



**First American Title Insurance Company
National Commercial Services**

666 Third Avenue, 5th Floor
New York, NY 10017

Ran Bujanover
Bluesky Utility
P.O. Box 5571
Napa , CA 94581
Phone: (707)266-4354

Customer Reference: 35 East Walker Street

Escrow Officer: Samir Bhalodkar

Phone:

Email: SBhalodkar@firstam.com

Title Officer: Samir Bhalodkar

Phone:

Buyer: TBD

Owner: XYZ Orland, LLC

Property: 35 East Walker Street, Orland, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this 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 and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *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 in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A 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.

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 October 05, 2015 at 8:00 a.m.

The form of Policy of title insurance contemplated by this report is:

ALTA Owner's Policy
ALTA Loan Policy

A specific request should be made if another form or additional coverage is desired.

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

XYZ Orland, LLC, a California limited liability company

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

Fee Simple as to Parcels One, Two, Three and Four; an Easement as to Parcel Five

The Land referred to herein is described as follows:

(See attached Legal Description)

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

- Property Taxes including any personal property taxes and any assessments collected with taxes, for the fiscal year 2014-2015.

1st Installment:	\$10,490.82	Due 11/01/2015
Penalty:	\$1,049.08	If Paid After 12/10/2015
2nd Installment:	\$10,490.82	Due 02/01/2016
Penalty and Cost:	\$1,059.08	If Paid After 04/10/2016
Tax Rate Area:	001000	
Assessment No.:	041-071-011-0	

1st Installment:	\$2,244.99	Due 11/01/2015
Penalty:	\$224.49	If Paid After 12/10/2015
2nd Installment:	\$2,244.99	Due 02/01/2016
Penalty and Cost:	\$234.49	If Paid After 04/10/2016
Tax Rate Area:	001000	
Assessment No.:	041-071-032-0	

1st Installment:	\$77.57	Due 11/01/2015
Penalty:	\$7.75	If Paid After 12/10/2015
2nd Installment:	\$77.57	Due 02/01/2016
Penalty and Cost:	\$17.75	If Paid After 04/10/2016
Tax Rate Area:	001000	
Assessment No.:	041-071-023-0	

1st Installment:	\$1,722.08	Due 11/01/2015
Penalty:	\$172.20	If Paid After 12/10/2015
2nd Installment:	\$1,722.08	Due 02/01/2016
Penalty and Cost:	\$182.20	If Paid After 04/10/2016
Tax Rate Area:	001000	
Assessment No.:	041-071-049-0	

1st Installment:	\$1,634.04	Due 11/01/2015
Penalty:	\$163.40	If Paid After 12/10/2015
2nd Installment:	\$1,634.04	Due 02/01/2016
Penalty and Cost:	\$173.40	If Paid After 04/10/2016
Tax Rate Area:	001000	
Assessment No.:	041-071-050-0	

2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Part 0.5, Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to the date of the policy.
3. The land herein described lies within the underground utility District No. 2 as disclosed by resolution dated May 24, 1976 and recorded May 28, 1976 in [Book 599 of Official Records, at Page 528](#).
4. An easement as conveyed to the City of Orland by Deed recorded May 01, 1974 in [Book 572 of official records, at Page 29](#). (Affects the northerly 5 feet of Parcel One and other property)
5. Easement for driveway and underground utilities as conveyed by Tierra Del Sol Gardens, a Limited Partnership to Tierra Del Sol Gardens Apartments, a Limited Partnership, dated May 15, 1975 and recorded May 16, 1975 in [Book 585 of Official Records, at Page 563](#). (Affects Parcel Two)
6. Easement for Storm Drain as conveyed in deed from Tierra Del Sol Gardens, a Limited Partnership, to Tierra Del Sol Garden Apartments, a Limited Partnership, dated July 27, 1976 and recorded January 27, 1976 in [Book 595 of Official Records, at Page 64](#). (Affects Parcel Two)

7. Easement and Right of Way for Underground Pipes, Service Pipes and Incidental Purposes for the Conveyance of Gas together with the Right of Ingress and Egress as conveyed to Pacific Gas and Electric Company, a California Corporation, by instrument dated February 24, 1976 and recorded March 22, 1976 in [Book 597 of Official Records, at Page 180](#). (Affects Parcel Two)
8. Easement for the Construction, Maintenance and Use of Pipes, Wires and Cables for Transmission of Electrical Energy and appurtenances thereto granted to Pacific Gas and Electric Company, a California Corporation recorded April 27, 1976, [Book 598, Official Records, Page 463](#). (Affects Parcel One)
9. Easement and Right of Way for pipes, wires, cables and incidental purposes together with the right of ingress and egress as conveyed to Pacific Gas and Electric Company, a California Corporation, by instrument dated April 14, 1976 and recorded May 04, 1976 in [Book 598 of Official Records, at Page 627](#). Said instrument also contains a clause which recites the following, "First Party shall not erect or construct any building or other structure or drill or operate any well within the hereinabove described strip of land." (Affects a portion of Parcel Four)
10. Building setback line as shown on the map recorded April 29, 1977 in [Book 5 of Parcel Maps, at Page 97](#). (Affects a portion of Parcel Four)
11. Building setback lines and public utility easements as shown on the map recorded on December 16, 1977 in [Book 6 of Parcel Maps, at Page 54](#). (Affects Parcel Five and a portion of Parcel Four)
12. Easement for Underground Conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; above ground marker posts, risers and service pedestals; underground and above ground switches, fuses, terminals and transformers with associated concrete pads; and appurtenances thereto as granted to Pacific Gas and Electric Company, a California Corporation, recorded September 17, 1986 in [Book 802 of Official Records, at Page 31](#). (Affects Parcel Five and a portion of Parcel Four)

Said Easement contains an agreement prohibiting the erection of any structures, buildings or wells within said easements.

Said Easement includes the right of ingress and egress.

13. Building encroachment of the herein described property as disclosed by a physical inspection. (Affects Parcels One and Two)
14. A Deed of Trust to secure an indebtedness in the original amount shown below.

Amount:	\$2,200,000.00
Dated:	August 21, 2013
Trustor:	XYZ Orland, LLC, a California Limited Liability Company
Trustee:	Old Republic Title Insurance Company
Beneficiary:	Bank Leumi USA
Recorded:	August 21, 2013 as Instrument No. 2013-3691

Affects Parcels Three, Four and Five

15. Absolute Assignment of Leases, lease guarantees, rents, issues and profits by and between XYZ Orland, LLC, a California Limited Liability Company and Bank Leumi USA, dated August 21, 2013 and recorded August 21, 2013, Official Records, Glenn County Recorder's File No. [2013-3692](#).

Affects Parcels Three, Four and Five

16. A Deed of Trust to secure an indebtedness in the original amount shown below.

Amount: \$2,200,000.00
 Dated: August 21, 2013
 Trustor: XYZ Orland, LLC, a California Limited Liability Company
 Trustee: Old Republic Title Insurance Company
 Beneficiary: Bank Leumi USA
 Recorded: August 21, 2013 as Glenn County Recorder's Instrument No. [2013-3695](#)

Affects Parcels One and Two

17. Absolute Assignment of Leases, lease guarantees, rents, issues and profits by and between XYZ Orland, LLC, a California Limited Liability Company and Bank Leumi USA, dated August 21, 2013 and recorded August 21, 2013, Official Records, Glenn County Recorder's File No. [2013-3696](#).

Affects Parcels One and Two

18. An unrecorded lease as disclosed by those certain UCC Financing Statements filed for record July 10, 2014 as Glenn County Recorder's Instrument No. [2014-2409](#) and [2014-2410](#), Official Records.
 Debtor: North State Grocery, Inc
 Secured Party: NCB, FSB

Affects Parcels One and Two

19. Rights and claims of Parties in possession

20. With respect to XYZ Orland, LLC, a California limited liability company:
- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
 - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
 - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager

if the limited liability company properly operates with the existence of only one manager.
e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

21. If the policy liability contemplated by this transaction exceeds our local limit. Underwriter approval must be obtained from the Home Office or Regional Office prior to Closing. Please contact the title officer in advance of the closing date to discuss the specifics of the proposed transaction, including identity of proposed insured(s), endorsement requirements, and exceptions which are to be eliminated.

INFORMATIONAL NOTES

1. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
2. None of the items shown in this report will cause the company to decline to attach CLTA Endorsement form 100 to an ALTA Policy, when issued.
3. There is located on said land commercial buildings known as 32, 35, 53, 55, 57, 59, 61, 63, 65, 123, 125 and 149 East Walker Street, Orland CA 95963, in the City of Orland, County of Glenn, State of California.
4. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

5. Cancellation Fees

Note: Pursuant to Rule No. 2 of Bulletin No. NS-35 of California State Insurance Commissioner this report is issued subject to a minimum fee of \$395.00.

6. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

A. WITH RESPECT TO A CORPORATION:

1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
3. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:

1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
2. A full copy of the partnership agreement and any amendments;
3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;

4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendment;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- D. WITH RESPECT TO A GENERAL PARTNERSHIP:
1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:
1. A copy of its operating agreement and any amendments thereto;
 2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
 3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
 4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 5. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 6. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.

2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:
1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Orland, County of Glenn, State of California, described as follows:

PARCEL ONE:

PARCEL 1 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF GLENN, STATE OF CALIFORNIA ON MAY 02, 1974 IN [BOOK 3 OF PARCEL MAPS AT PAGE 46](#).

APN: 41-071-011-0

PARCEL TWO:

PARCEL 1 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF GLENN, STATE OF CALIFORNIA ON NOVEMBER 14, 1974 IN [BOOK 3 OF PARCEL MAPS AT PAGE 94](#).

APN: 41-071-032-0

PARCEL THREE:

BEGINNING AT A POINT AT THE SOUTHEAST CORNER OF LOT 14, BLOCK 3, INTERSECTION OF WALKER STREET AND WOODWARD AVENUE, PAPST'S ADDITION TO THE TOWN OF ORLAND; THENCE WEST ON THE NORTH SIDE OF WALKER STREET AND PARALLEL WITH WALKER STREET, ONE HUNDRED AND TEN (110) FEET TO A POINT BEING THE TRUE POINT OF COMMENCEMENT; THENCE NORTH PARALLEL WITH WOODWARD AVENUE ONE HUNDRED AND TEN (110) FEET TO A POINT; THENCE WEST SIXTY-FIVE (65) FEET AND PARALLEL WITH WALKER STREET TO A POINT ON THE WEST LINE OF LOT 13, BLOCK 3; THENCE SOUTH ONE HUNDRED AND TEN (110) FEET AND PARALLEL WITH WOODWARD AVENUE ALONG THE WEST LINE OF LOT 13, BLOCK 3, TO A POINT ON THE NORTH LINE OF WALKER STREET; THENCE EAST ALONG THE NORTH LINE OF WALKER STREET A DISTANCE OF SIXTY-FIVE (65) FEET TO THE TRUE POINT OF COMMENCEMENT.

APN: 041-071-023-0

PARCEL FOUR:

ALL OF PARCEL 1 AS IT IS SHOWN ON THE MAP FILED IN [BOOK 5 OF PARCEL MAPS, PAGE 97](#), AND ALL THAT PORTION OF PARCEL 2 AS IT IS SHOWN ON THE MAP FILED IN [BOOK 6 OF PARCEL MAPS, PAGE 54](#), GLENN COUNTY RECORDS, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A 1" IRON PIPE WITH A TAGE STAMPED "LS 3525" MARKING THE SOUTHWEST CORNER OF SAID PARCEL 1;
THENCE NORTH 00° 08' 50" EAST, 200.00 FEET TO A 1" IRON PIPE WITH A TAG STAMPED "LS 3525" MARKING THE NORTHWEST CORNER OF SAID PARCEL 1;
THENCE NORTH 89° 59' 00" EAST, 241.92 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 1;
THENCE SOUTH 00° 08' 50" WEST, 25.00 FEET TO A 3/4" IRON PIPE WITH A TAG STAMPED "LS 3972",
THENCE CONTINUING SOUTH 00° 08' 50" WEST, 25.00 FEET TO A 3/4" IRON PIPE WITH A TAG

STAMPED "LS 3972";
THENCE NORTH 89° 59' 00" EAST, 38.00 FEET;
THENCE SOUTH 00° 08' 50" WEST, 101.50 FEET TO A POINT ON THE NORTH BOUNDARY OF WALKER STREET;
THENCE SOUTH 89° 59' 00" WEST, 38.00 FEET TO A 1" IRON PIPE WITH A TAG STAMPED "LS 3525" MARKING THE SOUTHEAST CORNER OF SAID PARCEL 1;
THENCE CONTINUING SOUTH 89° 59' 00" WEST, 241.92 FEET TO THE POINT OF BEGINNING.

LOT LINE ADJUSTMENT 2007-06 AS DISCLOSED BY CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 13, 2007, GLENN COUNTY RECORDER'S FILE NO. [2007-7588](#)

APN: 041-071-049-0

PARCEL FIVE:

PARCEL 2 AS IT IS SHOWN ON THE MAP FILED IN [BOOK 6 OF PARCEL MAPS, PAGE 54](#), GLENN COUNTY RECORDS, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A 1" IRON PIPE WITH A TAG STAMPED "LS 3525" MARKING THE SOUTHWEST CORNER OF SAID PARCEL 2; THENCE ALONG THE BOUNDARY OF PARCEL 2, NORTH 89° 59' 00" EAST, 38.00 FEET TO THE POINT OF BEGINNING;
THENCE LEAVING THE BOUNDARY OF PARCEL 2, NORTH 00° 08' 50" EAST, 101.50 FEET;
THENCE SOUTH 89° 59' 00" WEST, 38.00 FEET TO A POINT ON THE BOUNDARY OF PARCEL 2;
THENCE ALONG THE BOUNDARY OF PARCEL 2, NORTH 00° 08' 50" EAST, 73.50 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, NORTH 89° 59' 00" EAST, 120.80 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, NORTH 00° 09' 07" EAST, 70.00 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, NORTH 89° 59' 00" EAST, 120.82 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 00° 09' 30" WEST, 21.80 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, NORTH 89° 59' 00" EAST, 64.90 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 00° 09' 34" WEST, 43.20 FEET;
THENCE LEAVING THE BOUNDARY OF PARCEL 2, SOUTH 00° 09' 34" WEST, 63.33 FEET TO A POINT ON THE BOUNDARY OF PARCEL 2; THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 00° 09' 34" WEST, 6.67 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 89° 59' 00" WEST, 64.90 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 00° 09' 30" WEST, 110.00 FEET;
THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL 2, SOUTH 89° 59' 00" WEST, 203.57 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE SOUTH 50 FEET OF THE NORTHWEST ONE-QUARTER OF LOT 12 IN BLOCK 3 OF PAPST'S ADDITION TO THE TOWN OF ORLAND ACCORDING TO THE OFFICIAL MAP THEREOF FILED IN THE COLUSA COUNTY RECORDER'S OFFICE.

LOT LINE ADJUSTMENT 2007-06 AS DISCLOSED BY CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 13, 2007, GLENN COUNTY RECORDER'S FILE NO. [2007-7588](#)

APN: 041-071-050-0

PARCEL SIX:

A NON-EXCLUSIVE EASEMENT FOR THE OPERATION AND MAINTENANCE OF A SANITARY SEWER PIPELINE, MANHOLES AND APPURTENANCES OVER THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF ORLAND, COUNTY OF GLENN, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 3 AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF GLENN, STATE OF CALIFORNIA IN [BOOK 6 OF PARCEL MAPS AT PAGE 54](#) MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A STRIP OF LAND 8.00 FEET IN WIDTH LYING CONTIGUOUS TO AND EASTERLY FROM A LINE DESCRIBED AS BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 3; THENCE ON AND ALONG THE WEST LINE OF SAID PARCEL 3, NORTH 00 09' 07" EAST, 105.00 FEET TO THE END OF SAID EASEMENT.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION WAS TAKEN FROM THE WEST LINE OF SAID PARCEL 3, SHOWN AS NORTH 00 09' 07" EAST ON THAT CERTAIN MAP FILED IN PARCEL MAP [BOOK 6 AT PAGE 54](#), GLENN COUNTY RECORDS.

NOTICE I

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

NOTICE II

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below:

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to three and one-third percent of the sales price in the case of the disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The parties to this transaction should seek an attorney's, accountant's, or other tax specialist's opinion concerning the effect of this law on this transaction and should not act on any statements made or omitted by the escrow or closing officer.

The Seller May Request a Waiver by Contacting:

Franchise Tax Board
Withhold at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
(916) 845-4900

Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - (a) building;
 - (b) zoning;
 - (c) land use;
 - (d) improvements on the Land;
 - (e) land division; and
 - (f) environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
 This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date

- (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
 4. Failure to pay value for your title.
 5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. 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 and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. 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 and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
 - b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.