

Cover page for:

Preliminary Title Insurance Schedules

Preliminary title insurance schedules prepared by:

Community Title & Escrow, Ltd.

(File Number: A211094)

Auction Tract 1

(Montgomery County, Illinois)

For October 21, 2021 auction to be conducted by:

Schrader Real Estate and Auction Company, Inc.

On behalf of:

New River Royalty LLC



File Number: A211094

COMMITMENT FOR TITLE INSURANCE
ISSUED BY
Commonwealth Land Title Insurance Company

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY’S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment/Conditions, Commonwealth Land Title Insurance Company, a Florida Corporation (the “Company”), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 days after the Commitment Date, this Commitment terminates and the Company’s liability and obligation end.

Community Title & Escrow, Ltd.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: [Handwritten signature: Melinda Kimler]

By: [Handwritten signature]

ATTEST

President

[Handwritten signature]

Secretary

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Issuing Agent: Community Title & Escrow, Ltd., authorized Agent of: Commonwealth Land Title Insurance Company

Issuing Office: 2600-D State Street, Alton, IL 62002

ALTA® Universal ID: 0004715

Loan ID Number:

Issuing Office File Number: A211094

Revision Number: revision 01

Closer:

Phone:

Email:

Examiner:

Phone:

Email:

If applicable to this transaction, your Wiring Instructions are available at this link: [Wire Instructions](#)

Any wiring instructions contained herein are for the use of the Lender only and are not valid unless verified by phone with your closer. Wiring Instructions for all other parties must be obtained per instructions obtained by phone from your closer.

SCHEDULE A

1. Commitment Date: [August 25, 2021, 8:00 am](#)

2. Policy to be issued:

(a) 2006 ALTA Owner's Policy

Proposed Insured:

[Purchaser with contractual rights under a purchase agreement with the vested owner identified in item 4 of schedule A](#)

Proposed Policy Amount:

(b) 2006 ALTA Loan Policy

Proposed Insured:

[Lender with contractual obligations under a loan agreement with the vested owner identified in Item 4 of Schedule A.](#)

Proposed Policy Amount:

3. The estate or interest in the Land described or referred to in this Commitment is [Fee Simple](#).

4. Title to the estate or interest in the Land is at the Commitment Date vested in:
[New River Royalty LLC, a Delaware limited liability company](#)

5. The Land is described as follows: [See Attached Exhibit A](#)



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Exhibit A

The Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Twenty (20) in Township Eight (8) North, Range Three (3) West of the Third Principal Meridian in Montgomery County, Illinois.

IDENT: 201500000645

Except any interest in the coal, oil, gas and other mineral rights underlying the land which have been heretofore conveyed or reserved in prior conveyances, and all rights and easements in favor of the estate of said coal, oil gas and other minerals, if any.

PPN: 17-20-200-001 (Tract 1)

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SCHEDULE B-I Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The Company must be informed, prior to closing, of any alterations, repairs or new construction in progress, recently completed or contemplated, at which time additional requirements may become necessary.
6. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
7. The "Good Funds" section of the Title Insurance Act (215 ILCS 155/26) is effective January 1, 2010. This Act places limitations upon our ability to accept certain types of deposits into escrow. Please contact your local Title office regarding the application of this new law to your transaction.
8. Effective June 1, 2009, pursuant to Public Act 95-988, satisfactory evidence of identification must be presented for the notarization of any and all documents notarized by an Illinois notary public. Satisfactory identification documents are documents that are valid at the time of the notarial act; are issued by a state or federal government agency; bear the photographic image of the individual's face; and bear the individual's signature.
9. The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner's policy should reflect the purchase price or full value of the Land. A Loan Policy should reflect the loan amount or value of the property as collateral. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.
10. For each policy to be issued as identified in Schedule A, Item 2; the Company shall not be liable under this commitment until it receives a designation for a Proposed Insured, acceptable to the Company. As provided in Commitment Condition 4, the Company may amend this commitment to add, among other things, additional exceptions or requirements after the designation of the Proposed Insured.
11. Warranty Deed executed by **New River Royalty, LLC** to Purchaser with contractual rights under a purchase agreement with the vested owner identified in item 4 of schedule A, must be made a matter of public record.
12. The Company should be furnished, from the Seller, the following:

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SCHEDULE B-I Requirements

- (a) A copy of the Articles of Organization of the **New River Royalty, LLC**, as amended.
- (b) A copy of the Operating Agreement for the **New River Royalty, LLC**, as amended, showing whether the manager(s) or members are authorized to act on behalf of the LLC and how many signators are required to approve the transaction.
- (c) A current Certificate of Good Standing of **New River Royalty, LLC** from the Secretary of State of Illinois, and in the event the state of the formation of the LLC is not Illinois, in addition, a current Certificate of Good Standing from the proper governmental authority of the state in which the entity was created.

13. Mortgage executed by Purchaser with contractual rights under a purchase agreement with the vested owner identified in item 4 of schedule A to Lender with contractual obligations under a loan agreement with the proposed insured owner identified in Item 2 above. in the amount of \$10,000, must be made a matter of Public Record.
14. At the time of this commitment, the final loan amount was not available to the Company. Therefore, said requested loan policy will only be issued for the contractual face amount as listed in Schedule A of this commitment. If a differing loan amount should be requested from the Lender, the Company shall make this commitment subject to further exceptions and charges as deemed necessary by the Company, if any, to accommodate additional liability on the policy as requested by the Lender.

NOTE: Any revisions to said contractual face amount as listed in Schedule A shall be submitted in writing to the Company.

15. Obtain and record a Satisfaction or Release of that First Lien Fee and Leasehold Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (Illinois) executed by Hillsboro Energy, LLC to Alter Domus (US) LLC, as Collateral Agent dated November 17, 2020, and filed of record on January 8, 2021, as Instrument No. 202100000071, secure an indebtedness must be made a matter of record.
16. The Company should be provided a statement from the borrower(s) relative to any mortgage shown on Schedule B disclosing whether the borrower(s) have entered into any forbearance or loan modification agreement with the lender relative to delayed or post postponed payments or other restructuring of the debt secured by any mortgage affecting the property.
17. Obtain and record a Termination of UCC Financing Statement executed by Hillsboro Energy LLC recorded January 8, 2021 as Document No. 202100000072.
18. This commitment is subject to an update if the effective date as listed on Schedule A is older than 30 days. Please contact Community Title and Escrow to request and update to this commitment.
19. Any installment of real estate taxes that are due and payable must be paid.
20. Furnish this company with a Broker's Lien Affidavit all seller(s), purchaser(s), borrower(s), lessee(s), and any other parties holding an interest in the land establishing:
 - (i) the identity of any broker(s), known to have an agreement with the affiant, or any party claiming by, through or under said affiant, relative to any interest in the land, and



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SCHEDULE B-I Requirements

(ii) the amount of compensation due or to become due such broker(s), or

(iii) certifying that there are no broker(s) with any lien, or right to a lien, under any existing agreement with a broker.

21. CLOSING INFORMATION NOTE: If the closing of subject property is to be conducted by Community Title & Escrow, Ltd., we require all monies due from the purchase or the loan to be in the form of a wire transfer. We are required by law not to disburse funds until such "Good Funds" have been deposited, finally settled and credited to our escrow account. Wire transfers qualify as "Good Funds" immediately upon receipt.



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SCHEDULE B- II Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Rights or claims of parties in possession not shown by Public Records.
2. 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.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Taxes or special assessments which are not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I —Requirements are met.
7. Real Estate Taxes for the year 2020, 2021 and subsequent years; which are a lien but not yet due nor payable. Real Estate Taxes for the year 2020 show as paid in full; in the amount of \$936.94.

NOTE: Parcel Identification Numbers are for informational purposes only.

8. Original Coal Severance Deed dated August 21, 1916 and recorded September 16, 1916 in Book 130 Page 47 conveying all coal. (For further particulars, see record)
9. Terms, powers, and provisions of Special Warranty Deed dated August 12, 2010 and recorded August 30, 2010 as 201000059727. (For further particulars, see record)
10. Terms, powers, and provisions of Memorandum of Surface Easement and Agreement dated August 10, 2018 and recorded August 31, 2018 as Document No. 201800002840. (For further particulars, see record)
11. Terms, powers, and provisions of a Second Amended and Restated Mitigation Agreement dated August 21, 2018 and recorded August 31, 2018 as Document No. 201800002829. (For further particulars, see record)
12. Rights of way for drainage ditches, drain tiles, feeders, laterals and underground pipes, if any.
13. Utility and/or drainage easements, if any.
14. Easement for public and quasi-public utilities, if any.
15. Special Assessments dues which are not shown as existing liens by the public records.

**SCHEDULE B- II
Exceptions**

16. No examination has been made of the mineral title. Coverage shall not be construed as including the title to minerals underlying the subject premises.
17. Any and all easements, restrictions, outstanding oil, gas and mineral rights, and rights to aboriginal antiquities of record, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status, or national origin.
18. All rights and easements in favor of the holder of any interest in the mineral estate or any party claiming by, through, or under said holder.
19. Rights of the Public, the State of Illinois, the County, the Township and the Municipality in and to that part of the premises taken, used, or dedicated for roads or highways.
20. Rights of tenants in possession under unrecorded leases, if any.
21. The acreage stated in the subject legal description is for descriptive purposes only. Nothing in this commitment or Policy, when issued, should be construed as insuring against loss or damage due to the inaccuracy of the acreage or any discrepancy in the quantity of Land so described.
22. We have made a search of the public records under the proposed buyer as _____. We reserve the right to amend this commitment after making a further search in the event of additional buyers and/or substitution of buyers.

Vesting Deed: [deed](#)

Schedule B II Exception Docs: [Exception Documents](#)

Tax Info: [Property Tax](#)

The Company has delivered this Commitment and/or Policy to the proposed insured and/or insured by electronic means. All signatures contained herein are to be effective under the provisions of Section 5-110 of the Illinois Electronic Commerce Security Act (5 ILCS 175/5-110).

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