THE PRELIMINARY REPORT
It is important for all parties to review the Preliminary Report

The Preliminary Report is an offer to issue a policy of title insurance covering a particular estate or interest in land subject to stated exceptions.

Since these exceptions may point to potential problems with your intended purchase, it is important for all parties to review the report once it is received.

A Preliminary Report provides a list of the matters which will be shown as exceptions to coverage in a designated policy or policies of title insurance, if issued currently, covering a particular estate or interest in land. It is designed to provide an interim, or “preliminary” response to an application for title insurance and is intended to facilitate the issuance of the designated policy of policies. It is normally prepared after application (order) for such policy(ies) of title insurance on behalf of the principals to a real property transaction, for the purpose of facilitating requirements relative to closing and policy issuance in form and content approved by those parties.

If a title policy is not contemplated, a Preliminary Report should not be ordered. Instead consideration should be given to requesting a Condition of Title Report or other similar title product.

The Preliminary Report states on its face that it is made solely to facilitate the subsequent issuance of a title insurance policy and that the insurer assumes no liability for errors in the report. Accordingly, any claim arising from a defect in title must be made under the title policy and not the Preliminary Report.

After a title order has been placed, matters relative to the title policy coverage on the subject property are assembled in a title search package and examined by skilled technicians. This is when the Preliminary Report is prepared and sent to the customer. The report contains relevant information so that the parties to the transaction will become aware of matters which will not be insured against by the title company. This report is issued before the title policy, hence the name Preliminary Report.
The Matters
Those matters shown in the report are as follows:

1. The estate of interest covered.
2. The owner of the estate or interest.
3. The parcel of land involved.
4. The exceptions, liens, encumbrances and other risks which will not be insured against if a Title Policy is issued.
5. Other requirements and provisions which are reflected as “Notes” in the Preliminary Report which are removed if and when a title policy is issued.

Please note: This brochure is intended for general information purposes and is not to be relied on in interpreting the full legal effect of the documents and words shown herein.
In response to the application for a policy of title insurance referenced herein, Chicago Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions 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 Attachment One. 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 Attachment One. 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.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Chicago Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One 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.

Chicago Title Insurance Company

By:

Countersigned By:

Authorized Officer or Agent

Attest:

President

Secretary
1. This number identifies the Title Order Number and Title Officer Initials for reference.

2. This identifies the Address for the real property being searched.

3. This indicates the date and time that matters affecting the title to the real property therein have been examined and reported in the Prelim.

4. This section defines the type of coverage intended to be issued when the policy is issued.

5. A Fee Simple is the highest type of estate or interest an owner can have in land, freely transferable and inheritable, and whose owner is entitled to possession.

6. This shows the owner of record and how title is vested (how the owner holds title to the land i.e. a single man, a widow, husband and wife as joint tenants, etc.) for the real property therein.

7. The Legal Description and Assessor’s Parcel Number (APN) of the real property covered in the Prelim.

8. Identifies the escrow contact for the order and includes the escrow number for identification purposes.
AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2019-2020.

2. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

   - **Tax Identification No.**: 555-222-001-0
   - **Fiscal Year**: 2018-2019
   - **1st Installment**: $1,427.63, unpaid (Due after December 10)
   - **Penalty**: $142.76
   - **2nd Installment**: $1,427.63, unpaid (Due after April 10)
   - **Penalty and Cost**: $152.76
   - **Homeowners Exemption**: $0.00
   - **Code Area**: 018-225

3. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2010-2016.

   - **Default No.**: 555-222-001-0
   - **Amount to redeem for the above-stated fiscal year (and subsequent years if any)** are:
     - **Amount**: $4,056.25 by April 30, 2019
     - **Amount**: $4,135.25 by May 31, 2019

4. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

5. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

   - **Recording Date**: December 14, 1990
   - **Recording No.**: 454080, Official Records

   Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

   - **Modification(s) of said covenants, conditions and restrictions**
     - **Recording Date**: December 27, 1990
     - **Recording No.**: as instrument no. 465698; January 3, 1991 as instrument no. 3337; August 19, 1992 as instrument no. 309822; July 3, 1991 as instrument no. 227100 and July 30, 1991 as instrument no. 259640, all of Official Records
7&8. Easements
These items indicate that there are easements of record affecting the land for stated purposes. When clearly defined the location of said easement will be set out. These can be dedicated on a filed map or recorded in an instrument at the Recorders Office.

9. Deed of Trust
This indicates a voluntary encumbrance against the property for monies which are secured against the property. It will show the original loan amount, dated date, recording date, borrower, lender and trustee.

10. Solar Energy System Contract
This indicates that a solar energy system is presently located on the property and terms of a recorded contract are in effect regarding this system.

11. Solar Financing Statement
Shows that a financing statement regarding a solar energy system has been recorded against the property.
12 & 13. Trust Vesting

Statement wherein it specifies that because the ownership is in a Trust it must be reviewed for insurability and a copy of the Trust including amendments and a Trust Certification will be required.

12. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a Trust Certification pursuant to California Probate Code Section 18100.5.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

13. This Company will require a full copy of the trust agreement and any amendments thereto.

END OF EXCEPTIONS
Notes
Other requirements and provisions which are reflected as “Notes” which are removed if and when a title policy is issued.

Note 1.
Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

Note 2.
If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 3.
If this company is requested to disburse funds in connection with this transaction, Chapter 598, Statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold period for cashier’s checks, certified checks and teller’s checks is one business day after the day deposited. Other checks require a hold period of from two to five business days after the day deposited. In the event that the parties to the contemplated transaction wish to record prior to the time that the funds are available for disbursement (and subject to Company approval), the Company will require the prior written consent of the parties. Upon request, a form acceptable to the company authorizing said early recording may be provided to Escrow for execution.

Wire Transfers
There is no mandated hold period for funds deposited by confirmed wire transfer. The Company may disburse such funds the same day.

Note 4.
Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

Note 5.
Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note 6.
Note: None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.

Note 7.
Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a single family residence, known as 1234 W. Frist Street, Riverside, CA, to an Extended Coverage Loan Policy.

Note 8.
Note: The Company and its policy issuing agents are required by Federal law to collect additional information about certain transactions in specified geographic areas in accordance with the Bank Secrecy Act. If this transaction is required to be reported under a Geographic Targeting Order issued by FinCEN, the Company or its policy issuing agent must be supplied with a completed ALTA Information Collection Form (“ICF”) prior to closing the transaction contemplated herein.

Note 9.
Note: Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
Notes

Other requirements and provisions which are reflected as “Notes” which are removed if and when a title policy is issued.

Note 10. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company’s State Counsel, Regional Counsel, or one of their designees.

Note 11. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(ies).

Party(ies): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

END OF NOTES
Assessor’s Parcel Map

This map is a reduced size copy of the County Assessor’s Parcel Map. It is included for informational purposes only and the Company assumes no liability for any loss occurring by reason of release of the map.

Disclaimer

Subdivision, Recorded Map Book and Page

Map Book and page number
Call your local Chicago Title representative for more details or specific policy language pertaining to any of our title products.