



70 SW Third Ave., Ontario, OR 97914  
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October 4, 2017  
File Number: 199652AM  
Report No.: 2  
Title Officer: Mike Malmberg

**SUPPLEMENTAL TITLE REPORT**

**Property Address: 255 King Avenue, Nyssa, OR 97913**  
**Land, Nyssa, OR 97913**  
**114 King Avenue, Nyssa, OR 97913**  
**110 King Avenue, Nyssa, OR 97913**  
**Land, Vale, OR 97918**

<u>Policy or Policies to be issued:</u>	<u>Liability</u>	<u>Premium</u>
OWNER'S STANDARD COVERAGE Proposed Insured: <b>To Be Determined</b>	\$TBD	\$TBD
ALTA LENDER'S COMMERCIAL ( X ) EXTENDED ( ) STANDARD (Simultaneous) Proposed Insured: <b>To Be Determined</b> Endorsements 209.10-06, 222-06 and 208.1-06	\$TBD	\$TBD \$100.00
Local Government Lien Search		\$20.00

We are prepared to issue ALTA (06/17/06) title insurance policy(ies) of Fidelity National Title Insurance Company, in the usual form insuring the title to the land described as follows:

**Legal description attached hereto and made a part hereof marked Exhibit "A"**

and dated as of 19th day of September, 2017 at 7:30 a.m., title is vested in:

**Farmers Grain, LLC**

**Tax Lot 2100: Fee Owner Vale Ranches, LLC**

The estate or interest in the land described or referred to in this Preliminary Title Report and covered herein is:

FEE SIMPLE

**Except for the items properly cleared through closing, Schedule B of the proposed policy or policies will not insure against loss or damage which may arise by reason of the following:**

**GENERAL EXCEPTIONS:**

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; proceedings by a public agency which 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. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCEPTIONS 1 THROUGH 5 ABOVE APPLY TO STANDARD COVERAGE POLICIES AND MAY BE MODIFIED OR ELIMINATED ON AN EXTENDED COVERAGE POLICY.

**SPECIAL EXCEPTIONS:**

6. Taxes for the fiscal year show below:  
The 2017-2018 Taxes: A lien not yet due or payable.
7. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts, which a correct survey would disclose.
8. Any statutory lien for labor or material, which now has gained, or hereafter may gain priority over the lien of the insured mortgage.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

IF THE ABOVE EXCEPTION IS TO BE REMOVED FROM A FORTHCOMING POLICY PRIOR TO THE EXPIRATION OF THE STATUTORY LIEN PERIOD, THE COMPANY MUST BE CONTACTED REGARDING ITS UNDERWRITING REQUIREMENTS FOR EARLY ISSUE.

9. Persons in possession or claiming the right of possession.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

10. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Idaho Power Company  
Recorded: June 20, 1961  
Instrument No.: 30302  
Book: 118

11. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Idaho Power Company  
Recorded: June 28, 1989  
Instrument No.: 89-35219
12. Unrecorded Lease, including the terms and provisions thereof, or Right Title and Interest of Farmers Grain & Seed, as disclosed on Statutory Warranty Deed recorded October 13, 2011, Instrument No. 2011-3512, Deed Records.
13. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:  
Granted To: Idaho Power Company  
Recorded: August 10, 2012  
Instrument No.: 2012-2895
14. The Company will require a copy the Operating Agreement (including any approvals of withdrawal of member(s) or acceptance of new member(s)) and the Articles of Organization of Farmers Grain, LLC for its examination prior to closing. Any conveyance or encumbrance of the Limited Liability Company's property must be executed by all of the members unless otherwise provided for in the Operating Agreement.

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

15. Unrecorded Lease, including the terms and provisions thereof, Vale Ranches, LLC Fee Owner Tax Lot 2100 Map: 1845.
16. Taxes deferred, as disclosed by the tax roll, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use the property will be subject to additional taxes or penalties and interest.

Affects Leasehold Interest.

17. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.

Affects Leasehold Interest.

18. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of the Warm Springs Irrigation District.  
(No inquiry has been made)

Affects Leasehold Interest.

19. A Deed of Trust, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:  
Amount: \$4,300,000.00  
Trustor/Grantor: Vale Ranches LLC  
Trustee: Malheur County Title Company  
Beneficiary: Farm Credit West, FLCA  
Dated: June 24, 2016  
Recorded: July 14, 2016  
Instrument No.: 2016-2330

Affects Leasehold Interest.

**INFORMATIONAL NOTES:**

**For TAX INFORMATION, See Attached Exhibit "B"**

NOTE: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

NOTE: Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the parties to the transaction must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

THIS PRELIMINARY TITLE REPORT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.



Michael W. Malmberg  
Title Officer

**End of Report**

*"Superior Service with Commitment and Respect for Customers and Employees"*

### Exhibit 'B'

#### TAX INFORMATION:

File No. 199652AM

Code No.	Account No.	Map No.	Tax Year	Amount	Status
2	3382	19S4732 500	2016-2017	\$39,980.23	Paid
2	20518	19S4732 500Z1	2016-2017	\$14,592.94	Paid
2	4439	19S4732CA 2600A1	2016-2017	\$777.09	Paid
2	20523	19S4732CA 2600Z1	2016-2017	\$489.13	Paid
2	16884	19S4732AC 8600	2016-2017	\$14.26	Paid
2	4078	19S4732AC 8700	2016-2017	\$28.68	Paid
2	4079	19S4732AC 8900	2016-2017	\$313.95	Paid
43	20424	18S45 2100Z1	2016-2017	\$732.76	Paid

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Land in Malheur County, Oregon, as follows:

In Twp. 19 S., R. 47 E., W.M.:

Sec. 32: A parcel of land in the NW  $\frac{1}{4}$  SE  $\frac{1}{4}$  described as follows:

Beginning at a point 38 feet South and 531 feet East of the center of said Section 32;

Thence S. 00 degrees, 160 feet;

Thence along the Northerly boundary of the Oregon Short Line Railroad Company right of way, Homedale Branch, on a curve having a radius of 996.3 feet, a long chord of N. 42 degrees 03' E., 164.3 feet;

Thence N. 00 degrees, 38 feet;

Thence 90 degrees W., 110 feet to the Point of Beginning.

Land in Malheur County, Oregon, as follows:

In Twp. 19 S., R. 47 E., W.M.:

Sec. 32: A parcel of land in the NW  $\frac{1}{4}$  SE  $\frac{1}{4}$  described as follows:

Beginning at a point 38 feet South of the center of said Section 32;

Thence East 531 feet;

Thence South 160 feet;

Thence along the Northerly boundary of the Oregon Short Line Railroad right of way on a spiral curve of 996.3 foot radius and long chord of S. 52 degrees 36' W., 155 feet;

Thence continuing along said right of way with a long chord of S. 56 degrees 32' W., 127.3 feet;

Thence S. 58 degrees 40' W., along said right of way to its intersection with the North-South center line of Section 32;

Thence North along said center line to the Point of Beginning.

EXCEPTING THEREFROM the Westerly 115 feet;

Land in Malheur County, Oregon, as follows:

In Twp. 19 S., R. 47 E., W.M.:

Sec. 32: The Westerly 115 feet of the following described parcel:

Beginning 38 feet South of the center of said Section 32;

Thence East 531 feet;

Thence South 160 feet;

Thence following the railroad right of way on a spiral curve of 996.3 foot radius the long chord of which bears S. 52 degrees 36' W., 155 feet;

Thence along said right of way on a spiral curve the long chord of which bears S. 56 degrees 32' W., 127.3 feet;

Thence S. 58 degrees 40' W., along the railroad right of way line of said Section 32;

Thence North on said North-South center line of said Section 32, to the Point of Beginning.

EXCEPTING THEREFROM that portion as conveyed to the City of Nyssa, by Deed recorded October 2, 1977, Instrument No. 35514, Deed Records, for street right of way.

Land in the Original Townsite, City of Nyssa, Malheur County, Oregon, according to the Official Plat thereof, as follows:

In Block 20: Lot 10.

In Block 20: Lot(s) 11 and 12.

In Block 20: Lot(s) 13 and 14.

Leasehold Interest:

Land in Malheur County, Oregon, a follows:

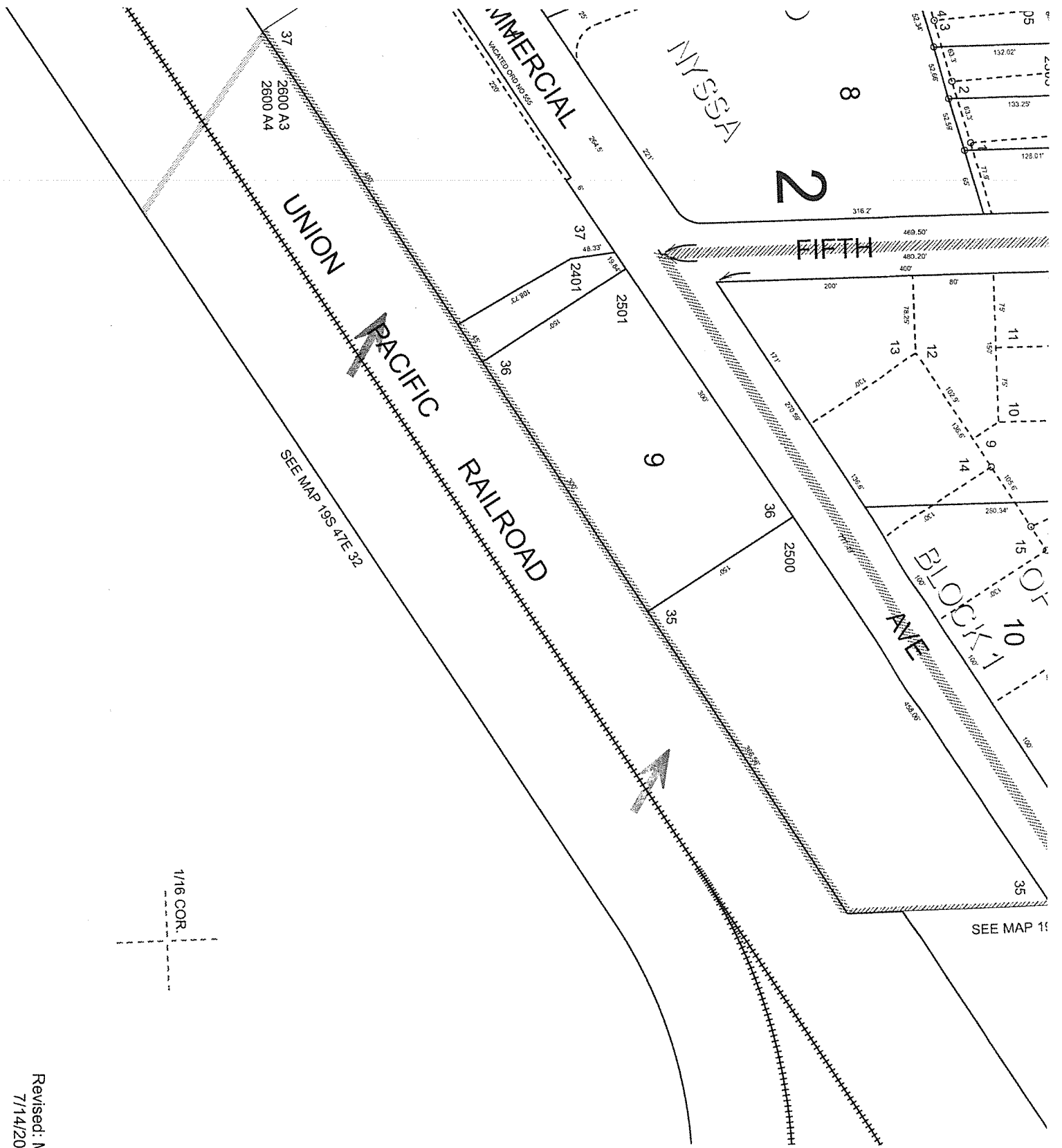
In Twp. 18 S., R. 45 E., W.M.:

Sec. 25: NW1/4 NE1/4,

SUBJECT to Highway 20-26 right of way.







2600 A3  
2600 A4

UNION PACIFIC RAILROAD

SEE MAP 19S 47E 32

NYSSA

2

8

FIFTH

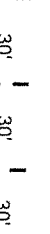
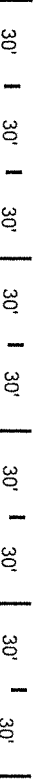
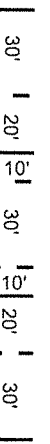
9

LOT 10  
BLOCK 11  
AVE

SEE MAP 19

1/16 COR.

Revised: MA  
7/14/2009

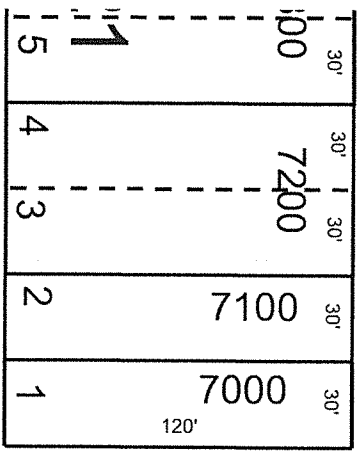


11S

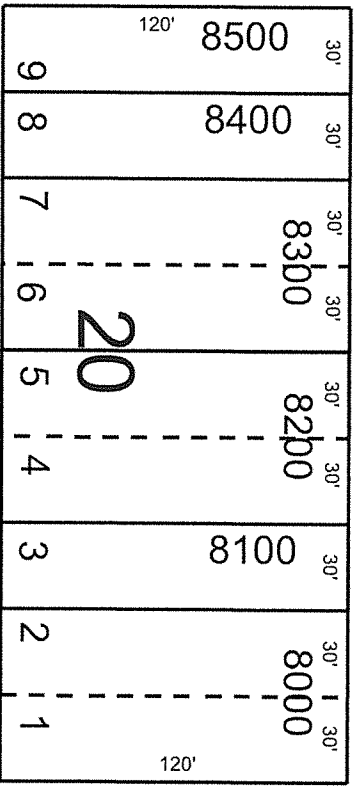
AVE

76'

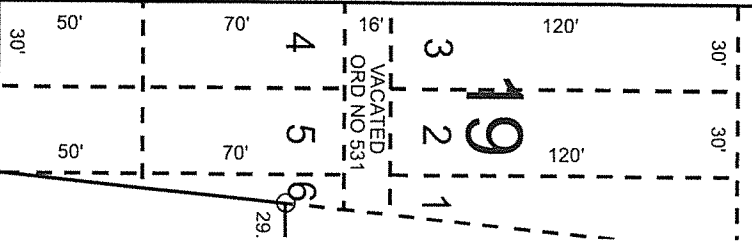
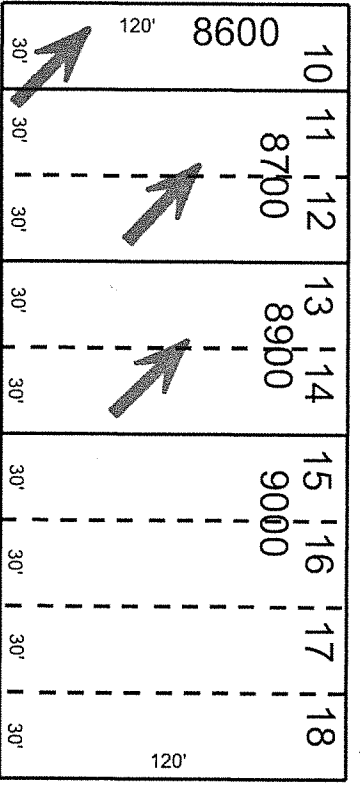
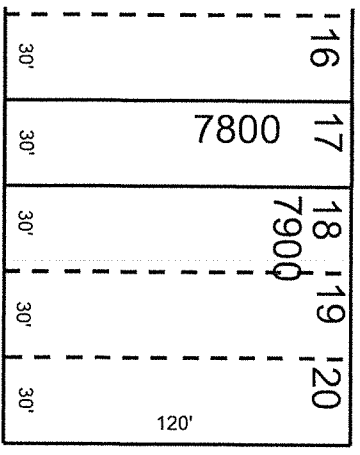
VACATED  
ORD NO 531



SECOND



FIRST



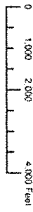
11G

AVE

SEE MAP 19S 47E 32

9500A:

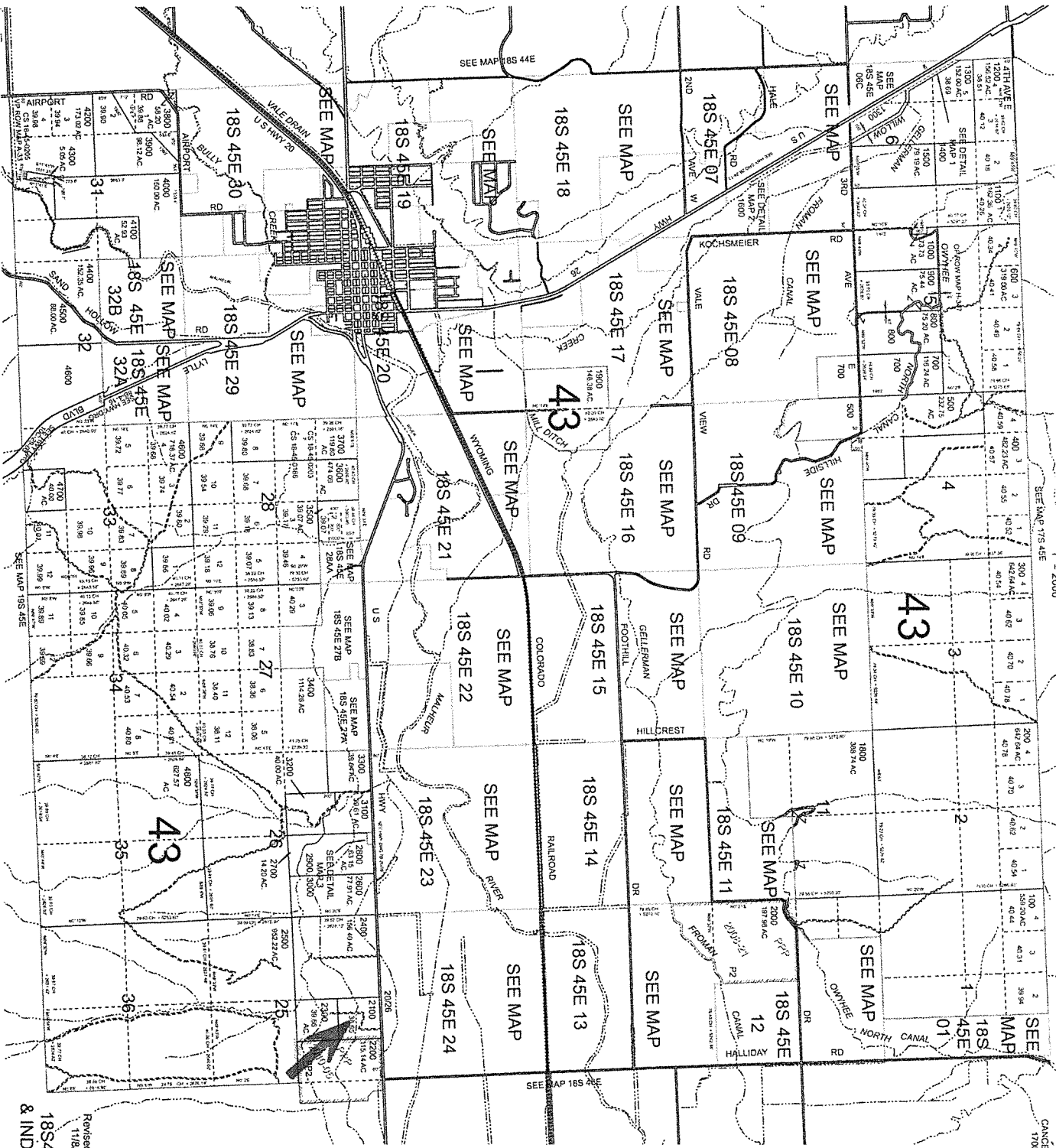
THIS MAP WAS PREPARED FOR  
ASSESSMENT PURPOSE ONLY



T.18S. R.45E. W.M.  
MALHEUR COUNTY

1" = 2000'

18S45E  
& INDEX  
CANCELED  
1700



18S45E  
& INDEX  
11/18/2010  
Revised: MA