

Cover page for:

Preliminary Title Insurance Schedules

Preliminary title insurance schedules prepared by:

Spears Title Company

(File Number: 21-052)

Auction Tract 1

(Montgomery County, Illinois)

For March 27, 2021 auction to be conducted by:

Schrader Real Estate and Auction Company, Inc.

On behalf of:

New River Royalty, LLC

SPEARS TITLE COMPANY

218 S. Main St.
Hillsboro, IL 62049

Authorized Agent of Fidelity National Title Insurance Company

SCHEDULE A COMMITMENT FOR TITLE INSURANCE **Auction Tract 1**

1. Effective Date **March 9, 2021 @ 7:00 a.m.** Case No. **21-052**

2. Policy or policies to be issued:

(a) ALTA Owner's Policy form 6/17/06 Amount *(Amount of sale)*

Proposed insured: **Buyer**

(b) ALTA Loan Policy form 6/17/06 Amount *(Loan amount)*

Proposed insured: **Lender**

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

5. The land is described as follows:

(See Exhibit "A")

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Case No. 21-052

Exhibit "A"

That part of the West Half (W ½) of the East Half (E ½) of the Southeast Quarter (SE ¼) lying South of IL Route 185, in Section Eight (8), Township Seven (7) North, Range Two (2) West of the Third Principal Meridian, Montgomery County, Illinois, *except* the coal, oil, gas and other minerals within and underlying the land and all rights and easements in favor of the estate of said coal, oil, gas and other minerals.

SCHEDULE B – PART I, REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name or 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. 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.
6. The "Good Funds" section of the Title Insurance Act (215ILCS 155/26) is effective January 1, 2010. This Act places limitations upon our ability to accept certain types of deposits into escrow. Please contact Spears Title Company regarding the application of this new law to your transaction.
7. 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.
8. 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 the 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 amount(s) are approved.
9. 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.

(Continued on following page)

SCHEDULE B – PART I, REQUIREMENTS, (CONT.)

Parcel Identification No.: 22-08-400-009 (2019: \$497.30, paid)

NOTE: THE PARCEL NUMBER(S) AND TAX DOLLAR AMOUNT(S) ARE PROVIDED FOR INFORMATION ONLY. THE COMPANY NEITHER GUARANTEES NOR INSURES THE ACCURACY OR COMPLETENESS THEREOF. YOU ARE ADVISED THAT YOU SHOULD NOT RELY UPON THESE NUMBERS AND AMOUNTS AND SHOULD INDEPENDENTLY VERIFY THE ACCURACY OF THE INFORMATION.

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SCHEDULE B – PART 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 issue 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. We should be furnished a properly executed ALTA statement and, unless the land insured is a condominium unit, a survey if available. Matters disclosed by the above documentation will be shown specifically.
7. Any defects, 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.
8. The policy to be issued contains an arbitration clause. Any matter in dispute between you and the Company may be subject to arbitration as an alternative to court action. Upon request, the company will provide a copy of this clause and the accompanying arbitration rules prior to the closing of the transaction. Any decision reached by arbitration shall be binding upon both you and the Company. The arbitration award may include attorney's fees, if allowed by state law, and may be entered as a judgment in any court of proper jurisdiction.
9. General taxes for the years 2020, 2021 and subsequent years, not yet due or payable.
10. Rights of the public, the State of Illinois, and/or the municipality/township in and to that part of the land, if any, taken or used for road purposes.
11. Title to all coal, oil, gas and other minerals within and underlying the land, together with all mining rights and drilling rights and other rights, privileges and immunities relating thereto.
12. Rights of way for drainage ditches, drain tiles, feeders, laterals and underground pipes, if any.

(Continued on following page)

13. Right-of-Way Easement granted to Montgomery County Water Company by instrument dated April 11, 2000, filed April 18, 2000 in Book 573, page 302 as Doc. No. 200000383948.
14. Certain rights, interests and privileges as reserved in the Special Warranty Deed dated August 12, 2010, filed August 30, 2010 in Record Book 1399, page 125 as Doc. No. 201000059729. (Regarding mining and mining rights, etc., for particulars see record.)
15. Memorandum of a Mitigation Agreement between New River Royalty and Hillsboro Energy dated August 21, 2018, filed August 31, 2018 in Book 1677, page 614 as Doc. No. 201800002829.
16. Mortgage from Montgomery Land Company, LLC to G. Michael Fravala and Fravala Farms, dated February 6, 2009, filed February 18, 2009 in Book 1304, page 94 as Doc. No. 200900050236. Note: This item will be removed upon the recording of a proper release.
17. All covenants, interests, rights and privileges excepted and reserved by the grantor in their deed of conveyance to the proposed insured.

Note: Exceptions 1, 3, 4, 5, 6 and 7 will be deleted from the final title policy upon the delivery of seller's affidavit to the title company.

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