

Cover page for:

Preliminary Title Insurance Schedules

Prepared by:

Haskell County Abstract & Title Company

File Number: HCA-4957

Auction Tract 4*

(*If Tract 4 is sold separately from Tract 1, the legal descriptions provided with the preliminary title insurance schedules will be modified as described in the Bidder Packets.)

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-4957**

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:

The South Half (S/2) of Section Sixteen.(16), Township Twenty-seven (27) South, Range Thirty-four (34) West of the 6th P.M., Haskell County, Kansas, EXCEPT a tract beginning at the West Quarter corner of Section 15, being a set No. 4 R-bar with a cap "Lot Taylor KSLs 665" (typical); thence South 1°47'32" West along the West line of Section 15 a distance of 46.47 feet; thence North 88°37'19" West a distance of 12.15 feet to a set No. 4 – R-Bar with a cap; thence North 1°36'27" East a distance of 405.30 feet to a set No. 4 R-bar with a cap; thence South 89°08'31" East a distance of 13.46 feet; thence South 1°47'32" West along the West line of said Section 15 a distance of 358.96 feet to the Point of Beginning, located in the East Half of Section 16-27S-34W.

FIRST AMERICAN TITLE INSURANCE COMPANY

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



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

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SCHEDULE B

Commitment Number: **HCA-4957**

I. Requirements:

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

1. Record RELEASE of Notice of Right of First Refusal, dated as of April 23, 2014, executed by and between TLW Land & Cattle, L.P., an Oklahoma limited partnership, and Cattle Empire, LLC, a Kansas limited liability company, recorded September 17, 2014 in Book 221, Page 479.
2. Furnish file-stamped copy of the Articles of Organization of TLW Land & Cattle, L.P.
3. Furnish 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.
4. Furnish LIEN AFFIDAVIT executed by **TLW Land & Cattle, L.P.**
5. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
6. Pay us the premiums, fees and charges for the policy.
7. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
8. 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.
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.

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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.

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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. Right of Way dated June 10, 1947, executed by John C. Jones and Elizabeth Jones, his wife, in favor of Colorado Interstate Gas Company, recorded July 28, 1947 in Book 8 O&G, Page 37. Together with the assignments and various other instruments pertaining thereto.
4. Right of Way dated June 19, 1948, executed by John C. Jones and Mary Elizabeth Jones, his wife, in favor of Colorado Interstate Gas Company, recorded February 7, 1949 in Book 7 Misc., Page 452. Together with the assignments and various other instruments pertaining thereto.
5. Right of Way Grant dated November 13, 1958, executed by Walter Kuhn and Ruby Kuhn, his wife; and Byron M. Radcliff and Beatrice Radcliff, his wife, in favor of Jayhawk Pipeline Corporation, recorded January 16, 1959 in Book 8 Misc., Page 372. Together with the assignments and various other instruments pertaining thereto.
6. Right of Way Agreement dated October 17, 1978, executed by Walter Kuhn Trusts #1 & #2, by Union National Bank of Wichita, Trustee, in favor of Northern Natural Gas Company, recorded November 9, 1978 in Book 64, Page 360. Together with the assignments and various other instruments pertaining thereto.
7. Pipeline Easement dated November 9, 1978, executed by Walter F. Kuhn K-R Range Trust #2, c/o Union National Bank, Trustee, recorded December 4, 1978 in Book 64, Page 519. Together with the assignments and various other instruments pertaining thereto.
8. Certificate of Appropriation for Beneficial Use of Water dated September 22, 1980, executed by the Chief Engineer, Division of Water Resources, Application #6911, Priority Date of February 14, 1957, recorded October 21, 1980 in Book 70, Page 162.
9. Certificate of Appropriation for Beneficial Use of Water dated September 22, 1980, executed by the Chief Engineer, Division of Water Resources, Application #11,552, Priority Date of January 14, 1966, recorded October 21, 1980 in Book 70, Page 164.

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10. Approval of Application for Change in Point of Diversion, Application to Appropriate Water File No. 11,552, dated September 11, 1981, executed by the Division of Water Resources, recorded September 24, 1981 in Book 73, Page 258.
11. Approval of Application for Change in Point of Diversion, Application to Appropriate Water File No. 6911, dated January 25, 1982, executed by the Division of Water Resources, recorded February 17, 1982 in Book 76, Page 721.
12. Approval of Application for Change in Point of Diversion, Application to Appropriate Water File No. 11,552, dated January 25, 1982, executed by the Division of Water Resources, recorded February 17, 1982 in Book 76, Page 723.
13. In the Matter of the Points of Diversion and Quantities of Water and Rates of Diversion Appurtenant Thereto Under the Certificate of Appropriation Issued Pursuant to File No. 11,552, dated June 1, 1984, executed by the Chief Engineer, Division of Water Resources, recorded March 20, 1987 in Book 94, Page 738.
14. Right of Way Agreement dated June 3, 1996, executed by Kearny County Feeders, Inc., in favor of Colorado Interstate Gas Company, recorded June 27, 1996 in Book 134, Page 315. Together with the assignments and various other instruments pertaining thereto.
15. Pipeline Right of Way Agreement dated May 4, 2005, executed by TLW Land & Cattle, L.P., in favor of Oxy USA, Inc., recorded May 23, 2005 in Book 176, Page 30. Together with the assignments and various other instruments pertaining thereto.
16. 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.
17. Access Easement dated as of April 23, 2014, executed by Cattle Empire, LLC and TLW Land & Cattle, L.P., recorded May 18, 2015 in Book 224, Page 74.
18. The land described in this policy does not include any house trailer/mobile home/manufactured housing unit/modular home located on the premises.

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 is not a commitment to insure, and no insurance is provided by the Commitment.

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.

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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.

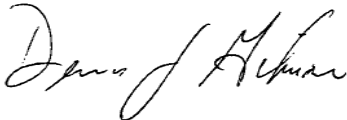
This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

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

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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.**