

Cover page for:

Preliminary Title Insurance Schedules

Prepared by:

Haskell County Abstract & Title Company

File Number: HCA-4956

Auction Tract 3

For auction conducted on May 24, 2016 by:

Schrader Real Estate and Auction Company, Inc.

On behalf of:

TLW Land & Cattle, L.P.

Name and Address of Title Insurance Company
First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707

SCHEDULE A

Commitment Number: **HCA-4956**

1. Effective Date: **April 25, 2016 at 7:59AM**

2. Policy or Policies to be issued:

Policy Amount:

a. ALTA Owners Policy (6-17-06)

\$ 1,000.00

Proposed Insured:

To Be Determined

ALTA Loan Policy (6-17-06)

\$

Proposed Insured:

To Be Determined

3. The estate or interest in the land described or referred to in this Commitment is: Fee Simple

4. Title to the Fee Simple estate or interest in the land is at the Effective Date vested in:

TLW Land & Cattle, L.P.

5. The land referred to in this Commitment is described as follows:

THE SURFACE AND SURFACE RIGHTS ONLY IN AND TO:

All of Section Eleven (11), Township Twenty-seven (27) South, Range Thirty-four (34) West of the 6th
P.M., Haskell County, Kansas..

FIRST AMERICAN TITLE INSURANCE COMPANY

Countersigned by **Haskell County Abstract & Title Company**



By **Suzan Kimball**, License #**KS 6113534**
Authorized Signatory

Name and Address of Title Insurance Company
First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707

SCHEDULE B

Commitment Number: **HCA-4956**

I. Requirements:

A. Instruments in insurable form which must be executed, delivered, and duly filed for record:

1. Record **TERMINATION** of UCC Financing Statement #08-44, filed on July 23, 2008 in the office of the Register of Deeds of Haskell County, Kansas; TLW Land & Cattle, L.P., Debtor; Farm Credit of Western Oklahoma, L.P., Secured Party. Last Amended April 28, 2014.
2. Record **RELEASE** of Mortgage dated **June 27, 2008**, in the original amount of **\$8,725,000.00**, executed by **TLW Land & Cattle, L.P., an Oklahoma limited partnership**, in favor of **Farm Credit of Western Oklahoma, FLCA, a wholly owned subsidiary of Farm Credit of Western Oklahoma, ACA**, recorded **July 7, 2008** in Book **192**, Pages **216**.
3. Furnish a file-stamped copy of the Articles of Organization of TLW Land & Cattle, L.P.
4. Furnish a fully executed copy of the Operating Agreement for TLW Land & Cattle, L.P. We reserve the right to make additional requirements or exceptions based on the review.
5. Furnish LIEN AFFIDAVIT executed by **TLW Land & Cattle, L.P.**
6. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
7. Pay us the premiums, fees and charges for the policy.
8. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
9. You must tell us in writing the name of anyone not referred to in this commitment who will get an interest in the land or who will make a loan on the land. We reserve the right to make additional requirements or exceptions relating to the interest or the loan.

II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

B. General Exceptions:

1. Any lien, or right to lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by Public Records.

Name and Address of Title Insurance Company

**First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707**

2. Any encroachment, encumbrance, violation, variation or adverse circumstances affecting Title that would be disclosed by an accurate and complete survey of the Land or that could be ascertained by an inspection of the Land.
3. Easements, or claims of easements, not shown by the Public Records.
4. Right or claims of parties in possession not shown by the Public Records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.

Name and Address of Title Insurance Company
First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707

C. Special Exceptions:

1. General taxes and special assessments for the year **2016** and subsequent years, not yet due and payable. Taxes for 2015 and prior years are posted as paid. See tax printouts attached hereto and made a part hereof.
2. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the land or produced from the land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) appear in the Public Records or are shown in Schedule B.
3. Easement dated July 21, 1949, executed by John Q. Adams and Dessie M. Adams, his wife, in favor of Northern Natural Gas Company, recorded October 8, 1949 in Book 10 O&G, Page 207. Together with the assignments and various other instruments pertaining thereto.
4. Right of Way Grant – Pipeline dated September 30, 1949, executed by Jno. Q. Adams, in favor of Northern Natural Gas Company, recorded October 7, 1949 in Book 10 O&G, Page 195. Together with the assignments and various other instruments pertaining thereto.
5. Certificate of Appropriation for Beneficial Use of Water dated November 10, 1983, executed by the Chief Engineer, Division of Water Resources, Water Right File #30,817, Priority Date of December 13, 1977, recorded December 19, 1983 in Book 81, Page 521.
6. Right of Way dated August 17, 1991, executed by Fern M. Batchelder, in favor of Koch Gathering Systems, Inc., recorded January 19, 1993 in Book 119, Page 704. Together with the assignments and various other instruments pertaining thereto.
7. Certificate of Board of County Commissioners for Official Opening of Roads, recorded June 27, 2011, in Book 206, Page 79. Amended Certificate of Board of County Commissioners for Official Opening of Roads, recorded September 26, 2011 in Book 206, Page 839. Second Amended Certificate of Board of County Commissioners for Official Opening of Roads, recorded October 31, 2011 in Book 207, Page 354. Third Amended Certificate of Board of County Commissioners for Official Opening of Roads, recorded December 12, 2011 in Book 207, Page 676. Fourth Amended Certificate of Board of County Commissioners for Official Opening of Roads, recorded February 13, 2012 in Book 208, Page 500.
8. Access Easement dated as of April 23, 2014, executed by TLW Land & Cattle, L.P., in favor of Cattle Empire, LLC, recorded May 18, 2015 in Book 224, Page 74.

NOTE: This is NOT a commitment to insure and has been issued as a report as to the status of title, and as such should not be relied upon for a Real Estate transaction. This not a Commitment to insure, and no insurance is provided by this Commitment. (Cont.)

Name and Address of Title Insurance Company

**First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707**

If a Commitment for Title Insurance is desired, the identity of the entities to be insured and policy amounts must be disclosed to this Company and this Company will issue a Commitment for Title Insurance disclosing all requirements for issuance of the policy, as well as any additional exceptions which may be taken.

Name and Address of Title Insurance Company
First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

First American Title Insurance Company, a Nebraska corporation (“Company”), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner and mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS THEREOF, First American Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

First American Title Insurance Company



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary

Name and Address of Title Insurance Company
First American Title Insurance Company
1 First American Way, P.O. Box 267
Santa Ana, California 92707

CONDITIONS

The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

1. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of the Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
2. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified here in.
3. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the conditions of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of the Commitment.
4. The policy to be issued contains an arbitration clause. 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 as the exclusive remedy of the parties. You may review a copy of the arbitrations rules at <http://www.alta.org/>. **THIS PARAGRAH DOES NOT APPLY IN STATE OF KANSAS.**