

Summary of Mitigation Agreements

New River Royalty, LLC (“New River”) has entered into Mitigation Agreements (entitled “Second Amended and Restated Mitigation Agreements”) with Sugar Camp Energy LLC and Williamson Energy LLC (“Operators”) which apply to and protect all New River’s surface tracts in Franklin, Hamilton and Williamson Counties, Illinois (“Tracts”). “Short Forms” of these Agreements are publically recorded in those Counties. The Operators operate mines which mine and remove coal underlying the Tracts. The Agreements are binding on New River, Sugar Camp and Williamson and their respective successors and assigns and “run with the land” until they automatically terminate and expire on August 11, 2037.

The main purpose of the Agreements is to address and clarify the obligations of the Operators to correct any material damage to structures or facilities located on New River’s Tracts (“Structures”) caused by subsidence from the Operators’ mining operations (“Damage”). The Agreements permit the Operators to enter the Tracts to conduct or perform necessary studies, tests, inspections, monitoring, surveys and work related to any Damage.

If through its operations an Operator subsides a Tract and causes Damage to a Structure, the Agreements require the Operator to correct or address the Damage by either (a) repairing it or (b) compensating New River for the amount of the resulting diminution in value. The Operator may elect to either repair or compensate for each Structure. If an Operator elects to repair, the Agreements impose conditions on how and by whom such repairs must be made. If an Operator elects to compensate for the diminution in value to any Damaged Structure, the Agreements provide a procedure to determine such diminution in value.

In the alternative to either the repair or the payment of compensation for diminution in value, the Operator may elect to compensate New River in advance for Damage that may occur to a Structure on a Tract prior to the Operator’s mining operations, and the Agreements provide a procedure to determine the amount of such compensation.

The Operators’ rights under the Agreements are non-exclusive and subject to New River's right to use and occupy the Tracts for farming, ranching, grazing livestock, hunting, fishing and other recreational uses, or for any other purpose not inconsistent with the Operators' contractual rights.

The foregoing summarizes certain provisions of the Mitigation Agreements, but is qualified in its entirety by the full and complete terms of the Mitigation Agreements, and is provided without representation or warranty, express or implied, as to accuracy or completeness. All bidders should review the terms and conditions of the Mitigation Agreements, which are available upon request.