

Liability hereunder is limited to the amount paid for same. This report is furnished solely as an accommodation to the party requesting same and should not be relied upon, as a warranty or representation as to the title to the property described herein and may not be given to or used by any third party. Bay Area Title Services, LLC (hereinafter called "Title Company") assumes no liability whatsoever for the accuracy of this report, nor for any omission or error with respect hereto. YOU AGREE TO RELEASE, INDEMNIFY AND HOLD HARMLESS TITLE COMPANY BECAUSE OF ANY NEGLIGENCE BY TITLE COMPANY (WHETHER SOLE, JOINT OR OTHERWISE) FOR ANY CLAIM, LOSS, LIABILITY OR DAMAGES ARISING OUT OF THIS REPORT. This report is not title insurance. If a policy of title insurance is purchased, any liability thereunder shall be determined solely by the terms of such policy.

Title/Exam Report

File No.: 08163485

Examiner Name: Natalie Landry

Prior File No/Ref: Stewart Reference file

Plant Date: February 22, 2016

Exam issue date: March 8, 2016

Examination from the Records of Bay Area Title Services, LLC

Subject to claims of present occupants, discrepancies in area and boundaries, unpaid bills for labor or material in connection with repairs or new improvements unpaid taxes.

TITLE VESTED IN: CC Leasing, LLC

Estate/Interest: Fee Simple

Legal Description of Property:

Being a tract of land containing 151.74 acre tract of land described in the Last Will and Testament of James H. Ewing to Frost National Bank, Trustee of the Ben F. Bryan, Jr. Trust and the C.E. Crawford FBO Ben Bryan, Jr. Trust as recorded in Clerk's File No. 317117, Official Public Records, San Patricio County, Texas; said 151.74 acres being comprised of Farm Lot No. 3 and the East 50 acres of Farm Lot No. 5. Block B of the Coleman Fulton Pasture Company's Subdivision of the Gregory Farm Lots as recorded in Volume 1, Page 11B, Map Records, San Patricio County, Texas and being out of the John Gerraghty Survey, Abstract 139, the Geronimo Valdez Survey, Abstract 269, and the Thos. T. Williamson Survey, Abstract 289, all in San Patricio County, Texas, said 151.74 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8" iron rod found for the northeast corner of said Farm Lot No. 3, the southeast corner of a 28.596 acre tract of land described in deed to Ralph W. Butler as recorded in Clerk's File No. 427879, Official Public Records, San Patricio County, Texas, the southwest corner of a 153.21 acre tract of land described in a deed to August Guettler, Jr., as recorded in Clerk's File No. 575503, Official Public Records of San Patricio County, Texas, the northwest corner of a 477.03 acre tract of land described in deed to E.I. Du Pont De Nemours and Company as recorded in Clerk's File No. 344474, Official Public Records of San Patricio County, Texas and for the northeast corner of this tract;

THENCE, South 01° 14' 29" East, along the west line of said 477.03 acre tract, a distance of 1671.92' to a 5/8" iron rod found for an interior corner of said 477.03 acre tract and for an exterior corner of this tract;

THENCE, South 88° 42' 35" West, continuing along the common line of said 477.03 acre tract, a distance of 2650.07' to a 5/8" iron rod found for an exterior corner of said 477.03 acre tract and for an interior corner of this tract;

THENCE, South 01° 15' 18" East, continuing along the common line of said 477.03 acre tract, a distance of 1603.07' to a 5/8" iron rod found on the northeast right of way line of the Union Pacific Railroad (R.O.W. width varies) for the southwest

corner of said 477.03 acre tract and for the southeast corner of this tract;

THENCE, North 60° 02' 46" West, along the northeast line of said U.P.R.R. a distance of 831.26' to a 5/8" iron rod found for the southeast corner of a 253.90 acre tract of land described in deed to TPCO America Corporation as recorded in Clerk's File No. 599763, Official Public Records, San Patricio County, Texas for the southwest corner of this tract;

THENCE, North 01° 15' 28" West, along the east line of said 253.90 acre tract, a distance of 2845.68' to a 5/8" iron rod found for an interior corner of said 253.90 acre tract for the northwest corner of this tract;

THENCE, North 88° 44' 29" East, continuing along the common line of said 253.90 acre tract at 711.25' pass a 5/8" iron rod found for an exterior corner of said 253.90 acre tract being the southwest corner of said 28.596 acre tract, in all a distance of 3361.57' to the POINT OF BEGINNING and containing 151.74 acres of land (6,609.492 sq. ft.) more or less

NOTE: Company is prohibited from insuring the area or quantity of the land described herein. Therefore, Company does not represent that the acreage or square footage calculations are correct. References to quantity are for informational purposes only.

Subject to:

Restrictions:

Exceptions:

Right of Way Deed dated January 31, 1929, from J.A. Harrell to San Patricio County, Texas recorded on May 17, 1929, recorded in Volume 92, Page 308, Deed Records of San Patricio County, Texas.

Right of Way Easement dated January 14, 1931, from Jim A. Harrell to Central Power and Light Company, recorded on February 5, 1931, in Volume 98, Page 464, Deed Records of San Patricio County, Texas.

Right of Way dated September 26, 1952, from James H. Ewing to Houston National Gas Corporation, recorded on October 11, 1952 recorded in Volume 178, Page 262, Deed Records of San Patricio County, Texas. (Blanket)

Right of Way dated January 28, 1937 from W.A. Kline to Humble Pipe Line Company, recorded on February 25, 1937 under Clerk's File No. 9999, Volume 111, Page 261, Deed Records of San Patricio County, Texas.

Right of Way Agreement dated October 8, 1964 from Guaranty National Bank and Trust of CC to Houston Natural Gas Corp., recorded on October 15, 1965 under Clerk's File No. 174402, Volume 323, Page 84, Deed Records of San Patricio County, Texas.

Easement dated September 20, 1972 from Guaranty National Bank & Trust of CC to Southwestern Bell Telephone Co., recorded on November 28, 1972 under Clerk's File No. 225230, Volume 458, Page 304, Deed Records of San Patricio County, Texas.

Easement acknowledged on September 20, 1972 from Neil Kline, et al to Southwestern Bell Telephone Co., recorded under Clerk's File No. 225504, Volume 259, Page 123, Deed Records of San Patricio County, Texas.

Right of Way Easement dated October 25, 1976, from Guaranty National Bank & Trust, Independent Executor and Trustee under the Will of James H. Ewing, deceased to Central Power and Light Company, a Texas corporation, recorded under Clerk's File No. 254718, Volume 541, Page 201, Deed Records of San Patricio County, Texas.

Right of Way Easement dated June 12, 1966 from Guaranty National Bank and Trust, Trustee to Houston Natural Gas Corporation, recorded on June 15, 1966 under Volume 335, Page 215, Deed Records of San Patricio County, Texas.

Non-Objection Easement dated January 31, 2002 by and between The Frost National Bank, Trustee of the Ben F. Bryan Jr. Trust et al to Central Power and Light Company, recorded on June 13, 2002 under Clerk's File No. 506774, Real Property Records of San Patricio County, Texas.

Memorandum of Pipeline Right of Way and Easement Agreement acknowledge on November 20, effective as of November, 2001 by and between Frost National Bank, Trustee of the Ben F. Bryan, Jr. Trust and C.E. Crawford FBO Ben Bryan Jr., Trust and CrossTex CCNG Transmission, Ltd. ("Grantee") recorded on December 5, 2001 under Clerk's File No. 500535 of the Real Property Records of San Patricio County, Texas.

Right of Way Agreement dated December 7, 2007 by and between Frost National Bank, Trustee of the Ben F. Bryan, Jr. Trust and C.E. Crawford FBO Ben Bryan, Jr., Trust and CrossTex NGL Pipeline, L.P. recorded on February 13, 2008 under Clerk's File No. 577426 of the Real Property Records of San Patricio County, Texas.

Right of Way Agreement dated July 22, 1999 by and between The Frost National Bank, Trustee and San Patricio Municipal Water District recorded on August 3, 1999 under Clerk's File No. 475992, Real Property Records of San Patricio County, Texas.

Mineral Deed dated May 15, 1936 from Coleman K. Harrell to R.S. McCracken, et al, recorded under Clerk's File No. 7615, Volume 19, Page 470, Oil and Gas Records of San Patricio County, Texas.

Mineral Deed dated October 26, 1939 from Coleman K. Harrell to Ollie Harrell Buckley, recorded under Clerk's File No. 23514, Volume 36, Page 240, Oil and Gas Records of San Patricio County, Texas.

Mineral Deed dated May 22, 1941 from W.B. Harrell to W.N. Purcell recorded under Clerk's File No. 30253, Volume 42, Page 73, Oil and Gas Records of San Patricio County, Texas.

Mineral Deed dated April 28, 1943 from W.N. Purcell and wife, Mattie Lee Purcell to W.B. Harrell recorded under Clerk's File No. 36471, Volume 46, Page 606, Oil and Gas Records of San Patricio County, Texas.

Royalty Deed dated May 10, 1944, from W.N. Purcell and wife, Mattie Lee Purcell to Jack P. Rayzor, recorded under Clerk's File No. 40376, Volume 50, Page 53, Oil and Gas Records of San Patricio County, Texas.

Partition Royalty Deed dated May 12, 1944 from W.N. Purcell and wife, Mattie Lee Purcell et al to each other, recorded under Clerk's File No. 40384, Volume 50, Page 60, Oil and Gas Records of San Patricio County, Texas.

Partition Royalty Agreement and Deed dated November 3, 1947 from Mrs. Ollie Harrell (Buckley) Hubby et al to W.N. Purcell and wife, Mattie Lee Purcell, recorded under Clerk's File No. 57412, Volume 60, Page 46, Oil and Gas Records of San Patricio County, Texas.

Mineral and/or royalty interest, the royalties, bonuses, rentals and all other rights in connection with said mineral and/or royalty rights, bonuses and rentals described in instrument as follows:

- (1) an undivided interest in instrument dated January 31, 1959 from W. Bryan Harrell and wife, Mildred Harrell to W.N. Purcell and Mattie Lee Purcell recorded on February 8, 1939 under Clerk's File No. 19139, Volume 118, Page 475, Deed Records of San Patricio County, Texas;
- (2) an undivided interest in instrument dated March 7, 1939 from Roy L. Kendall and wife, Ruby Kendall to W.N. Purcell and Mattie Lee Purcell, recorded on March 20, 1939 under Clerk's File No. 20057, Volume 119, Page 318, Deed Records of San Patricio County, Texas;
- (3) an undivided interest in instrument dated March 15, 1939 from Coleman K. Harrell to W.N. Purcell and Mattie Lee Purcell, recorded on March 22, 1939 under Clerk's File No. 20090, Volume 119, Page 327, Deed Records of San Patricio County, Texas;
- (4) an undivided interest in instrument dated June 24, 1941 from Mrs. Doris Harrell, Individually and as

guardian of the persons and Estates of James Rupert Harrell and Bettie Jean Harrell, minors to W.N. Purcell, recorded on July 23, 1941 under Clerk's File No. 30810, Volume 128, Page 343, Deed Records of San Patricio County, Texas.

(5) an undivided interest in instrument dated September 8, 1941 from W.N. Purcell and Mattie Lee Purcell to Mrs. Johnnie Harrell Gouger, et al recorded on September 16, 1941 under Clerk's File No. 31327, Volume 129, Page 4, Deed Records of San Patricio County, Texas;

(6) an undivided interest in instrument from Mrs. Ollie Hubby to James H. Ewing, dated January 20, 1951 recorded on February 14, 1951 under Clerk's File No. 73894, Volume 168, Page 244, Deed Records of San Patricio County, Texas;

reference to which instrument is here made for all purposes. Title to said interest not checked subsequent to the date of the aforesaid instrument.

Reservation of all of the oil, gas and other minerals by virtue of "The Surface Estate Only" being conveyed by grantors in Warranty Deed from Frost Bank, Trustee to CC Leasing, LLC dated August 14, 2012 recorded under Clerk's File No. 620575, Official Public Records of San Patricio County, Texas; reference to which instrument is here made for all purposes. Title to said interest not checked subsequent to date of aforesaid instrument.

Terms and provisions of the oil, gas and mineral leases described in the following instruments for which the Company makes no representation as to the present ownership of said interests:

(1) dated May 11, 1981, from R.S. McCracken, et al, Lessor to LOFCO, Lessee, recorded July 24, 1981 under Clerk's File No. 299374, Volume 307, Page 746, Oil and Gas Records of San Patricio County, Texas;

(2) dated May 13, 1981, from Guaranty National Bank & Trust of Corpus Christi, Trustee to LOFCO, recorded under Clerk's File No. 299375, Volume 307, Page 750, Oil and Gas Records of San Patricio County, Texas;

(3) dated July 23, 1996, from R.S. McCracken, Lessor to Esenjay Petroleum Corporation, Lessee, recorded under Clerk's File No. 444902, Real Property Records of San Patricio County, Texas;

(4) dated July 23, 1996, from George R. Clark, et al, Lessor to Esenjay Petroleum Corporation, Lessee, recorded under Clerk's File No. 445918, Real Property Records of San Patricio County, Texas;

(5) dated May 27, 1998, from R.S. McCracken, Lessor to Esenjay Petroleum Corporation, Lessee, recorded under Clerk's File No. 464409, Real Property Records of San Patricio County, Texas;

Title to said interests not checked subsequent to the dates of the aforesaid instruments.

Rail Easement Agreement dated December 2015, executed by CC Leasing, LLC and TPCO America Corporation, recorded under Clerk's File No. 653427, Official Public Records of San Patricio County, Texas.

Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.

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.

All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

Building, Zoning, Platting and Regulatory Laws and Ordinances of any Municipal or other Governmental Authority.

Rights of tenants, and assigns, as tenants only, under currently effective lease agreements. *(NOTE: This item can be deleted upon receipt of an Affidavit executed by the seller evidencing there are not any outstanding leases or rental agreements. If the Affidavit reveals unrecorded outstanding leases or rental agreements the exception may be modified to make specific exception to those matters.)*

Visible and apparent easements not shown by the public records. (Owner's Title Policy Only)

**** Note**** upon receipt of a survey acceptable to the Title Company, this exception will be deleted. The

Company reserves the right to except additional items and/or make additional requirements after reviewing said survey.

Rights of Parties in Possession. (Owners Title Policy Only)

Requirements:

Satisfaction of outstanding liens.

Company must be furnished a properly executed Affidavit of Debts and Liens executed by Seller, if a sale or by the Borrower, if a loan only.

Notice to all buyers, sellers, borrowers, lenders and all parties interested in the transaction covered by this commitment:

Effective September 26, 1988, the State Board of Insurance has adopted Procedural Rule P-27 (as amended) which requires that "Good Funds" be received and deposited before a Title Agency may disburse from its trust fund account.

"Good Funds" means: (1) cash or wire transfers; (2) certified checks, cashier's checks and teller's checks, as further described in definition "g" of this rule; (3) Uncertified funds in amounts less than \$1,500.00 including checks, traveler's checks, money orders, and negotiable orders of withdrawal, provided multiple items shall not be used to avoid the \$1,500.00 limitation; (4) Uncertified funds in the amounts of \$1,500.00 or more, drafts and any other item when collected by the financial institution; (5) State of Texas warrants; (6) United States Treasury checks; (7) Checks drawn on a bank or savings and loan association insured by the FDIC or FSLIC and for which a transaction code has been issued pursuant to, and in compliance with, such bank or savings and loan association; (8) Checks by City and County Governments located in the State of Texas.

NOTICE: Title Company is unwilling to issue the Title Policy without the mineral exception(s) set out in Schedule B hereof. Optional Endorsements (T19.2 and T19.3) insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. Neither this Policy, nor the optional endorsements, insure that the purchaser has title to the mineral rights related to the surface estate. The promulgated cost for each endorsement is \$50 on an Owners Title Policy and \$0 charge on a Loan Policy.

Payment of any and all ad valorem taxes which may be due and payable on the subject property.

If requested, applicable and upon payment of the applicable premium (\$20.00), Schedule B, Item 3 of the Loan Title Policy ONLY will be amended to read "Standby fees and taxes for the year 2016, and subsequent years", upon proof of payment of all taxes for prior years and proof that the property has not been taxed on the basis of an agricultural, open space, or timberland use valuation that would subject the property to "roll-back" taxes upon a change in land usage or ownership.

If requested, applicable and upon payment of the applicable premium (\$5.00), Schedule B, Item 3 of the Loan Title Policy ONLY will be amended to read "Standby fees and taxes for the year 2016, and any subsequent years, not yet due and payable", upon receipt of proof of payment of all taxes for the prior years and proof that the property has not been taxed on the basis of an agricultural, open space, or timberland use valuation that would subject the property to "roll-back" taxes upon a change in land usage or ownership.

Arbitration: The Owner Policy of Title Insurance (Form T-1) and the Loan Policy of Title Insurance (Form T-2) contain an arbitration provision. It allows the Insured or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If the insured wants to retain the right to sue the Company in case of a dispute over a claim, the Insured must request deletion of the arbitration provision before the Policy is issued. The Insured may do this by signing the Deletion of Arbitration Provision form and returning it to the Company at or before the closing of the real estate transaction or by writing to the Company. (The Arbitration Provision may not be deleted on the Texas Residential Owner Policy of Title Insurance (Form T-1R))

If Company is to rely on any existing survey, the survey must be prepared by a professional land surveyor and be acceptable to the title company. The Seller/Borrower must execute a sworn affidavit that since the date of the survey there have been no additional improvements constructed, boundary fences changed nor easements granted and such other matters as the title company may require. A copy of the subdivision plat is not acceptable for the purpose of the survey amendment.

Title company requires five working days advance notice if a Power of Attorney is going to be used in connection with any of the closing instruments. Title company shall have the right to review Power of Attorney document for a sufficient time prior to closing. The Title Company will require the party who has given the Power of Attorney that will be used in this transaction to be contacted immediately prior to the filing of documents to ascertain that said person is alive. Title Company will make specific requirements concerning identity of the party granting the Power of Attorney as well as the party using the Power of Attorney.

H.B. 2930 requires a confidentiality notice be inserted in all instruments executed on or after January 1, 2004, transferring an interest in real estate to or from an individual. This would include deeds, deeds of trust, easements, leases, etc., but would not include those instruments, such as powers of attorney, which do not themselves transfer an interest in property.

The required notice must be in 12-point boldface type or 12-point uppercase letters and must read substantially as follows:

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

This new statute only applies to instruments transferring an interest in realty to or from an Individual. It does not apply to transfer between corporations, partnerships, limited liability companies, and the like.

Lien instrument executed by Proposed Borrower on behalf of the Proposed Lender in the amount of the Proposed Loan to include the following paragraph: All payments under the note whose payment is secured by this Deed of Trust shall be first applied to that portion of the debt, if any, payment of which is or may be found or declared to be invalidly secured by the lien of this Deed of Trust.

If requested, applicable and upon payment of the applicable premium (\$25.00), Environmental Protection Lien Endorsement will be added to the Loan Title Policy.

The premium reflected on this Commitment for the Loan Title Policy may be amended at closing, depending on which, if any, additional endorsements are required by Lender.

The Company will amend Item 2 on Schedule B (known as the "Survey Exception") to delete all language except for "shortages in area", subject to satisfaction of the following requirements: (i) receipt of a current survey acceptable to the Company; and (ii) payment of all expenses in connection with the survey; and, (iii) payment of the additional promulgated premium if this coverage is requested on an owner policy; and (iv) the inclusion of additional exceptions, and/or the addition of promulgated express insurance language, on Schedule B as deemed necessary by the Company following its review of the survey. Note to Lender: The T-17 (PUD) Endorsement and the T-19 (Comprehensive / Restrictions, Encroachments, Minerals) Endorsement may not be issued without a current survey.

The closing must comply with the terms and conditions of the Earnest Money Contract. Any deviation from same should be reduced to writing and signed by all parties.

In the event any Mortgagee from whom a release or transfer is required has changed names, merged or been acquired by any other entity, then the proper documentation in recordable form showing the transfer, merger or acquisition shall be delivered to title company prior to closing.

"Rights of parties in possession" shown in Schedule B of this commitment will be deleted from the Owner's Title Policy ONLY if an inspection is made and paid for which shows no parties in possession other than the owner or purchaser(s). If such an inspection is not required, the purchaser(s) must sign a Waiver of Inspection and

acknowledge that they understand that the Owner's Title Policy will be issued subject to the rights of parties in possession.

Company requires the following documentation in regards to **CC Leasing, LLC**:

1. Articles of Organization a/k/a Certificate of Formation; 2. Regulations a/k/a Company Agreement; 3. Certificate of Good Standing; 4. Limited Liability Company Resolution or Company Resolution (NOT Corporate Resolution); this document must set forth a specific description of the transaction including the parties to the transaction, the amount of funds to be spent or borrowed and specifically what title can sign on behalf of LLC and the names of the current Manager(s) or Member(s) or Officer(s). 5. Statement by manager(s) of the limited liability company {or statement by the members of the limited liability company if it is member managed} that the proposed transaction does not involve a sale or mortgage of substantially all the assets of the limited liability company.

Obtain and file for record a Release, Partial Release, Subordination or Renewal, Extension and Transfer for the following lien(s): -- If the current holder(s) of the Note(s) and Lien(s) is not the Holder indicated below, furnish recordable proof of Transfer, Merger or Name Change:

Deed of Trust, Security Agreement - Financing Statement dated August 14, 2012, executed by CC Leasing, LLC to Jimmy R. Locke, Trustee, filed for record on August 21, 2012 under Clerk's File No. 620576, Official Public Records of San Patricio County, Texas, securing Frost Bank in the payment of one note of even date therewith in the principal sum of \$1,260,000.00, due and payable and bearing interest as therein provided.

Extension of Real Estate Note and Lien dated August 20, 2014, executed by CC Leasing, LLC to Frost Bank, recorded under Clerk's File No. 640792, Official Public Records of San Patricio County, Texas.

Any matters revealed by current, on the ground, as-built survey.

Bay Area Title Services, may require that further exceptions and/or requirements be made, depending upon the information submitted in satisfaction of the requirements set forth above.

This document has been prepared as an examination of the title history of the above referenced property. It should not be construed as a commitment to provide Title Insurance for said property until a contract or order request from a lender has been received.

Notes To Closer:

Examined By: Natalie Landry
Effective Date: February 22, 2016
Reference File No: Stewart Prior
Prior Policy Provided/Reviewed: NA

Title Vested By: Warranty Deed dated August 14, 2012, executed by Frost Bank, Trustee to CC Leasing, LLC, recorded under Clerk's File No. 620575, Official Public Records of Nueces County, Texas.

Legal Access to Property: Need Survey
Special Assessments:
Other Curative Matters:

___ Survey has been reviewed by Examination Dept.

___ Checked PACER for Validity of Bankruptcies on ___ Seller(s) ___ Buyer(s)

The following names have been searched in the Index Records of the County and researched in Patriot Act:
CC Leasing, LLC

Other Notes:

Examined by: _____
Natalie Landry