

MITIGATION SUMMARY

Summary of Mitigation Agreements

New River Royalty, LLC (“New River”) has entered into a Mitigation Agreement (entitled “Second Amended and Restated Mitigation Agreements”) with Hillsboro Energy, LLC (“Operator”) which applies to and protect all New River’s surface tracts in Montgomery County, Illinois (“Tracts”). A “Short Form” of this Agreement is publicly recorded in Montgomery County. The Operator operates mines which mine and remove coal underlying the Tracts. The Agreement is binding on New River and Operator 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 Agreement is to address and clarify the obligations of the Operator to correct any material damage to structures or facilities located on New River’s Tracts (“Structures”) caused by subsidence from the Operator’s mining operations (“Damage”). The Agreement permits the Operator 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 subsidizes a Tract and causes Damage to a Structure, the Agreement requires 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 the Operator elects to repair, the Agreement imposes conditions on how and by whom such repairs must be made. If the Operator elects to compensate for the diminution in value to any Damaged Structure, the Agreement provides 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 Agreement provides a procedure to determine the amount of such compensation.

The Operator’s rights under the Agreement 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 Operator’s contractual rights.

The foregoing summarizes certain provisions of the Mitigation Agreement, but is qualified in its entirety by the full and complete terms of the Mitigation Agreement, 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 Agreement, which is available upon request.