



GUIDE TO UNDERSTANDING A PRELIMINARY TITLE REPORT.



Preliminary Title Report

Escrow Officer: Jane Escrow
Title Officer: Success Escrow
Order Number: 5889-AE
Loan No.:
Attention: Jane Escrow
Your Reference: 5889-AE
Property Address: 49854 Success Way, Beverly Hills, CA

EFFECTIVE DATE: May, 2005, 07:45 A.M.

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

California Land Title Association Standard Coverage Policy - 1990
American Land Title Association Loan Policy (10-17-92) with A.L.T.A. Form 1 Coverage

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN: Robert M. Sellerperson and Mary K. Sellerperson, husband and wife as joint tenants, at to an undivided 1/2 interest; and John Doe, as Trustee U.D.T. dated January 15, 1980, as to an undivided 1/2 interest.

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE CITY OF PALM SPRINGS, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

How To Read a Preliminary Title Report

A Preliminary Title Report (PR) is a report which shows the terms upon which the company may issue its policy. It does not constitute a policy nor a commitment to issue such a policy. Also set out in the PR are information items that will assist the customer in expediently closing the proposed transaction thus enabling **Provident Title Company** to issue its policy(ies) of title insurance.

The PR is issued after a thorough title search has been made on the real property and all the documents affecting said property have been examined to determine their effect on said property. The title search is made of the public record, generally including the following offices: The County Recorder of the county in which the real property is located.

- The taxing authority(ies) that levies(y) taxes and assessments on real property.
- The clerk of various courts of the State of California
- The clerk of the United States District Court.

In addition to the above mentioned public records, certain types of policies to be issued by **Provident Title** require that we make a physical inspection of the property. This inspection may disclose additional encumbrances or rights of other parties in and to said property not disclosed by the public records.

Following is a brief explanation of some of the more common items shown in a PR together with an explanation of some of the preprinted items shown therein. The Preliminary Report provided herein is a sample of what a customer would receive shortly after placing the title order with **Provident Title Company**. The numbered items shown on the sample PR.

Preliminary Report



1 The Escrow Company
1234 Any Street
Los Angeles, CA 90017
Attn: John Doe

2 YOUR NO. 35678-MP

3 OUR NO. 5600127-08

4 Title Officer: Bob Smith

PRELIMINARY REPORT

5 Dated: January 1, 2022 at 8:00 a.m.

6 IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, PROVIDENT 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 ESTATES OR INTEREST HEREIN, BY REASON OF ANY DEFECT, LIEN OR ENBUMBRANCE NOT SHOWN OR REFERENCED TO AS AN EXCEPTION BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS, AND STIPULATIONS OF SAID POLICY FORM.

7 THE PRINTED EXCEPTIONS AND EXCLUSIONS FROM THE COVERAGE OF SAID POLICY OR POLICIES ARE SET FORTH IN "EXHIBIT A," ATTACHED. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE WHICH ISSUED THIS REPORT.

8 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.

Preliminary Report - Explanation

- 1** The firm name, address, and name of the individual who placed the order for our prelim. It is also used for mailing purposes in a widowed envelope.
- 2** This number identifies the customer's escrow file for the property and includes the Escrow Officer's initials for easy identification.
- 3** The number identifies the title order file.
- 4** The name of the Title Officer handling the order is shown here.
- 5** This date represents the date and time, up to which matters affecting the title to the land therein described, have been examined and reported. This normally is the same as the "plant date." For instance, the date to which the title plant records of the lands and "GI" (general index) have been posted.
- 6** This paragraph references that the Company is prepared to issue the policy elsewhere referred to and points out the fact that there are exceptions and exclusions in the policy form and additional exceptions listed in the report, which would not be issued against the policy.
- 7** This paragraph points out the fact that the language of preprinted exceptions and exclusions is set forth verbatim in "Exhibit A" and encourages the reading of the policy forms.
- 8** This paragraph specifies that no liability is ever intended under a preliminary report; and further indicates what should be requested if the customer desires assumption of liability to policy issuance.

Schedule A

SCHEDULE A

THE FORM OF POLICY OF TITLE INSURANCE CONTEMPATED BY THIS REPORT IS:

9

A CLTA Owner's Policy

10

THE ESTATE OR INTEREST IN THE LAND HEREAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

11

JOE R. SELLERMAN AND JANET B. SELLERMAN, husband and wife, as joint tenants.

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

12

Lot 6 of Tract No. 3103, in the City of Glendale, Count of Los Angeles, State of California, as shown on the map thereof recorded in Book 96, pages 7 and 8, inclusive of Maps, in the County Recorded of said county.

13

EXCEPTING THEREFROM all oil, gas, and other hydrocarbon substances in and under or that may be produced from a depth of 500 feet from the surface of said land, but without the right of surface entry.

Schedule A - Explanation

- 9** This references the form of the policy to be issued.

- 10** A fee (the word “estate” is used to express the degree, quantity, nature, duration or extent of an interest in land). A “fee” is the highest type of estate of interest an owner can have in land - freely transferable and inheritable, and whose owner is entitled to possession. (There are a number of other estates or interests in land that we do insure).

- 11** This shows who the owner of record is and how title is held.

- 12** This provides the legal description of the land covered by the prelim.

- 13** The oil, gas, and other hydrocarbon substances have been served from the ownership of the surface and are not owned by the owner referred to in (9) above. Thus, said mineral interests are excluded from coverage. Please note, however, that the owner of the mineral rights has no right to use the surface of the land.

Schedule B



NOTE: RED FLAG ITEMS

SCHEDULE B

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE, IN ADDITION TO THE PRINTED EXCEPTION AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

14

1. General and special taxes including assessments collected with taxes, to be levied for the fiscal year 2021 - 2022, which are a lien not yet payable.

1. General and special taxes for the fiscal year 2021 - 2022 have been paid, including personal property taxes, if any.

Total: \$ 633.00
First Installment: \$ 316.50

Homeowners Exemption: NONE

Code: 67
Parcel: 5523-016-017

15

1b. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2021 - 2022



Amount to Redeem: \$ 833.69
Prior to: April 30, 2022

1c. An assessment by the improvement district is shown below

16

Bond No: 314
Series: 88-3
District: Los Angeles
For: County Improvements
Bond Issued: March 1, 2010

Amount to pay said bond in full, prior to April 2022 - \$610

17

1d. The lien of supplemental taxes, if any, assessed pursuant to the provisions of et seq., of Section 75. the Revenue and Taxation Code of the Sate of California.



Schedule B - Explanation

14

Taxes

The first item shown on "Schedule B" is a statement regarding the amount and status of the current year's taxes (e.g., taxes now a lien, now due, or respective installment paid or unpaid).

15

Tax Default

If there are delinquencies for a prior year, or years, the amount including penalty and interest to redeem prior to a certain future date is shown here.

16

Bond

Bonds or assessments (if any) levied at the inception of construction of improvements (e.g. as streets, gutters, sidewalks, sewers, etc., under an approved district are shown here.

17

Supplemental Taxes

Tax reassessments which upon the transfer of ownership or new construction on the land are shown here.

Schedule B

2. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below:

18

Map of: Tract No. 3103
Recorded: In book 94, page(s) 7 and 8, Miscellaneous Maps

Purpose: Public Utilities and incidental purposes
Affects: the Southerly 6 feet

3. An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: Public Utilities and incidental purposes
Recorded: July 6, 1968 in book 4240, page 368, Official Records

Affects the Southerly 6 feet

4. An easement for the purpose shown below and rights incidental thereto as set forth in a document.

Purpose: Electric lines and incidental purposes
Recorded: July 6, 1968 in book 4240, page 368, Official Records

Affects said land

19

5. Covenants, conditions, and restrictions provide that a violation thereof shall not defeat or render invalid to lien of any mortgage or deed of trust made in good faith and for value.

20

6. A deed of trust to secure an indebtedness in the amount shown below:

Amount: \$ 100,000.00
Dated: October 10, 2005
Trustor: Joe R. Sellerman and Janet B. Sellerman
(husband and wife)
Trustee: Provident Title Company
Beneficiary: California Redwoods Savings and Loan Association
Recorded: October 20, 2005, in book 9936, page 43, Official Records

Schedule B - Explanation

From this point on, the items shown in the prelim will be shown chronologically, the oldest first and most recent, last. Although this approach is normal from the standpoint of an examiner, the items are not necessarily shown in strict order of priority.

18

Record Easements

An easement is a right or interest in the land of another, which entitles the holder of thereof to some use, privilege or benefit (e.g. to install poles and wires, pipelines, roads for travel over, etc.) upon or over said land.

19

This document contains covenants, conditions, and restrictions. A restriction is limitation upon the use of property. Restrictions generally established use, type of improvement, their design, set back lines, etc. Restrictions affecting a tract of land containing many lots establish uniformity.

20

Deed of Trust

A deed of trust is a three-party instrument under which an owner of land (trustor) conveys land to a trustee for the benefit of the lender (beneficiary) to secure the borrower's obligation (usually payment of money evidenced by a promissory note) to the lender. The trustee has limited powers (re-convey, foreclosure, non-judicially, etc.) as specifically conferred to it

Schedule B

The beneficial interest under said deed of trust was assigned of record to

21 Assignee: Bayshore Savings and Loan Association
Recorded: May 6, 2006 in book 10003, Page 7 Official Records

22 A substitution of trustee under said deed of trust which means names as the substituted trustee, as following
Trustee: Malibu Beach Trustees, Incorporated
Recorded: May 8, 2008 in book 11106, Page 410 Official Records

23 A notice of default under the terms of said deed of trust
Executed by: Bayshore Savings and Loan Association
Recorded: May 8, 2008 in book 11106, Page 410 Official Records

24 7. A deed of trust to secure an indebtedness in the amount shown below

Amount: \$ 40,000.00
Dated: October 12, 2005
Trustor: Joe R. Sellerman and Janet B. Sellerman
(husband and wife)
Trustee: Investors Title Company
Beneficiary: Richard A. Grant and Cindee Grant
(husband and wife as joint tenants)
Recorded: October 20, 2005, in book 9936, page 45, Official Records

25 By provision of an agreement

Dated: October 10, 2005
Executed by: Joe R. Sellerman and Janet B. Sellerman and
Richard A. Grant and Cindee Grant
Recorded: October 20, 2005, in book 9936, page 300, Official Records

Said instrument was made subordinate to the lien of the document or interest

Shown: Item 6

Schedule B - Explanation

21

Assignee

The original assignee

22

Substitution of Trustee

Here a new trustee is substituted in the original trustee

23

Notice of Default

The obligations under the trust deed were not met (e.g. failure to pay monthly installments), and therefore a notice of said default was recorded. (Notice here the chronology of the items affecting the first deed of trust.

24

Deed of Trust

A deed of trust was recorded on the same day as the previous deed of trust shown as item (6) subordination agreements. The parties have agreed that this last deed of trust to be a “second” trust deed or a junior lien to the first trust deed.

25

Shown previously above. The recorded subordination agreement states this fact. The agreement may be separate instrument or, in some cases, it may be incorporated within the deed of trust that is to become subordinate.

Schedule B



NOTE: RED FLAG ITEMS

- 26

An agreement to modify the terms and provisions of said deed of trust as therein provided:

Executed by:

Joe R. Sellerman, Janet B. Sellerman (husband and wife) and
Richard A. Grant and Cindee Grant (husband and wife)

Recorded:

January 13, 2006 in book 1088, page 300, Official Records
- 27

By mesne assignments of record, the beneficial interest under said deed of trust was assigned to:

Assignee:

R.F. Jones Realty

Last Recorded
- 28

An additional to be secured by said deed of trust, as disclosed by an instrument:
- 29

Amount in Advance:

\$ 15,000.00

Recorded:

December 9, 2006 in book 1095, page 325, Official Records
- 30

Debtor:

Joe R. Sellerman, Janet B. Sellerman

Creditor:

Cool Pool, Incorporated, a California Corporation

Date Entered:

May 25, 2004

County:

Orange
Municipal Court
Orange County Judicial District

Case:

743611

Amount:

\$ 2,365.30
- 31

9. A lien for the amount shown and any other amounts due, in favor of the United States of America

Federal Serial No:

93641

Taxpayer:

Joe R. Sellerman, Janet B. Sellerman

Amount:

\$ 936.50

Recorded:

September 20, 1991 as instrument N. 91-1522814, Official Records

Schedule B - Explanation

26 **Modification of Agreement.**

The terms of a trust deed may be modified in a number of ways (e.g. changes in interest rates or other conditions, provisions for additional advances, extension of maturity dates, etc.) by agreement executed by the trustor and beneficiary, or their successors.

27 **Assignments**

Same as under explanatory note (21), expect there were several assignments. (Note also the chronology of the items affecting this second deed of trust.)

28 **Additional Advance**

Recording of a notice of additional is not required by law; however, some lenders will require the recording of a notice.

29 Although (original) deed of trust, as modified, may secure further or future advances, the deed of trust's priority, insofar as it secures future advances, depends on (a) whether advances are obligatory or optional with the beneficiary and (b) if optional, whether at the time of making the advance the beneficiary had knowledge of intervening right.

30 **Abstract of Judgment**

Imposes a lien as of the date of recording on this and all other real and personal property now owned or hereafter acquired by the debtor until satisfaction or expiration of the lien.

31 **Federal Tax Liens**

Under Federal Law, any revenue tax, unpaid after demand, becomes a lien on all property and rights to property and rights to property (includes real and personal property) of the person liable therefore, from the time the assessment is made, valid however, against any purchase, holder of a security interest, mechanic's lien or judgment lien credit only when notice thereof is previously filed in the County's Recorder's Office.



NOTE: RED FLAG ITEMS

32

10. A lien for the amount shown and any other amount due, in favor of the State of California.

Amount: \$ 320.50
Filed by: State of California
Amount: Joe R. Sellerman and Janet B. Sellerman
Cert. No.: 73942



11. A lien for unsecured property taxes filed by the tax collector of the county shown for the amount set forth, and any other amounts due.

County: Orange County
Fiscal Year: 2021 - 2022
Taxpayer: Joe R. Sellerman and Janet B. Sellerman
County ID NO.: H03941
Amount: \$ 193.60



33

NOTE NO. 1: THIS COMPANY DOES REQUIRE CURRENT BENEFICIARY DEMANDS, PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as

1. If this company accepts a verbal update on the demand, we will hold an amount equal to one monthly mortgage payment. This hold will be up and above the verbal hold the lender may have stipulated.
2. If this company cannot obtain a verbal update on the demand, we will either pay off of the expired demand, or wait for the amended demand.

34

NOTE NO. 2: As of January 1, 1990, Chapter 598, California Statutes of 1989 (AB 512); Insurance Code Section 12413.1) becomes effective. The law requires that all funds be deposited and available from withdrawal by the title entity's escrow or sub escrow account prior to the disbursement of any funds. Only cash or wired funds can be given immediately upon deposit. Cashier's check, Teller's check, and Certified checks may be available one business day after deposit. All other funds, such as personal, corporate, or partnership checks and drafts may cause material delays, all funding should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or availability of deposited checks.

Schedule B - Explanation

32 A title company will report federal tax liens not only against the person in title, but against the husband and wife of the persons in title - unless the title stood record as the separate property of the title holder prior to the date when the assessment was made, (State and County liens have the force, effect, and priority of judgment). An increasing number of legislative enactments shall have the force, effect, and priority of a judgment against the party responsible for the payment. For discussion purposes, these "judgment" are herein considered as being evidenced by a recording in the farm, these are to be treated for title insurance purposes as though they were abstracts of judgment. However, the specific statutes be referred to before replying upon a release or any subordination.

33 **(NOTE 1)** This note provides information regarding the Company's requirements for paying demands.

34 **(NOTE 2)** This note discusses the California statute requiring depositor funds available for withdrawal from the Company's account prior to use for payment of any kind.

Schedule B

PLEASE NOTE THE FOLLOWING INSTRUCTIONS FOR INCOMING WIRE TRANSFERS OF PAYOFF FUNDS:

Bank of American National Trust and Savings Association
601 North Brand
Glendale, California 91203

Account No.: 273-172957

ABA No.: 122000043

WIRE MUST REFERENCE PROVIDENT TITLE COMPANY ORDER NUMBER AND TITLE OFFICER

35 **NOTE NO. 3:** The premium for a policy of title insurance, if issued, will be based on the basic rate.

36 **NOTE NO. 4:** This report is incomplete as to the effect of documents, proceedings, liens, decree, or other matters which do not specifically describe said land, but which if any do exist, may affect the title or impose liens or encumbrances thereon.

This company will require statement(s) or information, including a declaration of marital status, from buyer, seller, and/ or borrower, in order to complete this report.

Schedule B - Explanation

35 **(NOTE 3):** If a special rate for title insurance is applicable, the note will so state.

36 **(NOTE 4):** Statement of information (SI). This confidential information statement is used to enable the Title Officer to consider matters which may affect the interest of seller and/ or buyer against whom there may be judgments, tax liens, or other matters affecting property ownership.



Explanation

This plat map, normally, is a reduced size copy of the recorded subdivision map of the pertinent county assessor's map, included for information purposes only.