# PRELIMINARY REPORT
**1st Amended: January 28, 2008**

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| Assessor's Parcel No.: | 05-411-07<br>05-411-09<br>05-411-14<br>05-411-19 | Order No.: | 016328-WTO |
| Property Address: | Rural Humboldt County<br>Winnemucca NV | Escrow Officer<br>Office Location: | Michelle Molnar<br>Ticor Title of Nevada, Inc.<br>5441 Kietzke Lane, Suite 100<br>Reno, NV 89511 |
| Buyers/Borrowers: | To Be Determined | Reference No.: | 08000141-MM |

In response to the above referenced application for a Policy of Title Insurance, **Ticor Title Insurance Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein, hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms. The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth on the attached cover. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth on the attached cover. Copies of the Policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

**Dated as of 01/16/2008 at 07:30 am**

Western Title Company, Inc., an authorized agent

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By

Darla Switzer

Darla Switzer

The form of Policy of Title Insurance contemplated by this report is:

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**ALTA Standard Owner's**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

**Fee Simple**

Title to said estate or interest at the date hereof is vested in:

**Nevada Land and Resource Company, Limited Liability Company**

**Please read the exceptions shown or referred to below and the Exceptions and Exclusions set forth on the attached cover of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this Preliminary Report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

Order No. **016328-WTO**

## EXCEPTIONS

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.

2. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.

3. Water rights, claims or title to water, whether or not recorded.

4. Any facts that may be disclosed by an accurate survey of said land.

5. The fact that the ownership of said land does not include rights of access to or from any road, street or highway, nor to be served by any contiguous rights of way or easements over adjoining property to any such public road or highway. The following exception will be included in any policy of title insurance concerning the subject property: Notwithstanding the insuring clauses of the policy, the Company does not insure against loss or damage by reason of a lack of a right of access to and from the land.

6. Provisions, Reservations, Easements and the effect thereof, contained in the Patent from the **United States of America**, recorded on **July 23, 1902, in Book 38, Page 413**, Deed Records of Humboldt County, Nevada. (Affects Sections 7, 17 and 19)

7. Provisions, Reservations, Easements and the effect thereof, contained in the Patent from the **United States of America**, recorded on **January 20, 1905, in Book 40, Page 430**, Deed Records of Humboldt County, Nevada. (Affects Section 9)

8. Easement for Right-of-Way, and incidental purposes, granted to **Western Pacific Railway Company** by **Central Pacific Railway**, recorded on **January 20, 1909, in Book 44, Page 276** as Document No. **19183**, Deed Records of Humboldt County, Nevada. (Affects Sections 7 and 9)

9. A Memorandum of Lease With Option to Purchase with certain terms, covenants, conditions and provisions set forth therein by **Nevada Land and Resource Company, LLC, a Nevada limited liability company**, as Lessor; and **Macor, Inc., a California corporation**, as Lessee, recorded on **May 22, 2006**, as Document No. **2006-2876**, Official Records of Humboldt County, Nevada. (Affects Sections 9 and 17)

10. A Notice of Non-Responsibility, recorded on **May 22, 2006**, as Document No. **2006-2875**, Official Records of Humboldt County, Nevada. (Affects Sections 9and 17)

11. An Amended and Restated Memorandum of Lease Agreement with Option to Purchase with certain terms, covenants, conditions and provisions set forth therein by **Nevada Land and Resource Company, LLC**, as Lessor; and **Jungo Land and Investment, Inc.**, as Lessee, recorded on **February 12, 2007**, as Document No. **2007-1053**, Official Records of Humboldt County, Nevada. (Affects all Sections)

12. An Amended and Restated Notice of Non-Responsibility, recorded on **February 12, 2007**, as Document No. **2007-1052**, Official Records of Humboldt County, Nevada. (Affects all Sections)

NOTE: Various instruments may appear of record affecting or purporting to affect the interests of the Lessors and Lessees under certain leases shown herein, but this report does not cover an examination of or insurance as to the effect thereof, or the present ownership or conditions of said leaseholds.

NOTE: Taxes for the fiscal year **2007-2008**, in the amount of **$24.16** have been paid in full. **(APN 05-411-07)**

NOTE: Taxes for the fiscal year **2007-2008**, in the amount of **$25.18** have been paid in full. **(APN 05-411-09)**

NOTE: Taxes for the fiscal year **2007-2008**, in the amount of **$28.82** have been paid in full. **(APN 05-411-14)**

NOTE: Taxes for the fiscal year **2007-2008**, in the amount of **$25.15** have been paid in full. **(APN 05-411-19)**

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

NOTE: A search of the Official Records for the county referenced in the above order number, for the 24 months immediately preceding the date above discloses the following instruments purporting to convey the title to said land: **NONE**

NOTE:

If any current work of improvements have been made on the herein described real property (within the last 90 days) and this Report is issued in contemplation of a Policy of Title Insurance which affords mechanic lien priority coverage (i.e. ALTA POLICY); the following information must be supplied for review and approval prior to the closing and issuance of said Policy: (a) Copy of Indemnity Agreement; (b) Financial Statements; (c) Construction Loan Agreement; (d) If any current work of improvements have been made on the herein described real property Building Construction Contract between borrower and contractor; (e) Cost breakdown of construction; (f) Appraisal; (g) Copy of Voucher or Disbursement Control Statement (if project is complete).

NOTE: This report makes no representations as to water, water rights, minerals or mineral rights and no reliance can be made upon this report or a resulting title policy for such rights or ownership.

NOTE: Notwithstanding anything to the contrary in this Report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

NOTE: The map, if any, attached hereto is subject to the following disclaimer:

> WESTERN TITLE COMPANY, INC. does not represent this plat as a survey of the land indicated hereon, although believed to be correct, no liability is assumed as to the accuracy thereof.

NOTE: SHORT TERM RATE IS APPLICABLE AT AN 80% RATE

Order No. 016328-WTO

## Legal Description

All that certain real property situate in the County of Humboldt, State of Nevada, described as follows:

**Township 35 North, Range 33 East, M.D.B.&M.**

Section: 7 All

Section: 9 All

Section: 17 All

Section: 19 All

*Excepting therefrom any portion lying within any county road or state or federal highway.*

*Also excepting therefrom any portion lying within the boundaries of any railroad right-of-way.*