

03-24-0-0003 75 ACRES



Form No. 1402.92
(10/17/92)
ALTA Owner's Policy

POLICY OF TITLE INSURANCE



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY *Gary L. Keruott* PRESIDENT

ATTEST *Mark R. Anderson* SECRETARY



J

2144791



**SECURITY TITLE INSURANCE AGENCY
OF UTAH, INC.**

376 East 400 South, Suite 304
Salt Lake City, Utah 84111
TEL 801-355-2866 FAX 801-355-7939

OWNER'S TITLE INSURANCE POLICY

Schedule A

File Number 00076852

Date of Policy: October 17, 2005 at 1:24 P.M.

Policy Number: J 2144791-O

Amount of Insurance \$2,050,380.00

Premium: \$4,306.00

1. Name of Insured:

CASTLE ARCH REAL ESTATE INVESTMENT COMPANY INC.

2. The estate or interest in the land which is covered by this Policy is:

Fee Simple

3. Title to the estate or interest in the land is vested in:

CASTLE ARCH REAL ESTATE INVESTMENT COMPANY INC.

4. The land referred to in this Policy is described as follows:

See Exhibit A attached hereto and made a part hereof.

OWNER'S TITLE INSURANCE POLICY

SCHEDULE B

File Number: 00076852

Policy No. J 2144791-O

This Policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Section One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which are not shown by the public records.
5. Lien of general property taxes for the current year, now accruing but not yet due and payable.
Parcel No. 03-024-0-0003.
6. The right of the Tooele County Treasurer to reassess the Tax Assessment on said property in accordance with UCA Secs. 59-2-504 to 510 as disclosed by that certain Annual Application for Assessment and Taxation of Agricultural Land 1969 Farmland Assessment Act recorded October 30, 1973, as Entry No. 302479, in Book 124, at Page 574, of official records.
7. Said property is located within the limits of the 010 O.D. Mosquito District, and is subject to any assessments or service charges levied thereby. (Current)

Said property is located within the limits of the Tooele County Landfill District and is subject to any assessments or service charges levied thereby. (Current)
8. The terms, conditions and limitations as contained in that certain Patent recorded on January 13, 1909, in Patent Book No. 1 at Page 150 of official records.
9. Rights of Kennecott Copper Corporation, its successors and assigns to discharge over and upon lands, through the medium of the air, smoke, dust, fumes, cinders and other matter (Smoke Easement) by instrument recorded November 18, 1908, as Entry No. 134707, in Book B, at Page 488, of Official Records.
10. Easement, and the terms and conditions thereof in favor of PacifiCorp, an Oregon Corporation, dba Utah Power & Light Company, for the purpose of a perpetual easement and right of way for the erection, operation and continued maintenance, repair, alteration and replacement of the electric transmission distribution and telephone circuits of the Grantee of no guy anchors and 3 poles, with the necessary guys, stubs, crossarms, braces and other attachments affixed thereto, recorded August 11, 1992, as Entry No. 49342, in Book 335, at Page 847.
11. Easement, and the terms and conditions thereof, in favor of PacifiCorp, an Oregon Corporation, for the purpose of an easement for a right of way 890 feet in length, for the construction, reconstruction, operation, maintenance, repair, replacement, enlargement, and removal of electric power distribution and communication lines and all necessary or desirable accessories and appurtenances thereto, including without limitation: supporting towers, poles, props, guys and anchor, including guys and anchors, wires, fibers, cables and other conductors and conduits therefor;; and pads, transformers, switches, vaults and cabinets, recorded January 10, 2005, as Entry No. 234544, in Book 995, at Page 730.

This policy is invalid unless the insuring provisions and Schedules A and B are attached.

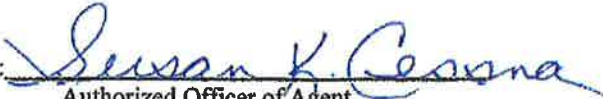
SCHEDULE B - continued

File Number: **00076852**

Policy No. **J 2144791-O**

12. Rights of way for any roads, ditches, canals, or transmission lines now existing over, under, or across said property.

First American Title Insurance Company

By: 
Authorized Officer of Agent

Order No. 76852
Fee: \$100.00

ENDORSEMENT

Attached to Policy No. J 2144791-O

Issued By

First American Title Insurance Company

The Policy is hereby amended by deleting paragraph 6 except water rights of Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

By: 
Authorized Signatory

CLTA Form 110.1 (Rev. 9-10-93)
ALTA or CLTA - Owner of Lender

Order No. 76852

Fee: \$431.00

ENDORSEMENT

Attached to Policy No. J 2144791-O

Issued By

First American Title Insurance Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to existing improvements, including lawns, shrubbery or trees resulting from the exercise of any right to use the surface of the land for the extraction or development of the minerals excepted from the description of the land or shown as an exception in Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

By:



Authorized Signatory

CLTA Form 100.29 (9-10-93)

CLTA - Owner or Lender

Order No.: 76852

Fee: \$300.00

CLTA Form 103.7 Land Abuts Street

ENDORSEMENT

Attached to Policy No.: J 2144791-O

Issued By

First American Title Insurance Company

The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of the failure of the land to abut upon a physically.

This Endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date: October 17, 2005

First American Title Insurance Company

By: 
Authorized Signatory

ALTA or CLTA - Owner or Lender

Order No. 76852
Fee: \$431.00

ENDORSEMENT

Attached to Policy No. J 2144791-O

Issued By

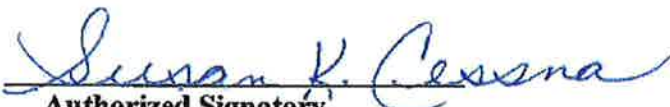
First American Title Insurance Company

The Company assures the insured that the land described in Schedule A is contiguous to Assessor's Parcel Nos. 03-024-0-0005 and 03-024-0-0007.

The Company hereby insures the insured against loss which the insured shall sustain in the event that the assurance herein shall prove to be incorrect.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

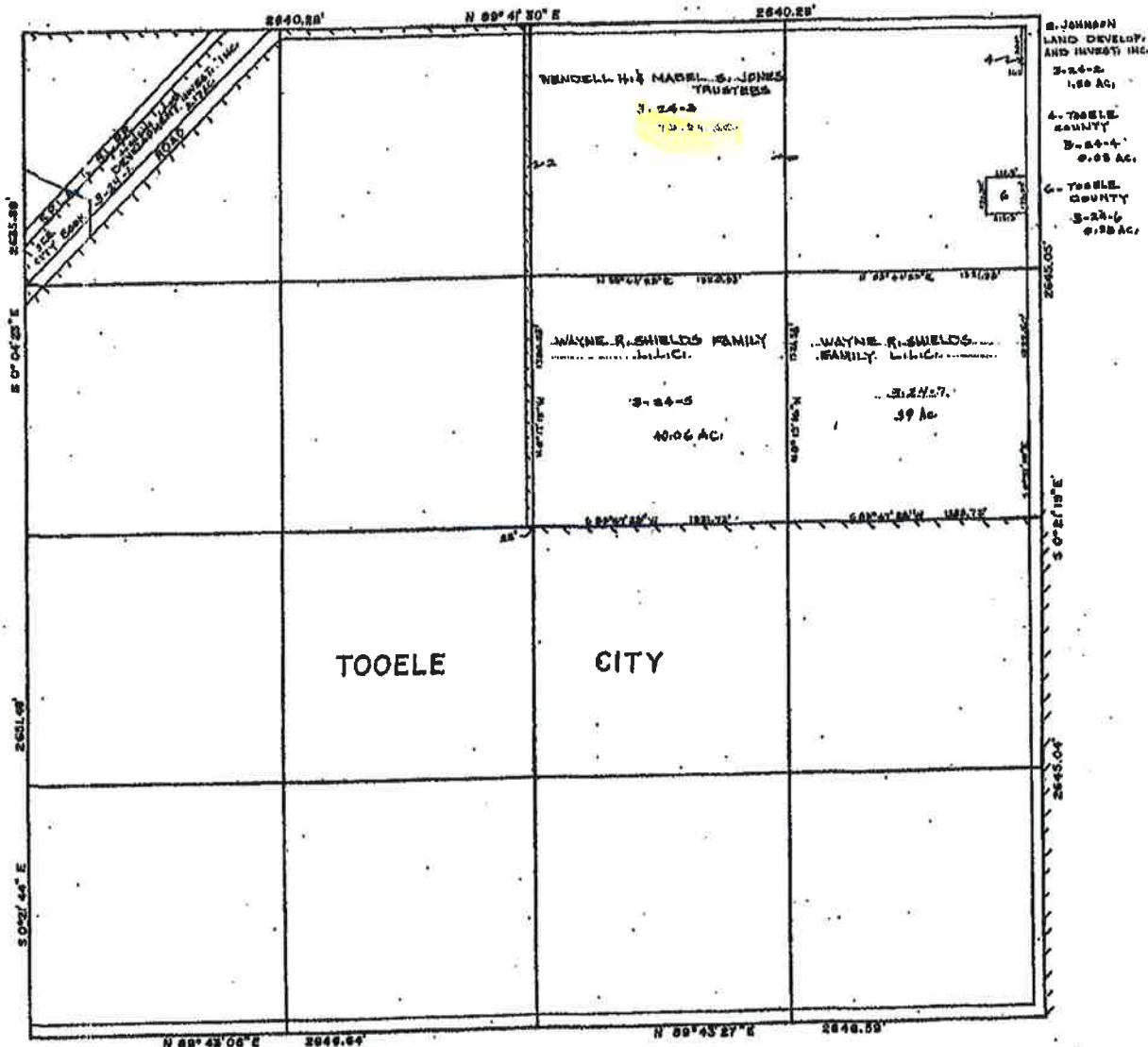
By: 
Authorized Signatory

*Described land contiguous to subject land by legal description or by reference to a recorded instrument.

CLTA Form 116.4 (Rev. 9-10-93)
Alta or Clta-Owner or Lender

SECTION 15 T 3 S , R 4 W , S.L.B. & M.

THIS PLAT IS MADE SOLELY FOR THE PURPOSE OF ASSISTING IN LOCATING THE LAND AND THE RECORDER ASSUMES NO LIABILITY FOR VARIATIONS, IF ANY, WITH AN ACTUAL SURVEY.



S. JOHNSON
LAND DEVELOP.
AND INVEST. INC.
S-24-2
1.58 AC.
4- TOOELE
COUNTY
S-24-4
0.08 AC.
6- TOOELE
COUNTY
S-24-6
0.08 AC.

WENDELL H. & MABEL S. JONES
TRUSTEES
S-24-3
13.94 AC.

WAYNE R. SHIELDS FAMILY
L.L.C.
S-24-5
40.06 AC.

WAYNE R. SHIELDS
FAMILY L.L.C.
S-24-7
39 AC.

TOOELE CITY

REVISIONS	INITIAL	AND	DATE

NOTES
L

U.S.T.C.
approval
Date:

PLAT DEPARTMENT
TOOELE COUNTY, UTAH

Section 15 T3S R 4W
drawn by: DD date: 1/82 scale: 1"=400'

book page
3 24

Order No. 76852

Fee: \$100.00

ENDORSEMENT

Attached to Policy No. J 2144791-O

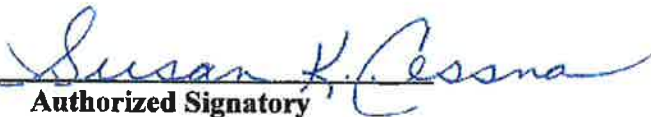
Issued By

First American Title Insurance Company

The Policy is hereby amended by deleting paragraph 5 except water rights of Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

By: 
Authorized Signatory

CLTA Form 110.1 (Rev. 9-10-93)
ALTA or CLTA - Owner of Lender

Exhibit A

The North Half (1/2) of the Northeast Quarter (1/4) at Section 15, Township 3 South, Range 4 West, Salt Lake Base and Meridian. (03-024-0-0003)

Less and Excepting therefrom any portion of the above described property lying within the bounds at County Roads.

Also Less and Excepting therefrom a 0.08 acre parcel deeded to Tooele County and a 0.98 acre parcel deeded to Tooele County identified by Tax Serial Number's 03-024-0-0004 and 03-024-0-0006, respectively.