Seller warrants and represents to the Conservancy the following matters and agrees to indemnify, defend and hold harmless the Conservancy from any loss or liability relating to these matters, with the intent that these representations, warranties and indemnities shall survive closing:
  - a. <u>Title to the Property/Authority</u>. The Seller is the sole legal owner of the Surface Estate of the Property in fee simple. The Surface Estate of the Property is not now subject to any written or oral lease, license, permit, option, agreement of sale, claim or legal proceeding except as set forth herein. There are no condemnation proceedings pending with regard to any portion of the Property, and Seller does not know of any proposed condemnation proceedings involving the Property. Seller has the full power and authority to execute this Option and all agreements and documents referred to in this Option and to fully perform as required by this Option.
  - b. Condition of Property. The Seller is not aware of any facts that would adversely affect the Conservancy's intended uses of the Property. However, Conservancy is purchasing the Property AS IS, WHERE IS, WITH ALL FAULTS OF ANYTYPE OR KIND AND WITHOUT ANY WARRANTY EXCEPT AS TO THE WARRANTY OF TITLE AS CONTAINED IN THE DEED. THERE IS NO WARRANTY AS TO FITNESS FOR A SPECIFIC PURPOSE OR SPECIFIC USE.
  - c. Access. To the best of Seller's knowledge, the Property has, and shall have at closing, legal and physical access to the Property from the south, across the "Fitzgerald properties" which have heretofore been purchased by Conservancy.
  - d. Hazardous Substances. To the best of Seller's knowledge:
    - (i) There is no and has been no condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment, whether or not in compliance with law;
    - (ii) There is no and has been no production, use, treatment, storage, transportation, or disposal of any Hazardous Substance (as defined below) on the Property;
    - (iii) There is no and has been no release or threatened release of any Hazardous Substance, pollutant or contaminant into, upon, or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property;
    - (iv) There is not now and has never been any Hazardous Substance stored on the Property in underground tanks, pits, or ponds;

(v) The Property is not subject to any "superfund" or similar lien or any claim by any government regulatory agency or third party related to the release or threatened release of any Hazardous Substance.

:;;

The term "Hazardous Substance(s)" means any substance that is defined as a hazardous substance, hazardous material, hazardous waste, petroleum product, pollutant or contaminant under any environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et. seq., the Clean Water Act, 42 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C., Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., and any and all regulations promulgated thereunder, or any similar federal, state or local laws, ordinances or regulations adopted under these acts.

- e. <u>Tanks/Wells</u>. There have not been and there are not now any underground or aboveground storage tanks, septic tanks or wells located on or under the Property, or if there have been or are any such tanks or wells located on the Property their location has been identified to the Conservancy in writing, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release of any Hazardous Substance into the environment.
- Mon-foreign Status. To inform the Conservancy that withholding of tax is not required under § 1445(b)(2) of the Internal Revenue Code and regulations thereunder and under penalties of perjury, the Seller hereby certifies that the Seller is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax law. At closing, Seller agrees to deliver to the Conservancy an affidavit certifying Seller's non-foreign status, together with Seller's social security number/federal taxpayer identification number (FIRPTA Affidavit). The Seller consents to the delivery of such affidavit to the Conservancy, and understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.
- g. a <u>Broker's Claims</u>. Neither the Conservancy nor the Seller has used a real estate agent or broker in connection with the sale of the Property.
- h. Government Farm Programs. The Property is not enrolled in the Direct and Countercyclical Payment Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture except: the Prairie Chicken Program which will be terminated by the Seller as part of the Closing in the event that the Conservancy doesn't (or cannot) assume to continue this with respect to the Property as the program participant. The

Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements.

Conflict of Interest. In order to assist the Conservancy in identifying potential conflicts of interest, Seller has completed, signed and delivered to the Conservancy its disclosure form (the "Disclosure Form"). Seller warrants and represents to the Conservancy that the information in the Disclosure Form is, to the best of Seller's knowledge, true and correct. Seller shall promptly notify the Conservancy in writing if any change in circumstances occurs prior to closing that would change any response on the Disclosure Form. In the event that any answer on the Disclosure Form changes prior to closing, or in the event that any material misrepresentation or mis-statement in the Disclosure Form is discovered before closing, the Conservancy may elect to declare this Option null and void, in which case the Option Consideration shall be returned to the Conservancy.

#### 19. CERTIFICATION REGARDING MATERIAL SUPPORT AND RESOURCES TO TERRORISTS.

#### A. Seller hereby certifies:

- (1) Seller does not and will not engage in, advocate, commit, facilitate, or support any terrorist acts.
- (2) Seller will take all reasonable steps to ensure that Seller does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts.
- (3) Before providing any material support or resources to an individual or entity, Seller will consider all information about that individual or entity of which it is aware or that is available to the public.
- (4) Seller will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

#### B. For purposes of this Certification:

- (1) "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.
- (2) "Terrorist act" means: (a) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or (b) an

act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or (c) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

- (3) "Entity" means a partnership, association, corporation, or other organization, group or subgroup.
- C. In the event that any material misrepresentation in this Certification is discovered before closing, the Conservancy may elect to declare this Agreement null and void and immediately terminate it. In the case of an intentional material misrepresentation, the Conservancy may, at its option, recover damages resulting from the termination. Notice of termination shall be given to Seller at the address set forth under "Notices".
- 20. <u>REPRESENTATION BY LEGAL COUNSEL</u>. Seller acknowledges that the Conservancy has advised Seller to have Seller's attorney review this Option and all attached exhibits, and that the Conservancy is not acting on behalf of, or advising Seller in this transaction and Seller has not relied on any information or advice provided by Conservancy or its agents.
- 21. <u>REMEDIES</u>. In addition to any other remedy specifically set forth in this Option, the Conservancy has the right to enforce the provisions of this Option through an action for specific performance only in the event that Conservancy elects to Close upon this option and Selfer refuses to Close. The election of any one remedy available under this Option shall not constitute a waiver of other available remedies.
- 22. EXHIBITS. The following exhibits are attached to and incorporated into this Option by this reference: Exhibit A Legal Description.
- 23. <u>NOTICES</u>. Except as otherwise expressly set forth in this Agreement, all notices required to be given under this Option shall be deemed given upon the earlier of actual receipt or two days after being mailed by U.S. mail, or on the date of successful facsimile transmission (if received prior to 5:30 p.m. Central Time), addressed to:

Seller:

Buddy Moore PO Box 1594 Levelland, Texas 79336 Tele. (806) 893-2457

With Copy to:

Bradford L. Moore PO Box 352 Brownfield, Texas 79316 Tele, (806) 637-6466

#### Conservancy:

The Nature Conservancy
Attn: Legal Department
200 E. Grayson St., Suite 202
San Antonio, Texas 78215
Telephone Number: (210) 224-8774
Fax Number: (210) 228-9805

With a Copy to:

The Nature Conservancy
Attn: Jeff Francelt
318 Congress Avenue
Austin, TX 78701
Telephone Number: (512) 623-7250

or to such other addresses as the parties may designate in writing,

- 24. <u>No Walver</u>: No provision of the Option shall be deemed amended or waived unless such amendment or waiver is set forth in a writing signed by the Conservancy. No act or failure to act by the Conservancy shall be deemed a waiver of its rights hereunder, and no waiver in any one circumstance or of any one provision shall be deemed a waiver in other circumstances or of other provisions.
- 25. <u>HOLIDAYS</u>. If any date set forth in this Option or computed pursuant to this Option falls on a Saturday, Sunday or national holiday, such date shall be deemed automatically amended to be the first business day following such weekend day or holiday.
- 26. ATTORNEYS' FEES. In the event of any breach or default hereof by a party, the non-defaulting party shall be entitled to recover its costs and expenses of litigation and settlement including, without limitation, attorneys' fees and expenses, court costs, settlement costs and expenses, and fees.
- 27. <u>EFFECTIVE DATE</u>. This Option becomes effective on the date of the last signature of Seller and the Conservancy.
- 28. <u>LIKE-KIND EXCHANGE</u>. It is the desire and intention of Seller to exchange the Property for property of a like-kind in an exchange under Section 1031 of the Internal Revenue Code. The Conservancy agrees to cooperate with Seller in attempting to implement such an exchange, provided that the Conservancy will not be required to incur any additional expense or liability as a

result thereof. Any assignment with respect to an exchange will not relieve Seller of Seller's obligations under this Agreement. Seller shall hold the Conservancy harmless from any expenses or liabilities incurred by the Conservancy as a result of the Conservancy's cooperation hereunder. If for any reason it is determined that a like-kind exchange of the Property would be impractical or impossible to implement, then the Conservancy shall be entitled to effect a cash purchase of the Property.

29. <u>COMPLETE AGREEMENT: COUNTERPARTS</u>. This Option constitutes the sole and complete agreement between the parties and cannot be changed except by written amendment. No representation or promise not included in this Option or any written amendment shall be binding upon the parties. This Option may be executed in multiple counterparts, each of which taken together shall constitute a single instrument.

[Signature Page(s) to Follow]

Executed on the dates set forth below, to be effective as of the date of the last signature of Seller and the Conservancy.

SELLER:

Moore-Shaheen Land, LLP

By:

Buddy Moore

F.E. SHAHEEN

Title:

PARTNERS

Date:

3/2/12

STATE OF TEXAS

S

COUNTY OF Accelling

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COUNTY OF Accelling

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My Commission Expires October 66, 2014 Notary Public, State of Texas

MOORE

THE NATURE CONSERVANCY	:	. ::	
By: Name: LAURA HUFFLLAL	<del>)</del>		
Title: TEXASSTATE DIS	ECTOV		
Date: 03/12/13-	_ :	.:"	
STATE OF TEXAS §			<b></b>
COUNTY OF TRAULS			
This instrument was acknowledge by LALLA HILFFLAD, as CONSERVANCY, in such capacity on be	d before me on the TV STATE Behalf of said corporate	ie <u>P</u> day o <u>12 FETOL</u> ration.	f MARCH, 2012, of the Nature
ROSANNA SUTHERLAND Notary Public, State of Texas My Commission Expires September 87, 2014	i	MYAAAA Notary Public	State of Texas
TITLE:	COMPANY RECE	EIPT	
	nd the Option Cor	nsideration of	eceipt of this Option \$1,500.00, this lance with the terms
hereof			· · · · · · · · · · · · · · · · · · ·
		:	$\mathbb{R} = \mathbb{R} \cdot \mathbb{R}$
•	BY:		
	NAME:		<del></del>
	DATE:	Escrow Offic	er

# EXHIBIT A LEGAL DESCRIPTION OF PROPERTY

Approximately 3,000 acres, more or less, of the exact description and number of acres to be determined pursuant to A survey, but being generally described as being part of Section 25, all of Section 26, and the North Half (N/2) and the Southwest Quarter (SW/4) of Section 27, all in Block D, John H. Gibson Survey, Yoakum County, Texas;

Section Nos. 1, 2, 3, and a portion of 4, in Block G, Public School Land, Cochran and Yoakum Counties, Texas;

All of Section 8, Block P, Public School Land, Cochran and Yoakum Counties, Texas.

#### ESCROW RECEIPT

Property Address: Part of Section 25; Section 26; N/2, SW/4 Section 27, Block D, John H, Gibson Survey, Yoakum County, Texas; Sections 1, 2, 3, part of 4, Block G, Public School Land Survey, Yoakum & Cochran Counties, Texas; and Section 8, Block P, Public School Land Survey, Yoakum & Cochran Counties, Texas

Escrow Agent acknowledges receipt of \$1,500.00 Earnest Money in the form of (eash/eheek/wire transfer) representing earnest money being deposited pursuant to the attached Earnest Money Contract. Escrow Agent (i) is not a party to the Earnest Money Contract, (ii) has no liability on a check until the check has cleared, (iii) shall not be liable for any interest or other charge on the Earnest Money and shall be under no duty to invest or re-invest funds held by it at any time, (iv) does not represent the allowable use or activity on the Property, (v) does not promise to deliver the Commitment within the time stated in the Earnest Money Contract, and (vi) requires that Buyer make written request of the Escrow Agent for copies of covenants and documents.

Date:	 03/20/2012	

Yoakum County Abstract Company, d/b/a Elliott & Waldron Abstract Company P. O. Box 457 630 Cowboy Way Plains, TX 79355 (806) 456-2615

by: Mg Boulter

## A. Settlement Statement (HUD-1)

6. Type of Loan	<u> </u>			
	6. File Number:	7. Loan Number	8, Morigage Insurance Case Na	imber:
1. FHA 2 RHS 3. Conv. United	9549		:	!
4 VA 5 Conv. Ins 6 X Other			<u> </u>	
C, Note: Tree torm is furnished to give you a state of	nt of actual selfement o	ests. Amounts paid to and by	The settlement agent are shown.	Items marked
"(p.o.c.)" were paid outside the closing, they	rens shown here for info	amalional purposes and are n	ot included in the totals.	i
	E. Name & Address of 3		F. Name & Address of Lender:	i
The Nature Conservancy	Clay Lynn West		Ī	i !
8y, ils	2203 Fourth Ave. No	rth		į į
P.O. Box 1440	Texas City, TX 77590			
San Antonia, TX 78295	Jacks West Bigger			!
	16568 SW Matador ( Tigard, OR 97224	N	l .	j
G. Property Location:	H. Settlement Agent		I. Settlemeni Date:	<u>. i · · · · · · · · · · · · · · · · · · </u>
Undivided 1/2 interest in SW/4 Section	Yeakum County Abs	tract Company	09/07/201	2
25, Block D. John H. Gibson Survey.	Place of Selfement	· · · · · ·	Settiament Agent ID	
Yeakum County, Texas	630 Cowboy Way F	O. Box 457	75-1968-160	
	Plains, 7X 79355		Phone No.: (808) 458-2815	
J. Surrenary of Borrower's Transaction		K. Summary of Seller's	Transaction	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUN	T DVÉ SELLER;	
101. Contact Sale Price	25,151.0			25,161.00
102. Personal property		402. Personal property		<u> </u>
103. Settlement charges to borrow (fina 1400)	1,243.1	<del></del>		
104.	<del></del>	404.		
105.		405.	items paid by seller in advance	<u> </u>
Adjustments for items paid by seller in seve 105. Obvious layes to		406. Cityflown taxes	lo	<del>[ -</del>
106. City/town laxes to 187. County taxes to	<del>-   -</del>	407. County bases	to .	
108, DCISD lexes to		408. DCISD taxes	ю	1
109.	i	409.		
110.		610.		<u> </u>
146.	<u> </u>	611.	<del></del>	<u> </u>
112	·	412.		<del></del>
120. GROSS AMOUNT DUE FROM BORROWERS	26,404.1			25,181.00
290. AMOUNTS PAID BY OR BY BEHALF OF BORRY			AMOUNT DUE TO SELLER:	<u>, .                                   </u>
201. Deposit or earnest money	1,000.4			1 48.00
202. Principal amount of new loan from	<del></del> -	502. Settlement chang 503. Existing loan(s) to		40.00
203. Existing loan(s) laken subject to	<del></del>	504. Payoff of first mo		<del>[</del>
204.	<del></del>	505. Payoff of second		i
206.		508.		
207.		507:		<u> </u>
208.		50B.		<u> </u>
209.		509.	thome appoint by seller	<u> </u>
Adjustments for items unpaid by seller	<del></del> -	510. City/form taxes	Rems unpaid by seller	<del>T  </del>
210. Cdyrlown taxes 211. Alproportiess 01/02/12 to 09/07/12	13.	87 511. Algranytuses C	01/01/12 to 09/07/12	13.87
212. DCSD leves		512. OCISO taxes		
213.		513.		
214.		514.		<u> </u>
215.		515.		<u> </u>
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218.	<del></del>	518.	<del></del>	1
219-	·· <del>···</del>	<b>-</b>		1
220. TOTAL PARKEY FOR BORROWER:	1,013.		TION AMOUNT DUE SELLER	61.67
300. CASH AT SETTLEMENT FROMITO BORRO			LEMENT TOFROM SELLER	i 25 161 m
301. Gross amount due from borrower (Ins 129)	26,404		as to scaler (time 420) Is in smit due seller (lime 520)	25,161,00
302. Less amounts paid by/for borrower (line 220)	1,013	<u> </u>		P
303. Cash X From To Somowar/6	3uyer 25,390	.38 603.Cash 70 X	From Seller	25,069.13
			<del></del>	<u> </u>

Purchaser understands the Closury or Escrow Agent has assembled this information representing was transaction from the bast information available from other sources and cannot guarantee the accuracy thereof. Any rest estate agent or lender involved may be furnished a copy of this Statement.

Purchaser understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others, or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller directly.

The undersigned hereby authorizes <u>Yoakum County Abstract Company</u> to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

ave carefully reviewed the HUI tement of all receipts and disb	D-1 Sattlement Statem screements made on m	ent and to the t y account or b	best of my ! y me in this	knowledge an Transaction.	d belief, it is a t Hurther certify	rue and acceral that I have rece	e ived
opy of the HUD-1 Settlement :	Statement.		' !				:
	,	4 2		2 '			
The Nature Conservancy							
By, Its		:					
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Bad the lorido to be encoused			:		. "		
				September 1	Nh, 2012		

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penaliss upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

Pyrchasers Copy

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B or C of the Contration on the stand your doesing. These arables will affect your file and use of your bank. Your File travence Policy will be a legal contract behaven you a the Company. The Commitment and Policy are not abstracts of 69, 60% reported that you intended use of the property is allowed under the law or under the restrictors or except to title on your land.  Settler's signature(s):  BUYER'S Signature(s):  BUYER'S Signature(s):  BUYER'S Signature(s):  State of texas  5  COUNTY OF		Ovyera' Initiala	Policy, if you d	do son deleta tifa provision, ekher you or the Company require erbitration,
Clay Lyan West  The Nature Consensory  Janks West Biggerstan  By	*	Suyers' Initials	B or C of the Co and use of your the Company, representations intended use of	Contribinant, or is attend your closing. These matters will affect your life is that. Your Fife insurance Policy will be a legal contract between you at the Commisten and Policy are not abstracts of 65e, title reports or as et alia. They are contracts of indemnity. We do not represent that your life property is allowed under the law or under the restrictions or except
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Janke West Biggerstad  By				
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Notary Public, State of Texas

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0eborsh Rushing.County Clerk- Yoskus County, Texas

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS

8

COUNTY OF YOAKUM

WARRANTY DEED

Date:

September 10 , 2012

Grantor:

CLAY LYNN WEST

Mailing address: 2203 4th Avenue North, Texas City, Texas 77590

and .

JANICE WEST BIGGERSTAFF

Mailing address: 16588 SW Matador Ln., Tigard, Oregon 97224

Grantee:

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation Mailing address: 4245 N. Fairfax Dr., Suite 100, Arlington, Virginia 22203

With local address of: 318 Congress Ave., Austin, Texas 78701 [Travis County]

Consideration: TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration.

Property: An undivided one-half (1/2) interest in and to the Southwest Quarter (SW/4) of Section 25, Block D, John H. Gibson Survey, located in Yoakam County, Texas, being all of Grantor's ownership interest in this land. This conveyance includes all rights, hereditaments, and appurtenances belonging to the Property, including, without limitation, all of Grantor's right, title, and interest, if any, in and to (i) any easements, rights of way, or rights of ingress and egress benefiting the Property, (ii) any "excess land", "vacancies", strips and gores between the Property and abutting properties, and land lying in or under any public road, highway or the bed of any creek, stream or river running through or abutting or adjacent to the Property, whether owned or claimed by deed, limitations, or otherwise, (iii) any riparian, water, wind, development or wastewater rights appurtenant to the Property, and (iv) any and all claims, demands and causes of action of whatever kind or nature against any person, accruing from or during Grantor's ownership of the Property or which Grantor may otherwise own, for or relating to pollution, damage or other injury to the surface and/or subsurface of the Property, whether arising by breach of contract, tort, strict liability, statute, regulation or otherwise.

Reservations from Conveyance: Clay Lynn West, a Grantor herein, reserves all of his respective interest in and to all oil, gas, and other minerals in and under and that is produced or producible from the Property, subject however to a surface waiver with the following restrictions: (i) no development, exploration, extraction or production activities or operations under the authority of or by virtue of these reserved rights or interests shall be conducted on the Property, (ii) Clay Lynn West waives and conveys to Grantee the right of ingress and egress to and from the surface of the Property involving these reserved rights or interests, and (iii) any activities and operations involving these reserved rights or interests that

1

are conducted or carried out on land owned by him other than the Property shall in no manner interfere with the surface or subsurface support of any structures, improvements, or natural habitat features on the Property.

Exceptions to Conveyance and Warranty (to the extent same are valid and existing and affect the Property): Those certain exceptions as more particularly described below:

- All previous reservations of oil, gas, and other minerals of record, together with all rights, privileges, and immunities related thereto; and
- 2. Lack of a right of access to and from the Property.

Taxes for the current year have been prorated to the date hereof and are assumed by the Grantee; provided, however, that if Grantor's change in the use of the Property prior to this Deed or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to this Deed, then Grantor shall be responsible for the payment of such taxes.

Each Grantor is not joined by his/her spouse, if any, because he/she is dealing with his/her sole and separate property.

Grantor, for the consideration and subject to the Reservations from Conveyance and Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appartenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors, and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and Exceptions to Conveyance and Warranty.

Grantee acknowledges that payment for the Property is made available by a Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant funded by the United States Secretary of the Interior, thereby creating a Federal interest in the Property. The Grantee shall not dispose of or encumber its title or other interest in the Property without permission and instructions from the United States except as expressly permitted by the grant. In the event the Grantee fails to fully comply with the terms and conditions set forth through the acceptance of the Non-Traditional Section 6 Endangered Species Recovery Land Acquisition Grant, Grant # E-144-RL, after having been given written notice of such alleged failure and a reasonable opportunity to cure the same, the property interest acquired with the grant funds or the grant funds themselves shall be subject to transfer, replacement, or repayment proportionally to the United States in accordance with instructions from the United States and applicable law. No right of access by the general public is granted to any portion of the Property subject to these restrictions merely by virtue of the fact that all or a portion of the Property was acquired using federal grant funds or used as a match there under; provided, however, if the owner of the Property permits access to the general public to the Property subject to these restrictions, then such access shall be open to all persons who are otherwise eligible regardless of race, color, national origin, sex, age or disability.

When the context requires, singular nouns and pronouns include the plural.

This Deed may be may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

Executed as of the date set forth	above.			
		GRANTOR:	1	10 3/
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THE STATE OF TEXAS COUNTY OF HOD DESTAL	9	. 1 . 45 *		
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The Nature Conservancy		:.		
Altn: Legal				
200 E. Grayson St., Suite 202	: .			
San Antonio, Texas 78215	·	:		•

Executed as of the date set forth above	<b>:</b> .		
• :	:	GRANTOR:	
	i	CLAY LYNN WEST	
THE STATE OF TEXAS §. COUNTY OF §			
This instrument was acknowle LYNN WEST.	edged be	efore me on the day of September, 2012	, by CLAY
LTINN WESS.			  -  -
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THE STATE OF <u>Oregon</u> \$ COUNTY OF <u>Yembill</u> \$			
This instrument was acknowle WEST BIGGERSTAFF.	edged be ——	efore me on the <u>/O</u> day of September, 2012,	by JANICE
OFFICIAL SEAL RYAN KELLY JONES NOTARY PUBLIC-OREGON COMMISSION NO. 459851	5	NOTARY PUBLIC	

AFTER RECORDING RETURN TO:

The Nature Conservancy Attn: Legal 200 E. Grayson St., Suite 202

San Antonio, Texas 78215

# FILED and RECORDED

Instrument Number: 2012-3623

Filing and Recording Date: 09/14/2012 01:28:23 PM Recording Fee: 27.80

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the REAL PROPERTY RECORDS of Yoakum County, Texas.



Pelan d. Historia

Deborah Rushing, County Clerk Yoakum County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.



#### OWNER'S POLICY OF TITLE INSURANCE

#### Issued by

# Title Resources Guaranty Company

Any notice of cisim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

#### **COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS. TITLE RESOURCES GUARANTY COMPANY, a Texas corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

- \$. Title being vested other than as stated in Schedule A.
- Any detect in or fien or endumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
  - (a) A defect in the Title caused by:
    - forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
    - (ii) fallure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, admovfedged, notarized or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a faisified, expired or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The ken of real estate laxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete kind survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
  - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's Ean for labor or materials having its inception on or before Date of Policy.
- 3. Lack of good and indefeasible Title.
- 4. No right of access to and from the Land.
- The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:

- (a) the occupancy, use or enjoyment of the Land;
- (b) the character, dimensions or location of any improvement erected on the Land;
- (c) subdivision of land; or
- (d) environmental protection

If a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that only in

- 6. An enforcement action based on the exercise of a governmental police power not covered by Covared Risk 5 # a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement reterned to in that notice.
- The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
- Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
- Title being vested other than as stated in Schedule A or being defective:
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankniptcy, state insolvency or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under tederal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the fathere of its recording in the Public Records.
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or a judgment or lies creditor.
- 10. Any detect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that yests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' leas, and expenses incurred in defense of any matter insured against by this Pokey, but only to the extent provided in the Conditions.

Title Resources Guaranty Company

Executive Vice Presiden

Samuland

An Authorized Signature

Yoakum County Abstract Company
d/b/a Elliott & Waldron Abstract Company

Plains, Texas

(For Use Only in Texas)

Effective 2/01/2010

#### EXCLUSIONS FROM COVERAGE

The losowing insiders are expressly excluded from the coverage of this policy, and the Company will not say loss or damage, costs, attorneys' fees or expenses that arise by reason of:

(a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:

(i) the occupancy, use, or enjoyment of the Land;

(ii) the character, dimensions or location of any improvement erected on the Land;

subdivision of lends or

- environmental protection;
- or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 6.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 8.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Balecta, Rane, encumbrances, adverse claims or other matters:

(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Oate of Policy.

but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the insured Claimant became en imured under this policy;

resutting in no loss or damage to the insured Claimant.

(d) resulting in no loca or carriage to the insured community.

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Plats 8 and 10); or

(e) resutting it loss or damage that would not have been sustained if the insured

Claimant had paid value for the Tide.

 Any claim, by reason of the operation of federal bankrupton, state inscivency, or similar creditors' rights laws, that the transaction vasting the Title as shown in Schedule A, is:

(a) a traudulent conveyance or traudulent translat, or

- (b) a preferensel transfer for any reason not stated in Covered Risk 9 of this policy.
- Any ion on the Tide for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title ea
- The refusal of any person to purchase, lease or lend money on the astate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

#### CONDITIONS

<u>OFFINITION OF TERMS.</u>

FINITION OF TERMS.

Indicated learns when used in this policy means

"Ancurat of Insurance": the amount stated in Schoole A, as may be increased or decreased by endorsement to this policy, horseased by Sections 10 and 11 of these Conditions.

"Date of Policy": the date designated as "Date of Policy" in Schoole A.

"Entity": a comporation, parinership, trust, funded liability company or other similar legal entity.

"Insured": the insured named in Schoole A.

"Insured": the insured named in Schoole A.

- The term 'inquired' also includes:

  (A) successors to the Tibe of the insured by operation of taw as distinguished from purchase, including helps, devisess, survivors, personal representatives or next of kin;
- (B) successors to an insured by dissolution, merger, consolidation, distribution, or reorganization:
- successors to an insured by its conversion to another kind of Entity; (D) a grantee of an inswed under a deed delivered without payment of

actual valuable consideration conveying the Title;

actual varieties consisteration conveying the file;

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named insured.

(2) if the grantee wholly-owned by an affiliated Entity of the named insured, provided the affiliated Entity and the named insured, provided the affiliated Entity and the named insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a first created by a written inchin made actalytic but the insured contact to Schamble a

written instrument established by the Insured named in Schedule A

(a) With regard to (A), (6), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any

predecessor insured.

Insured Claimani\*: an insured claiming loss or damage.

Knowledge\* or "Known": actual knowledge, not constructive knowledge or hotice that may be imputed to an insured by reason of the Public Records or any other records that impart constructive notice of malters affecting the Title.

Tand\*: the land described in Schedule A, and affined improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any night, title, interest, estate or easement in abuting streets, roads, avenues, allays, lanes, ways or water ways, but this does not modify or first the extent that a right of access to and from the Land is insured by this policy. the Land is insured by this policy.

Mortgage': mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

Public Records': records established under state statutes at Date of Poscy pruces recover: recovers examined under same sames an use of rocky for the purpose of imparing constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens that in the records of the clerk of the United States Olstrict Court for the district where the Land is located.

"Tule": the estate or interest described in Schedule A.

"Unmarketable Title": Title allected by an alleged or apparent matter that would permit a prospective purchases or lesses of the Title or lender on the Title to be released from the obligation to purchase, lease or land if there is a contractual condition requiring the delivery of marketable life.

CONTINUATION OF INSURANCE.

CONTINUATION OF INSURANCE.

This coverage of this policy shall continue in force as of Date of Policy in favor of its insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser toget the insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchases from the insured of either (f) an estate or interest and the first or the insured of either (f) an estate or insured of the title of the continue of t in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured

NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.
The Insured shall noticy the Company promptly in writing (i) in case of any fitigation as set (orth in Section 5(a) below, or (ii) in case Knowledge shall come to an insured hereunder of any claim of title or interest that is adverse to the Title, as Insured, and that might cause loss or damage for which the Company may be liable

by virtue of this policy, if the Company is prejudiced by the fallure of the insured Claimant to provide prompt notice, the Company's satisfy to the insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Poscy, the Insured notifies the Company as required herein of a less, encumbrance, adverse claim or other delect in Tide insured by this policy that is not excluded or excepted from this coverage of this policy, the Company shall ecomptly investigate the charge to determine whether the ten, encumbrance, sometimes death or detect or other matter is valid and not barred by law or statute. The corrected clears or other matters is valid and not carried by law or statute. The Company shall notify the inspeed in writing, within a reasonable time, of its determination as to the validity or invalidity of the insuredia clear or charge under the collect. If the Company concludes that the Ear, encumbrance, adverse clears or defect is not exceed by this policy. Company contained that the ten, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the transaction with which this policy was issued, the Company shall stee of the transaction of the reasons for its determination. If the Company shall sake one of the life, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (I) institute the necessary proceedings to clear the fien, encumbrance, adverse claim or defect from the Title as instruct (ii) indemnisty the instruct as provided in this policy; (ii) inport payment of appropriate premium and charges therefor, issue to the instruct Claimant or to a subsequent owner, mortgages or holder of the estate or interest in the Land instruct by this policy, is policy of the instruction without exception for the fien, encumbrance, adverse claim or defect, is policy to be in an amount equal to the current value of the Land or, if is foundably the amount of the loan; (iv) indemnity another title instruction company in connection with its issuance of a policy(ies) of the insurance without exception for the fien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the tien, encumbrance, adverse claim or defect, or undefeate a combination of (ii) through (v) harein.

PROOF OF LOSS.

PROOF OF LOSS.
In the event the Company is unable to determine the emount of less or damage, the Company may, at its option, require as a condition of payment that the Insured Company may, at its option of loss in a condition of payment that the Insured Company may, at its option of loss in the Insured Company may, at its option at less that the condition of the Insured against by this policy that constitutes the basis of loss or damage and shall state; to the extent possible, the basis of calculating the amount of the loss or damage.

DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unvestorable delay, shall provide for the detense of an insured in Rigation in ignessorisons cessay, snar province for the cessans or an instruct in expect in which any third party asserts a claim covered by this policy adversa to the instruct. This policytion is finited is only those stated causes of eation alleging matters instruct and against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the instruct to object for reasonable). cause) to represent the insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not the table for and was not pay the least of any other counsed. The Company was the pay any least, costs, or expenses incurred by the insured in the defense of those causes of action that alege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 1, at its own cost, to institute and prosecute any action or processing.

or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce less or damage to the essentian the time, as notined, or to prevent or reduce ties or damage to we insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be fishle to the insured. The exercise of these rights shall not be an admission of flability or waiver of any provision of this policy, it she Company exercises its rights under this subsection, it must do

so diligently.

Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the Pigation to a final determination by a could of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

**QUITY OF INSURED CLAIMANT TO COOPERATE.** 

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the insured strall secure to the Company the right to so prosecute or provide delense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in

securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (i) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is projudiced by the failure of the insured to lumish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any lingation, with regard to the matter or matters

requiring such occoperation.

(b) The Company may reasonably require the insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, pl. moords, in whether medican maintained, including books, ledgers, checks, memorands, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a data before or after that of Policy, that reasonably perfain to the loss or damage. Further, it requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any sushorized representative of the Company to examine, inspect and copy at of these records in the custody or comind of a third party that reasonably partials to the loss or damage. All information designated as confidential by the insured Claimant provided to the Company pursuant to this Section shall not be disclosed. certaint provides to the company pursuant of the Company, it is necessary in the administration of the chim. Failure of the insured Claimant to submit for examination under eath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation,

ergared in this subsection, crises promoted by law or governmental regulator, shall terminate any liability of the Company under this policy as to that claim.

(c) If the insured demands that the Company accept a settlement offer that is not greater than the Amount of insurance or it the insured expressly expean that a settlement offer should be accepted, the Company has a right to be reimbursed if it has timely asserted its reservation of rights and notified the insured that is not expressly expeans it if it is a timely asserted its reservation of rights and notified the insured that is not expected by the configuration of the con

covered by the policy.

 OPTIONS TO PAY OF OTHERWISE SETTLE CLARKS: TERMATION OF LIABILITY.
 In case of a claim under this policy, the Company shell fixe the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy logather with any costs, attempted less and expenses incurred by the Insured Claimani that were sufficiently the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to delend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

Insured Classrani.

(i) To pay or otherwise settle with other parties for or in the name of an insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attempts fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay, or:

(i) To pay or otherwise settle with the insured Claimant the less or damage provided for under this policy, together with any costs, attempts fees, and expenses incurred by the Insured Claimant that were authorized by the Company in the time of manner and that the Company is obtained to any

Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (b), the Company's obligations to the instead under this postcy for the claimed lots or damage, other than the payments required to be made, shall terminate, including any liability or obligation to detend, prosecute or continue any liigation.

DETERMINATION AND EXTENT OF MARILITY.

This poscy is a contract of indemotive against sous) monetary loss or damage sustained or housed by the insured Claiment who has suffered loss or damage by reason of malliers insured against by this poscy.

(a) The extent of liability of the Company for loss or damage under this poscy shall

not exceed the lesser of:

(i) the Amount of insurance; or
 (ii) the difference between the value of the Title as insured and the value of the Title surject to the risk insured against by this policy.
 (b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and
(ii) the Insured Chairman shall have the right to have the loss or damage determined either as of the date the claim was made by the insured Chairmant or as of the date it is settled and paid:
(c) In addition to the extent of Rabitty under (a) and (b), the Company will also pay

those costs, attorneys' lees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

- UNITATION OF LIABILITY.
   (a) If the Company establishes the Title, or removes the alleged defect, kein or: encumbrance, or cures the tack of a right of access to or from the tland, all as encumbrance, or cores like tack of a right or access to ot from the tand, all surveys, or takes action in accordance with Section 3 or 7, in a reasonably effigent manner by any method, including kingations and the completion of any appeals, it shall have half performed its obligations with respect to that inatter and shall not be flable for any loss or damage caused to the insured.

  (b) In the event of any Edgation, including fligation by the Company or with the Company's consent, the Company shall have the flability for loss or damage and
  - there has been a final determination by a court of completent forisolicion, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be fable for loss or damage to the insured for liability voluntarily assumed by the insured in setting any claim or sult without the prior written consent of the Company.

10. REDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY. All payments under this policy, except payments made for costs, siturneys' fees at expenses, shall reduce the Amount of Insurance by the encount of the payment.

11. <u>FIABILITY NONCUMULATIVE.</u>
The Amount of Insurance shall be reduced by any amount the Company pays under any policy inturing a Mortgage to which exception is taken in Schedula B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an insured effer Date of Policy and which is a charge or ten on the Title, and the emount so paid shall be deemed a payment to the insured under this policy.

12 PAYMENT OF LOSS.

When Rabitly and the extent of lose, or damage have been definitely fixed in scoordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.
(a) Whenever the Company shall have estited and paid a claim under this policy, it shall be subregated and shilled to the rights of the Insured Claimant in the Title and all other rights and remodes in respect to the claim that the trisured Claimant has against any person or property, to the extent of the amount of any loss, costs, attempts' feet and expenses paid by the Company. If requested by the Company, the insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall paintly the Company to sue, compromise or sattle in the name of the Insurad Claimant and to use the name of the insured Claimant in any transaction or Risgition involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the loss red Claimant, the Company shall defer the exercise of its right to recover until after the insured Claimant shall have recovered its loss.

(5) The Company's right of subrogation includes the rights of the Insured to Indemnities, guarantes, other poscies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

Effect the Company or the Instructionary demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Trise Association ("Rules"). Except as provided in the Rules, there American tund fifth Association (\*Reiss\*). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversize of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Congany and the inscred enising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. An arbitrable matters when the Amount of insurance is \$2,000,000 of less shall be arbitrable to the option of either the Company or the Insured, tabless the insured is an individual person (as distinguished from an Entiry). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated on the transaction that context when agreed to be be the the Company and the Insured. Arbitration respects to this collect and under to by both the Company and the insured. Arbitration pursuent to this policy and under the Rules shall be tanding upon the partises. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent prisolation.

LIABILITY LIMITED TO THIS POUCY: POLICY ENTIRE CONTRACT.
 This policy together with all endorsements, if any, attached to it by the Company (sine entire policy and contract between the Insured and the Company, in interpreting

sympatistics of this policy, this policy shall be constitued as a whole.

Any claim of loss or damage itsal arises out of the status of the Tide or by any action asserting such claim shall be instricted to this policy.

Any antendment of or endorsement to this policy must be in writing and sufferniceled by an exhorized person, or expressly incorporated by Schedule A

(d) Each endorsement to this posicy issued at any size is made a part of this posicy and is subject to all of its terms and provisions. Except as the endorsement expressly status, it does not (i) modify any of the terms and provisions of the posicy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Instrance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Condelions shall be described to relier to the jami regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedute. Each Commitment, endorsement or other form, or provision in the Schedutes that refers to the Conditions and Schedutes that refers to the Conditions and Schedutes that he deemed to refer to the Conditions of this colley.

16: SEVERABILITY.

In this event any provision of this policy, in whole or in part, is held investi or unenforceable under applicable law, the policy shall be desired not to include that provision or each part held to be invalid, and all other provisions shall remain in full

17. CHOIGE OF LAW: FORUM.

(a) Choice of Law: The Insured admovidedges the Company has underwritten the risks covered by this postry and determined the premium changed therefor in resance upon the taw affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of 88s insurence of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and to interpret and enforce the terms of this policy. In peather case shall the court or entirator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any trigation or other proceeding brought by the Insured against the Company must be filed only in a state or tedeval court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES. WHERE SENT. Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

Title Resources Guaranty Company \$111 LBJ Freeway, Suite 1200 Oalles, TX 75251

# Title Resources Guaranty Company A TEXAS CORPORATION

Title Resources maranty Company Owner's Policy of Title insurance

FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL: 1-800-526-8018



1. AGENT CODE 2. PROPERTY TYPE 3. COUNTY

4. POLICY AMOUNT 5. PREMIUM 6. RATE CODE 7. EFFECTIVE DATE 8. SURVEY AMENDMENT 9. ADDITIONAL CHAINS

OWNER'S POLICY:

 		•						:
1. 013	. Z. L	3, 501	4, \$25,161,00	5.\$135.25	8. 1000, 6910	7. 9/14/2012 € 1.23 P.X.	8.	

### TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

GF NO. OR FR.E NO.

DATE OF POLICY

AMOUNT OF INSURANCE

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER

9649

September 14, 2012 S25,161.00 @1:28 P.M. 1143-026049

Schedule A

- 1. Name of Insured: The Nature Conservancy.
- 2. The estate or interest in the land is insured as vested in: fcc simple.
- 3. Title to the estate or interest in the land is insured as vested in: The Nature Conservancy.
- 4. The land referred to in this policy is described as follows: The undivided 1/2 interest in and to the Southwest Quarter (SW/4) of Section 25, Block D. John H. Gibson Survey, Yoakum County, Texas, subject to, and the Company does not insure title to, and excepts from the description of the Land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, as acquired in Deed from Clay Lynn West and Janice West Biggerstaff, filed under Clerk's file No. 2012-3623, Official Public Records, Yoakum County, Texas



# TITLE RESOURCES GUARANTY COMPANY

OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

GF NO. OR FILE NO

DATE OF POLICY

THE POLICY NUMBER SHOWN ON THIS SCHEDULE MUST AGREE WITH THE PREPRINTED NUMBER ON THE COVER

9649

September 14, 2012 @1:28 P.M. 1143-026049

#### Schedule B

#### **EXCEPTIONS FROM COVERAGE**

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

- The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception): This item is hereby deleted.
- 2.—Any-discrepancies, conflicisees shortages in area or boundary lines, or any encronclandary protensions or my-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 land 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 the 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.
- 5. Standby fees, taxes and assessments by any taxing authority for the year 2012, 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 anotters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
- a. The sole means of legal access to and from the property is via other lands owned by the insured.



# Minerals and surface damage endorsement (T-19.3)

1 ISSUED BY

## TITLE RESOURCES GUARANTY COMPANY

(Herein called the Company)

Attached to Policy No.: 1143-026049

Applies to Parcel(s): The undivided ½ interest in and to the Southwest Quarter (SW/4) of Section 25, Block D, John H. Gibson Survey. Yoakum County, Texas, subject to, and the Company does not insure title to, and excepts from the description of the Land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, as acquired in Deed from Clay Lynn West and Janice West Biggerstaff, filed under Clerk's file No. 2012-3623, Official Public Records, Yoakum County, Texas

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lightle, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

husbacked Signature

Yoakum County Abstract Company

d/b/a Elliott & Weldron Abstract Company

Plains, Texas

Title Resources Guaranty Company

By: Sauce //
Executive Vice President

Secretary



#### 1 IMPORTANT NOTICE

- 1 To obtain information or make a complaint:
- 2 You may contact your (title) at (telephone number).

Yoakum County Abstract Company d/b/a Elliott & Waldron Abstract Company (806) 456-2615

3 You may call Title Resources Guaranty Company's tollfree telephone number for information or to make a complaint at:

#### 1-800-526-8018

You may also write to Title Resources Guaranty Company at:

8111 LBJ Freeway, Ste. 1200 Dallas, TX 75251

- 5 You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:
- 1-800-252-3439
- 6 You may write the Texas Department of Insurance:

P.O. Box 149104 Austin, TX 78714-9104 Fax: (512) 475-1771

Web; http://www.tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

#### PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the (agent) or Title Resources Guaranty Company first. If the dispute is not resolved, you may contact the Texas Department of insurance.

Yoakum County Abstract Company P O Box 457 Plains, TX 79355

# ATTACH THIS NOTICE TO YOUR POLICY:

7 RESOURCES GUARANTY COMPANY

page condition of the attached document.

AVISO IMPORTANTE

- 1 Para obtener informacion o para someter una
- 2 Puede comunicarse con su (title) al (telephone number).

Yeakum County Abstract Company d/b/a Effiott & Waldren Abstract Company ... (806) 456-2615

3 Usted puede llamar al número de telefono gratis de Title Resources Guaranty Company's para informacion o para someter una quela al:

#### 1-800-526-8018

4 Usted tambien puede escribir a Title Resources Guaranty Company:

8111 LBJ Freeway, Ste. 1200 Dallas, TX 75251

5 Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

#### 1-800-252-3439

6 Puede escribir al Departamento de Seguros de Texas:

P.O. 8ox 149104 Austin, TX 78714-9104 Fax: (512) 475-1771:...

Web: http://www.tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

#### DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el (agente) o Title Resources Guaranty Company primero. Si no se resuelve la disputa, puede enfonces comunicarse con el departamento (TDI).

Yeakum County Abstract Company P O Box 457 Plains, TX 79355

UNA ESTE AVISO A SU POLIZA: Este aviso es solo This notice is for information only and does not become a para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

## OPTION FOR THE PURCHASE OF REAL ESTATE

In consideration of \$1,000 (the "Option Consideration") paid to the Title Company (defined below), the receipt and adequacy of which are hereby acknowledged, and of the agreements contained in this Option, C.L. West and Janice Biggerstaff ("Seller"), hereby grants to The Nature Conservancy, a non-profit corporation of the District of Columbia (the "Conservancy"), and its successors and assigns, the exclusive and irrevocable right and option to purchase that certain land containing 160 acres, more or less, located in Yoakum County, Texas, being more particularly described as the SW/4 of Section 25, Block D, John H. Gibson Survey, together with all rights, appurtenances, easements, improvements, fixtures and hereditaments thereon and pertaining thereto, including without limitation, water rights, access rights, timber rights, development rights, wastewater rights and all other rights, but subject to the reservation by C. L. West of all of his respective interest in and to any oit, gas and other minerals subject to a surface waiver (collectively, the "Property"), under the following terms and conditions:

- Option TERM AND EXERCISE. This Option shall commence on the effective date of this Option and terminate on August 1, 2012 ("Option Period"). This Option may be exercised by the Conservancy sending written notice (the "Notice of Election") to the Seller on or before the expiration of the Option Period, as it may be extended if agreed upon by the parties (the "Option Exercise Date"). If the Conservancy does not send the Notice of Election to Seller on or before the Option Exercise Date, this Option shall automatically terminate.
- 2. <u>Purchase Price</u>. If the Conservancy elects to exercise the Option, the total purchase price for the Property is \$315 per acre, plus a prorated amount for any fractional acre. The total acres of the Property will be determined by a survey, and any acreage excepted to by the Title Company shall be excluded from the total acreage used for calculating the purchase price. The survey requirements are set out in Section 4 below. The Option Consideration will be applied to the purchase price. The balance of the purchase price will be paid at closing.
- 3. Tax Disclaimer & No Gift. Seller hereby represents and warrants that (i) Seller has not relied upon any representation by or on behalf of the Conservancy concerning the tax consequences of this specific transaction; and (ii) Seller has been advised by the Conservancy to seek Seller's own professional advice regarding such tax consequences.

Seller does not consider this transaction to have a "bargain sale" component. Seller will not submit an IRS Form 8283 "Noncash Charitable Contributions" to the Conservancy in connection with this transaction.

4. Survey. The Conservancy may secure and deliver to the Seller and the Title Company (defined below) a survey of the Property by a registered or licensed land surveyor to the boundaries, tegal description and acreage of the Property ("Survey"). The Survey shall be in a form acceptable to the Title Company to delete from a final title insurance policy the standard exception(s) routinely deleted based upon a survey of the insured Property and shall conform to survey requirements established by the State of Texas.

The Seller and the Conservancy shall each have the right to be present during the Survey. The final legal description prepared by the surveyor and accepted by the Seller, Conservancy, and the Title Company will be substituted for the property description and shall be attached to the deed. The cost of the Survey shall be the responsibility of the Conservancy. If the Seller and Conservancy cannot agree upon the Survey or the acreage to be utilized in calculating the purchase price, either party may terminate this Agreement, in which case the Option Consideration shall be refunded to the Conservancy.

- 5. ASSIGNMENT. This Option may only be assigned with approval from the Selfer, which approval shall not be unreasonably withheld.
- 6. CLOSING. Closing will be on August 31, 2012, or as soon thereafter as the conditions for closing set forth in this Agreement have been met. In the event that the Conservancy does not receive the Title Commitment (defined below) and copies of exception documents within the time period specified herein, the Option Exercise Date and closing shall be extended one (1) day for each day any of said documents are past due. Closing will take place at the offices of Yoakum County Abstract Co., 630 Cowboy Way, Plains, TX 79355, Tele. (806) 456-2615, is (the "Title Company") or such other place as the parties may mutually agree. Closing may be held in escrow through overnight delivery of closing documents to the Title Company or as otherwise agreed to by the parties.
- 7. EVIDENCE OF TITLE. On or before June 1, 2012, Seller shall, at Seller's sole cost and expense, provide to the Conservancy an owners title commitment (the "Commitment") binding the Title Company to issue at closing an owner's policy of title insurance (the "Title Policy"), in an amount equal to the purchase price together with legible copies of all exceptions and other matters shown thereon. The cost of the Title Policy and any additional endorsements thereto shall be the responsibility of the Conservancy.
- 8. TIPLE. At closing, the Seller will convey good, insurable and marketable title to the Property together with all rights, hereditaments and appurtenances belonging to the Property (including insurable legal access, all water rights, all timber rights, and all government farm program crop bases and contract acres), to the Conservancy in fee simple, free and clear of all liens, encumbrances, restrictions, rights or exceptions except those of record that are acceptable to the Conservancy and the reservation by C. L. West of all of his respective interest in and to any oil, gas, and other minerals subject to a surface waiver. The Conservancy shall acquire all other mineral interests of Seller, including those of Janice Biggerstaff. Title shall also be sufficient for the issuance of any additional endorsements desired by the Conservancy; provided, however, that the Conservancy shall be responsible for the premium cost for such endorsements. The Seller shall not transfer or encumber any interest in the Property prior to closing.
- 9. <u>TITLE DEFECTS</u>. If for any reason the Seller cannot deliver title at closing as required by this Option, the Conservancy may elect to: a) accept the Property with title as it is, b) refuse to accept the Property in which case the Option Consideration shall be refunded to the Conservancy, or c) require the Seller to diligently pursue all reasonable efforts to correct the problem, including bringing any necessary quiet title actions or other lawsuits.

If an objection to title is based upon outstanding oil, gas or mineral leases, interests or reservations, the Conservancy may alternatively require the Seller to obtain such surface waiver or non-drilling agreements from the owner(s) of the outstanding interests as the Conservancy deems necessary to protect the Property for the Conservancy's intended uses. Without limitation, the Property shall not be considered to be in compliance with this Option's title requirements unless all structures and improvements, including any driveways and accessory structures, if any, are located within the lot lines of the Property and do not encroach upon or under any property not within such lot lines; and no building, structure, improvement or property of any kind encroaches upon or under the Property from other property.

- 10. <u>DOCUMENTS FOR CLOSING</u>. The Seller shall execute and deliver at closing a general warranty deed, evidence of Seller's authority to sell the Property satisfactory to the Conservancy and the Title Company, a FIRPTA Affidavit (as defined in the Seller's Representations and Warranties paragraph below), an owner's affidavit and/or other documents required by the Title Company to remove the standard title policy exceptions (including without limitation, the mechanic's and materialmen's liens exception and the "Rights of Parties in Possession" exception), and any other documents necessary to close in accordance with the terms of this Option and as may be required by the Title Company. These documents will be prepared at the expense of the Seller, except that the Conservancy agrees to prepare the deed.
- 11. PROPERTY TAXES. Any delinquent real estate taxes, all real estate taxes due in the year of closing and all levied assessments are the Seller's responsibility and shall be satisfied of record by the Seller at or before closing.

Any real estate taxes assessed against the portion of the Property in the year of closing, but which are not yet due and payable, will be prorated to the date of closing based upon the most recent available tax statements. Ad valorem taxes for the Property for the calendar year of Closing shall be prorated to the date of Closing – if the tax assessment for the calendar year of Closing is available, the Setter shall pay the full amount of such taxes prior to Closing and the Conservancy's pro rate portion shall be paid to Setter at closing; otherwise the Conservancy shall receive a credit against the purchase price for the Setter's pro rate portion of such taxes. The Setter's pro rate portion of such taxes shall be based upon taxes actually assessed and charged for the calendar year of Closing and shall not include any taxes accrued under agricultural or other special use exceptions. If, for any reason, ad valorem taxes for the calendar year of Closing have not been assessed on such portion of the Property, such proration shall be estimated based upon ad valorem taxes for the immediately preceding calendar year and an appropriate adjustment shall be made between the parties when the taxes of the calendar year of Closing are assessed.

Seller shall be responsible for ad valorem taxes on the Property for periods prior to the catendar year of Closing; provided, however, if Seller's change in the use of the Property prior to Closing or denial of a special use valuation results in the assessment of additional taxes regarding the Property for periods prior to Closing, Seller shall be responsible for the payment of such taxes. The obligations in this paragraph shall not merge with the Deed to be delivered hereunder but shall survive the Closing.

- 12. MISCELLANEOUS CLOSING EXPENSES. Closing fees shall be paid by the Conservancy, except that (i) Seller shall be responsible for any costs related to satisfying Schedule C of the Title Policy and any like-kind exchange, and (ii) each party will be responsible for its own attorney's fees.
- 13. <u>Possession</u>. The Seller will deliver full possession of the Property to the Conservancy at closing.
- 14. REMOVAL OF MATERIALS. The Seller shall remove all personal property, rubbish, trash, and waste required to be removed by the Conservancy, if any, from the Property prior to closing. This provision shall expressly survive the Closing.
- 15. PRESERVATION OF PROPERTY. Seller agrees that the Property shall remain as it now is until closing, and that Seller will prevent and refrain from any use of the Property for any purpose or in any manner that would adversely affect the Conservancy's intended use of the Property. Specifically, but without limitation, Seller shall make no alterations to any improvements, timber resources, other vegetation, topography, wetlands or watercourses, or other natural resources.

In the event of any actions or adverse change in the condition of the Property, the Conservancy may elect to: a) refuse to accept the Property, in which case the Option Consideration shall be refunded to the Conservancy, b) accept the Property, or a portion thereof, in which case there may be an equitable adjustment of the purchase price based on the change in circumstances, or c) require restoration of the Property to its condition at the time this Option was granted.

- 16. RIGHT OF ENTRY AND INSPECTION. The Conservancy and their agents shall have the right to enter upon the Property at reasonable times for surveying, for conducting an environmental inspection and assessment to detect hazardous or toxic substances, for conducting an inspection of the buildings on the Property to determine the condition and performance of the buildings' condition, structure and systems, and for other reasonable purposes related to this transaction. Based upon the results of the environmental inspection and assessment and other inspections, the Conservancy may elect to: (a) refuse to accept the Property, in which case the Option Consideration shall be promptly refunded; (b) require the Seller to correct problems revealed by the inspections and/or assessments; or (c) pursue any other remedy available under this Option.
- 17. <u>Seller's Representations and Warranties</u>. The Seller warrants and represents to the Conservancy the following matters and agrees to indemnify, defend and hold harmless the Conservancy from any loss or liability relating to these matters, with the intent that these representations, warranties and indemnities shall survive closing:
  - a. <u>Title to the Property/Authority</u>. The Seller is the sole legal owner of the Property in fee simple. The Property is not now subject to any written or oral lease, license, permit, option, agreement of sale, claim or legal proceeding except as set forth herein. There are no condemnation proceedings pending with regard to any portion of the Property, and Seller does not know of any proposed condemnation proceedings

involving the Property. Seller has the full power and authority to execute this Option and all agreements and documents referred to in this Option and to fully perform as required by this Option.

- b. <u>Condition of Property</u>. The Seller is not aware of any facts that would adversely affect the Conservancy's intended uses of the Property.
- Access. To the best of Seller's knowledge, the Property has, and shall have at closing, legal and physical access to a public road, that is insurable with title insurance.
  - d. <u>Hazardous Substances</u>. To the best of Seller's knowledge:

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- (i) There is no and has been no condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment, whether or not in compliance with law;
- (ii) There is no and has been no production, use, treatment, storage, transportation, or disposal of any Hazardous Substance (as defined below) on the Property;
- (iii) There is no and has been no release or threatened release of any Razardous Substance, pollutant or contaminant into, upon, or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property;
- (iv) There is not now and has never been any Hazardous Substance stored on the Property in underground tanks, pits, or ponds;
- (v) The Property is not subject to any "superfund" or similar lien or any claim by any government regulatory agency or third party related to the release or threatened release of any Hazardous Substance.

The term "Hazardous Substance(s)" means any substance that is defined as a hazardous substance, hazardous material, hazardous waste, petroleum product, pollutant or contaminant under any environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et. seq., the Clean Water Act, 42 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C., Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., and any and all regulations promulgated thereunder, or any similar federal, state or local laws, ordinances or regulations adopted under these acts.

e. <u>Tanks/Weils</u>. There have not been and there are not now any underground or aboveground storage tanks, septic tanks or wells located on or under the Property, or if there have been or are any such tanks or wells located on the Property their location

has been identified to the Conservancy in writing, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations, and they have not resulted in the release of any Hazardous Substance into the environment.

- f. Non-foreign Status. To inform the Conservancy that withholding of tax is not required under § 1445(b)(2) of the Internal Revenue Code and regulations thereunder and under penalties of perjury, the Seller hereby certifies that the Seller is not a non-resident alien or a foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined for purposes of federal income tax law. At closing, Seller agrees to deliver to the Conservancy an affidavit certifying Seller's non-foreign status, together with Seller's social security number/federal taxpayer identification number (FIRPTA Affidavit). The Seller consents to the delivery of such affidavit to the Conservancy, and understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made could be punished by fines, imprisonment or both.
- g. <u>Broker's Claims</u>. Neither the Conservancy nor the Seller has used a real estate agent or broker in connection with the sale of the Property.
- h. Government Farm Programs. The Property is not enrolled in the Direct and Countercyclical Payment Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture except: NONE. The Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements.
- i. Conflict of Interest In order to assist the Conservancy in identifying potential conflicts of interest, Seller has completed, signed and delivered to the Conservancy its disclosure form (the "Disclosure Form"). Seller warrants and represents to the Conservancy that the information in the Disclosure Form is, to the best of Seller's knowledge, true and correct. Seller shall promptly notify the Conservancy in writing if any change in circumstances occurs prior to closing that would change any response on the Disclosure Form. In the event that any answer on the Disclosure Form changes prior to closing, or in the event that any material misrepresentation or mis-statement in the Disclosure Form is discovered before closing, the Conservancy may elect to declare this Option null and void, in which case the Option Consideration shall be returned to the Conservancy.

# 18. ... CERTIFICATION REGARDING MATERIAL SUPPORT AND RESOURCES TO TERRORISTS.

## A. Seller hereby certifies:

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(1) Seller does not and will not engage in, advocate, commit, facilitate, or support any terrorist acts.

- (2) Seller will take all reasonable steps to ensure that Seller does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts.
- (3) Before providing any material support or resources to an individual or entity, Seller will consider all information about that individual or entity of which it is aware or that is available to the public.
- (4) Seller will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

# B. For purposes of this Certification:

- (1) "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.
- (2) "Terrorist act" means: (a) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or (b) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or (c) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.
- (3) "Entity" means a partnership, association, corporation, or other organization, group or subgroup.
- C. In the event that any material misrepresentation in this Certification is discovered before closing, the Conservancy may elect to declare this Agreement null and void and immediately terminate it. In the case of an intentional material misrepresentation, the Conservancy may, at its option, recover damages resulting from the termination. Notice of termination shall be given to Seller at the address set forth under "Notices".
- 19. <u>REPRESENTATION BY LEGAL COUNSEL</u>. Seller acknowledges that the Conservancy has advised Seller to have Seller's attorney review this Option and all attached exhibits, and that the Conservancy is not acting on behalf of, or advising Seller in this transaction and Seller has not relied on any information or advice provided by Conservancy or its agents.

- 20. <u>REMEDIES</u>. In addition to any other remedy specifically set forth in this Option, the Conservancy has the right to enforce the provisions of this Option through an action for specific performance, injunctive relief, damages, contribution or any other available proceedings in law or equity. The election of any one remedy available under this Option shall not constitute a waiver of other available remedies.
- 21. <u>Exhibits</u>. The following exhibits are attached to and incorporated into this Option by this reference: Exhibit A Legal Description.
- 22. <u>NOTICES</u>. Except as otherwise expressly set forth in this Agreement, all notices required to be given under this Option shall be deemed given upon the earlier of actual receipt or two days after being mailed by U.S. mail, or on the date of successful facsimile transmission (if received prior to 5:30 p.m. Central Time), addressed to:

#### Seller:

Mr. Clay West 2203 Fourth Ave North Texas City, Texas 77590 Telephone Number: (409) 943-5807

Mrs. Janice W. Biggerstaff 16588 SW Matador Ln Tigard, Oregon 97224 Telephone Number: (503) 624-0919

#### Conservancy:

The Nature Conservancy
Attn: Legal Department
200 E. Grayson St., Suite 202
San Antonio, Texas 78215
Telephone Number: (210) 224-8774
Fax Number: (210) 228-9805

#### With a Copy to:

The Nature Conservancy
Attn: Jeff Francell
318 Congress Avenue
Austin, TX 78701
Telephone Number: (512) 623-7250

or to such other addresses as the parties may designate in writing.

- 23. <u>No Walver</u>. No provision of the Option shall be deemed amended or waived unless such amendment or waiver is set forth in a writing signed by the Conservancy. No act or failure to act by the Conservancy shall be deemed a waiver of its rights hereunder, and no waiver in any one circumstance or of any one provision shall be deemed a waiver in other circumstances or of other provisions.
- 24. <u>HOLIDAYS</u>. If any date set forth in this Option or computed pursuant to this Option falls on a Saturday, Sunday or national holiday, such date shall be deemed automatically amended to be the first business day following such weekend day or holiday.
- 25. <u>ATTORNEYS' FEES</u>. In the event of any breach or default hereof by a party, the non-defaulting party shall be entitled to recover its costs and expenses of litigation and settlement, including, without limitation, attorneys' fees and expenses, court costs, settlement costs and expenses, and fees.
- 26. <u>EFFECTIVE DATE</u>. This Option becomes effective on the date of the last signature of Seller and the Conservancy.
- 27. <u>COMPLETE AGREEMENT: COUNTERPARTS</u>. This Option constitutes the sole and complete agreement between the parties and cannot be changed except by written amendment. No representation or promise not included in this Option or any written amendment shall be binding upon the parties. This Option may be executed in multiple counterparts, each of which taken together shall constitute a single instrument.

[Signature Page(s) to Follow]

Executed on the dates set Seller and the Conservancy.	forth below,	to be effective	ve as of the dat	e of the last si	gnature of
SELLER:	Ce 1/	· · · · · · · · · · · · · · · · · · ·	: .		:
C. L. West — Date: 05/19/12	.:				; .
Janice Biggerstaff	· · ·		: . : 2	: .	
Date:	· :	: : :		- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	r
STATE OF TEXAS COUNTY OF GAWGYTOU	מנט מנט	. :		<i>i.</i> .	.:
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STATE OF TEXAS	July:	7,2014	Notary Publi	ic, State of Te	xas
COUNTY OF SALVES 3	§	:	tha day	of	2012
This instrument was ack by JANICE BIGGERSTAFF.	7IIOM iotiSett		uio uay	oi	, 2012,
			Notary Publ	ic, State of Te	xas

Seller and the Conservancy. SELLER: C. L. West STATE OF TEXAS COUNTY OF \_\_\_\_\_ This instrument was acknowledged before me on the \_\_\_\_ day of by C. L. WEST. Notary Public, State of Texas STATE OF OREGON COUNTY OF Washingto This instrument was acknowledged before me on the day of May by JANICE BIGGERSTAFF. OFFICIAL SEAL ADRIANA M RODRIGUEZ NOTARY PUBLIC - OREGON COMMISSION NO. 487925 MY COMMISSION EXPIRES APRIL 25, 2018

Executed on the dates set forth below, to be effective as of the date of the last signature of

THE NATURE CONSERVANCY	Page 1		
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Date: 05/29/12	 -		
STATE OF TEXAS §	:		
COUNTY OF TRAINS			
This instrument was acknowledged by Augh Hafford, as ECONSERVANCY, in such capacity on behavior Public, State of Texas My Commission Expires September 07, 2014	<u>enas</u> 5t	te Director	Mala NATURE
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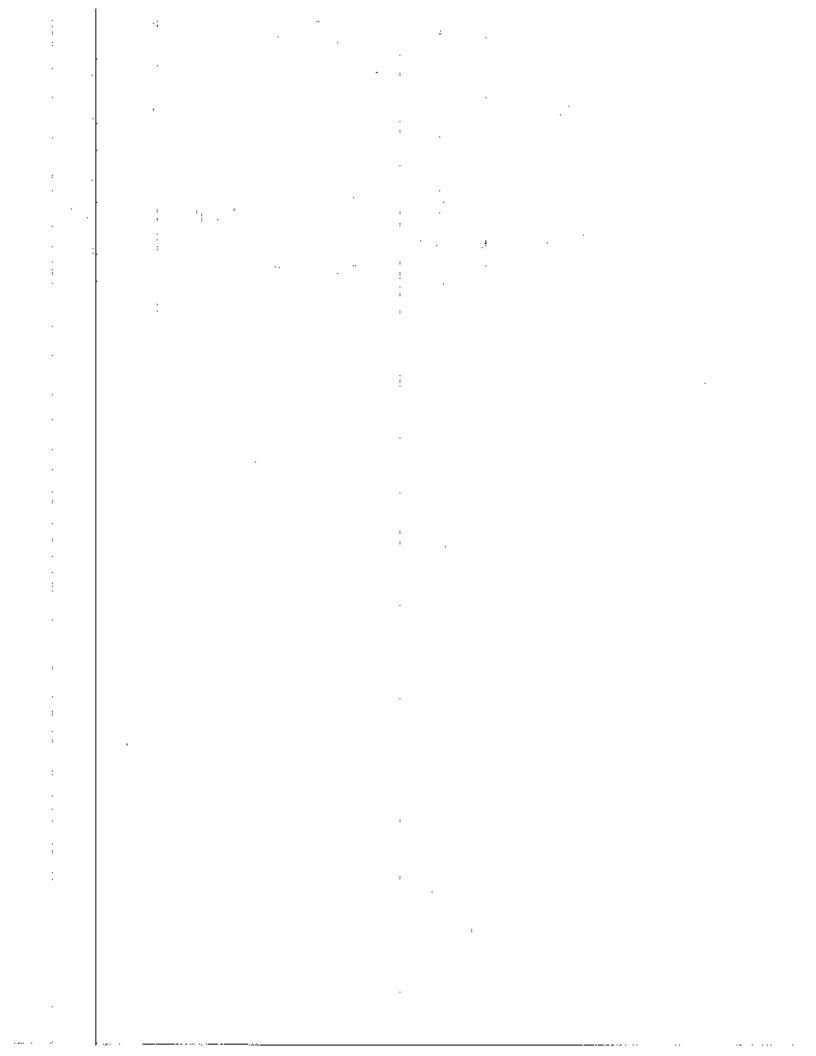
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Protecting nature. Presenting life."

318 Congress Avenue Austin, TX:78701 tel [512] 623.7240 fax [512] 623.7235 nature.org/texas

April 4, 2612

Mrs. Susan Shelton 725 Rivercrest Abilene, Texas 79605

Mrs. Jackie Batjer 1942 South Seventh Street Abilene, Texas 79602

Dear Mrs. Shelton and Mrs. Batjer,

As you are aware, The Nature Conservancy has an interest in purchasing approximately 320 acres of land you own located in Yoakum County, Texas.

In compliance with Section 301 of the Uniform Relocation Assistance and Real Property Acquisition
Policies Act of 1970, Public Law 91-646, you are advised that The Nature Conservancy believes the fair
market value of the property to be \$315 per acre. This offer is based on appraisal information obtained
from Clint Bumguardner, a state certified real estate appraiser with West Texas Appraisal, Incorporated.

The Nature Conservancy is unable to acquire the property if negotiations between you and the Conservancy fail to result in an amicable and mutually satisfactory agreement on the terms of the purchase.

You may contact me at the address and telephone number listed above for answer to any questions you may have.

Sincerety,

Jeff Francell

Director of Land Protection

Received:

Mrs. Susan Shelton

Mrs. Jackib Ration



318 Congress Avanue | Austin, TX 78701 tel [512] 623.7240 fax [512] 623.7239 nature.org/texas

April 4, 2012

Mrs. Janice Biggerstaff 16588 SW Matador Lane Tigard, OR 97224

Mr. C.L. West 2203 4<sup>th</sup> Avenue N Texas City, TX 77590-7262

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Director of Land Protection

Received:

Mcs. Janice Biggerstaff

Mr. C.L. West



318 Congress Avenue Austin, TX 78761

tel (512) 623.7240 fax (512) 623.7239

nature.org/texas

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Mr. C.L. West

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