

# PRELIMINARY TITLE REPORT

**To: Grandview Investment Company**

**Present Owner: Grandview Investment Company**

**Borrower: Grandview Investment Company**

The Fee of 1,793 Acres along Fat Creek with rights of way and .440 Acres near Old Grandview Road less exceptions in Shady Spring District, Raleigh County, West Virginia. The property is shown on Tax Map 2 as Parcel 00070000. The Assessor's Account Number is 06351832. The property includes all minerals including oil and gas and all coal in the Fire Creek seam of coal and all seams of coal above the Fire Creek seam of coal excepted from this property is all coal below the Fire Creek Seam of coal.

I hereby certify that I have made an examination of the records and indices contained in the Office of the Clerk of the County Commission of Raleigh County, and certify that good and marketable title to the property above is vested in the named Grandview Investment Company that I find no liens against the said property or material defects in said title other than the ones hereafter noted.

**Deeds of Trust:** Credit Line Deed of Trust dated October 31, 2003 executed by Grandview Investment Company to Alan H. Larrick, Trustee, Securing Blue Ridge Bank, NA in the amount of \$9,000,000.00 and of record in the Office of the Clerk of Raleigh County in Book 5010 at Page 9706.

of Credit Line Deed of Trust dated October 31, 2003 executed Raleigh County in Book 5011 at Page 0043. by C

Note and Deed of Trust Modification Agreement dated September 26, 2005 executed by Grandview Investment Company to amend the Deed of Trust of record in Trust Deed Book 5010, at Page 9706 from \$9,000,000.00 to \$9,300,000.00 and recorded in Trust Deed Book 5019, at page 5373.

**Judgment Liens:** NONE

**Mechanic's Liens:** NONE

**Lis Pendens:** NONE

**Easements:** NONE

**Unreleased Oil and Gas Leases:** NONE

**Taxes Due:** The 2009 taxes are listed in the name of “**Grandview Investment Company**”, and are assessed on the land books for Shady Spring District as follows:

Ticket # 27211 Account # 06351832

Map: 2 Parcel: 00070000

Description Fee 1,745.26 Acres excluding coal and timber below Fat Creek

Land: 136,140.00 Mineral: 21,990.00 Class: Half: \$1,989.59

The 2009 taxes are paid in full. The 2010 taxes are a lien, but not yet due or payable.

**Taxes Delinquent:** NONE

**Street Paving, Sidewalk and Sewer Assessments:** NONE

**Possible Defects in Title:** NONE

**Remarks:**

1. This report is made subject to any error or discrepancies which may be found in the Office of the Clerk of the County Commission of Raleigh County, West Virginia, or the Sheriff of Raleigh County and to an accurate survey.
2. This examination covers a period of forty (40) years from the date of this report.
3. The property described as 1,745.26 acres includes all minerals including oil and gas and all coal in the Fire Creek seam of coal and all seams of coal above the Fire Creek seam of coal excepted from this property is all coal below the Fire Creek Seam of coal.
4. Further, this report is subject to any easements or right of ways of record prior to the date of coverage of this title report.

**Additional Remarks:**

This report is further subject to:  
(a) reservations, exceptions, easements, covenants and restrictions contained in prior deeds to the subject tract; (b) the liens for the taxes for the tax year 2010; (c) an accurate engineering survey of said tract; (d) the plotting of off-conveyances

to determine overlaps, if any; (e) any reservations or exceptions which a visual inspection of the premises or a review of the zoning ordinance would disclose; (f) any unripened mechanic's lien rights; (g) any claim by reason of the operation of federal bankruptcy, state insolvency, or similar creditor's rights laws; and (h) the accuracy of the indices and the records in the County Clerk's, the Sheriffs and Assessor's Offices of Raleigh County, West Virginia as the same appeared on August 20, 2009.

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