

RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
)
Stradling Yocca Carlson & Rauth)
6490 S. McCarran Blvd., Bldg. E, Ste. 201)
Reno, Nevada 89509)
Attention: Scott Shaver)

[Space above for Recorder's use.]

This document is recorded for the benefit of the Willows Unified School District, and the recording is fee-exempt under Section 27383 of the Government Code.

SITE LEASE

by and between

WILLOWS UNIFIED SCHOOL DISTRICT

and

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

Dated as of August 15, 2013

SITE LEASE

This Site Lease is made and entered into as of August 15, 2013 by and between the WILLOWS UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California (the "State") duly organized and existing under and by virtue of the laws of the State, as lessor (the "District"), and the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation duly organized and existing under the laws of the State, as lessee (the "Corporation").

WITNESSETH:

WHEREAS, the District has entered into this Site Lease (the "Site Lease") with the Corporation for the purpose of leasing the real property (including all existing and future improvements thereon) consisting generally of Willows Intermediate School located at 1145 W. Cedar Street, Willows, California 95988 described in Exhibit A hereto as such Exhibit A may be amended and supplemented from time to time (the "Leased Property") to the Corporation, as lessee hereunder; and

WHEREAS, the District intends to lease the Leased Property back from the Corporation, pursuant to the terms of that certain Lease Agreement, dated the date hereof, between the Corporation and the District (the "Lease Agreement") and evidenced by a Memorandum of Lease Agreement recorded concurrently herewith; and

WHEREAS, in order to provide a source of financing to fund the rental payment due hereunder by the Corporation, the Corporation has entered into an Assignment Agreement dated as of August 15, 2013, (the "Assignment Agreement") between the Corporation and Capital One Equipment Finance Corp. (together with its successors and assigns, the "Assignee") pursuant to which the Corporation assigns the right to receive lease payments, among other things, to the Assignee; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the Site Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, it is hereby mutually agreed as follows:

Section 1. **Definitions.** Unless the context otherwise requires, the capitalized terms herein which are not defined herein shall have the meanings specified in the Lease Agreement or the Program Fund Agreement (as defined herein), as applicable.

Section 2. **Lease of the Site.** The District hereby leases to the Corporation and the Corporation hereby leases from the District the Leased Property, on the terms and conditions hereinafter set forth.

Section 3. **Term.** The term of this Site Lease shall commence as of the date hereof and shall remain in effect until the later of August 15, 2030 or the date of expiration of the Lease Agreement as provided for by Section 4.3 thereof, unless such term is sooner terminated as

hereinafter provided, however, if the term of the Lease Agreement is extended pursuant to Section 4.3 of the Lease Agreement, the term of this Site Lease shall also be extended, to the same date as the Lease Agreement is extended, except that the term of this Site Lease shall in no event extend beyond December 16, 2040. If the Lease Agreement is terminated in whole pursuant to Sections 9.2, 9.3, or 9.4 of the Lease Agreement, the term of this Site Lease shall also be terminated.

Section 4. **Rental.** The Corporation, or any assignee or successor in interest of the Corporation under this Site Lease, shall pay upon execution and delivery of this Site Lease as and for rental hereunder, the sum of \$3,955,000 (the "Site Lease Payment"). Such payment shall be deposited by the Deutsche Bank Trust Company Americas (the "Custodian") in the QZAB Program Fund pursuant to Program Fund Agreement (the "Program Fund Agreement") of even date herewith among the Corporation, the District, the Assignee, and the Custodian. The Corporation and the District hereby find and determine that the total amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Leased Property which is conveyed hereunder by the District to the Corporation. No other amount of rental is due and payable by the Corporation for the use and occupancy of the Leased Property under this Site Lease. The District shall apply the proceeds of the Site Lease Payment to pay Program Costs (as defined in the Lease Agreement), and shall ensure that all of such proceeds are applied solely for capital outlay purposes.

As additional consideration for the leasing of the Leased Property to it, the Corporation shall execute and deliver the Lease Agreement and shall perform its obligations thereunder.

Section 5. **Acquisition and Installation of the QZAB Program.** The purpose for which the District agrees to lease the Leased Property to the Corporation hereunder is to enable the District to finance the QZAB Program as provided in the Program Fund Agreement and the Lease Agreement.

Section 6. **Representations, Warranties and Covenants.** The District represents and warrants that it is the owner in fee of the Leased Property. The District covenants that it shall not encumber the Leased Property except for Permitted Encumbrances (as such term is defined in the Lease Agreement).

Section 7. **Assignments.** The District acknowledges, approves, and affirms the assignment by the Corporation of its right, title and interest in and to this Site Lease to the Assignee, under the terms of the Assignment Agreement. The Corporation may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease Agreement and the Assignment Agreement, without the prior written consent of the Assignee.

Section 8. **Substitution or Release of Property.** If the District exercises its option under Section 4.9 of the Lease Agreement to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the District exercises its option under Section 4.10 of the Lease Agreement to release any portion of the Leased Property from the Lease Agreement, such release shall also operate to release property hereunder. The description of the property which is leased under the Lease Agreement shall conform at all times to the description of the property which is leased hereunder.

In the event of damage to or destruction of all or a portion of the Leased Property due to earthquake or other uninsured casualty for which the proceeds of rental interruption insurance are not available, the District shall promptly after the occurrence of such event and without any further authorization substitute and add as Leased Property under this Site Lease and the Lease Agreement

other real or personal property of the District that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the Lease Payments due during each fiscal year for the remainder of the term of the Lease Agreement.

Section 9. ***Right of Entry; Environmental Covenants.*** The District reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The District represents and warrants that after due inquiry it is not aware of any actual or alleged violation with respect to the Leased Property of any Environmental Regulations, and that there is no action or proceeding pending before or appealable from any court, quasi-judicial body or administrative agency relating to Hazardous Materials affecting or alleged to be affecting the Leased Property. The District shall not use or permit the Leased Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the Leased Property and then, only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Leased Property or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release, or presence, of Hazardous Materials, the District shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation or Assignee, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released or present, on, from or beneath the Leased Property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to and in accordance with Laws and Regulations and only to the extent necessary to maintain the Leased Property.

The District shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Leased Property free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The District shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Leased Property. Upon receipt of any notice from any individual or Person with regard to the presence of, or Release of Hazardous Materials on, from or beneath the Leased Property, the District shall give prompt written notice thereof to the Corporation and the Assignee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

The District shall, to the extent permitted by law, defend, indemnify and hold harmless the Corporation and the Assignee, their partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section), consultants' fees, investigation and laboratory fees,

liabilities, settlements, court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Leased Property, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached, or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or this Section 8 by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the District is strictly liable under any Environmental Regulation, its obligation to the Corporation and the Assignee and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 9 shall survive any termination of the Leased Property Lease or exercise of any remedies thereunder, and the satisfaction of all Lease Payments.

“Asbestos Containing Materials” shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

“Asbestos Operations and Maintenance Plan” shall mean that written plan for the Leased Property relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Leased Property.

“Environmental Regulations” shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1251, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, “TSCA”), the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651 et seq.) (together with regulations promulgated thereunder, “OSHA”) and any similar federal, state or local laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Hazardous Materials” shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as characterized, regulated or defined in CERCLA, RCRA, CWA, CAA, TSCA, OSHA and Title III, and the regulations promulgated pursuant thereto, and in any other Environmental Regulations applicable to the District, any of the Leased Property or the business operations conducted by the District therein.

“Laws and Regulations” shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Leased Property.

Section 10. ***Actions on Termination.*** The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as it was in at the time the real property then constituting the Leased Property became subject to this Site Lease, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and all interest therein shall vest in the District free and clear of any interest of the Corporation.

Section 11. ***Default.*** If the Corporation defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and the Lease Agreement shall be deemed to occur as a result thereof and no such remedy may include termination hereof; provided that the District may not terminate this Site Lease and shall exercise only remedies providing for specific performance hereunder; provided, further, that so long as the Lease Agreement remains in effect, the Lease Payments payable by the District under the Lease Agreement shall continue to be paid to the Assignee. In the event of the occurrence of an Event of Default under the Lease Agreement, the Corporation may (i) exercise the remedies provided in the Lease Agreement, (ii) use the Leased Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein or under applicable law.

Section 12. ***Quiet Enjoyment.*** The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances (as such term is defined in the Lease Agreement).

Section 13. ***Waiver of Personal Liability.*** All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation as a public entity, and the District hereby releases each and every member and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member or officer of the Corporation or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

Section 14. ***Taxes.*** The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property.

Section 15. ***Eminent Domain.*** If the whole or any part of the Leased Property or any improvements thereon is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid Lease Payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the District. To the extent permitted by law, the District hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property through the eminent

domain powers of the District. The District hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the District with respect to the Leased Property or any improvement thereon shall be in an amount not less than the total unpaid principal component of Lease Payments plus the interest component of Lease Payments accrued to the date of payment of all Lease Payments under the Lease Agreement.

Section 16. **Partial Invalidity.** If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. **Applicable Law.** This Site Lease shall be governed by and construed in accordance with the laws of the State.

Section 18. **Representatives.** Whenever under the provisions of this Site Lease the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by an authorized representative of the Corporation and for the District by an authorized representative of the District and any party hereto shall be authorized to rely upon any such approval or request.

Section 19. **Notices.** All notices or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid:

If to the District:

Willows Unified School District
823 West Laurel Street
Willows CA 95988
Attention: Superintendent
Facsimile: (530) 934-6609

If to the Corporation:

Public Property Financing Corporation of California
23945 Calabasas Road, Suite 103
Calabasas, California 91302
Attention: Secretary
Facsimile: 818-224-4789

If to the Assignee:

Capital One Equipment Finance Corp.
275 Broadhollow Road, 4th Floor
Melville, New York 11747
Attention: Jonathan A. Lewis, President
Telephone: (631) 531-2824
Facsimile: (866) 722-4390
E-mail: jonathan.lewis@capitalone.com

If to the Custodian:

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, NY 10005
Attention: Lisa McDermid
Telephone: (212) 250-6674
Facsimile: (917) 472-1575

The Corporation and the District, by notice given hereunder, may designate different addresses to which subsequent notices or other communications will be sent.

Section 20. ***Amendment of this Site Lease.*** The Corporation and the District may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the outstanding Lease Payments; or (b) without the consent of any owners of outstanding Lease Payments, but only if such amendment or modification is for any one or more of the following purposes:

(i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Corporation and the District may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not adversely affect the interests of the owners of outstanding Lease Payments;

(ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever, but only if and to the extent such amendment will not (x) cause the obligations of the District under the Lease Agreement to lose their status as “Qualified Zone Academy Bonds” under Sections 54A and 54E of the Tax Code and (y) adversely affect the interests of any owner of Lease Payments; or

(iii) for the purpose of effectuating any substitution or release of property permitted under and pursuant to the conditions set forth under Sections 4.9 and 4.10 of the Lease Agreement or Section 8 hereof.

The Corporation shall deliver or cause to be delivered a draft of any amendment of this Site Lease to each rating agency which then maintains a rating on the outstanding Lease Payments, at least 15 days prior to the effective date of such amendment.

Section 21. ***Captions.*** The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Site Lease.

Section 22. ***Execution in Counterparts.*** This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Corporation and the District, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the District.

Section 23. ***Third Party Beneficiary.*** The Assignee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

Section 24. ***No Merger.*** Neither this Site Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the District to the Leased Property under this Site Lease and the District's leasehold interest therein under the Lease Agreement.

IN WITNESS WHEREOF, the parties have caused this Site Lease to be executed by their duly authorized officers on the date and year first above written.

WILLOWS UNIFIED SCHOOL DISTRICT, as
Lessor

By: _____
Its: [_____]

(SEAL)

PUBLIC PROPERTY FINANCING CORPORATION
OF CALIFORNIA, as Lessee

By: _____
Its: Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing to the Public Property Financing Corporation of California, a California nonprofit public benefit corporation, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors of the Corporation, pursuant to authority conferred by resolution of the said Board of Directors adopted on _____, 2013, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2013

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

By: _____
Its: Secretary

State of California)

County of _____)

On _____, 2013 before me, _____, notary,
(here insert name and title of the officer)

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of _____)

County of _____)

On _____, 2013 before me, _____, notary,
(here insert name and title of the officer)

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEASED PROPERTY

The real property and all improvements thereto commonly known as the Willows Intermediate School" situated in the City of Willows, County of Glenn, State of California, described as follows:

PARCEL ONE:

Being a portion of Block 7 of West Willows and a portion of Blocks 25 and 30 of South Willows, as said Lots and Blocks are shown and delineated on that certain map entitled "Map of South Willows, West Willows and Villa Lots of the Willows Land and Improvement Company, Willows, California", filed in the office of the County Recorder of Glenn County, State of California on March 20, 1894 in Book 1 of Maps and Surveys at page 49, more particularly described as follows:

Beginning at the Northwest corner of aforesaid Block 30 of South Willows, thence Southerly on and along the West line of said Block 30, 237.54 feet; thence Easterly and parallel to the North line of said Block 30, 720.00 feet to a point on the east line of aforesaid Block 25; thence Northerly on and along the East line of said Block 25, 425.84 feet to the Northeast corner of Lot 10 of aforesaid Block 7; thence Westerly on and along the north line of Lots 10 and 17 of said Block 7, 320.00 feet to the northwest corner of said Lot 17 of Block 7; thence Southerly on and along the West line of said Block 7, 188.30 feet to the Northwest corner of aforesaid Block 25; thence Westerly 400,00 feet to the place of beginning.

EXCEPTING THEREFROM all of 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 October 3, 1979 in Book 7 of Parcel Maps at page 51.

PARCEL TWO:

Being a portion of Blocks 25, 26, 29 and 30 of South Willows, as said Lots and Blocks are shown and delineated on that certain map entitled "Map of South Willows, West Willows and Villa Lots of the Willows Land and Improvement Company, Willows, California", filed in the office of the County Recorder of Glenn County, State of California on March 20, 1894 in Book 1 of Maps and Surveys at page 49, more particularly described as follows:

Beginning at the Northwest corner of aforesaid Block 30 of South Willows, thence Southerly on and along the West line of said Block 30, 237.54 feet to the point of beginning of this description; thence from said point of beginning, continuing Southerly on and along the West line of said Blocks 30 and 29, 321.23 feet; thence Easterly and parallel to the north line of said Blocks 29 and 26, 720 feet to a point on the East line of said Block 26; thence Northerly on and along the east line of said Block 26 and 25, 321.23 feet; thence Westerly 720 feet to the point of beginning.

PARCEL THREE:

Being a portion of Blocks 29 and 26 of South Willows, as said Lots and Blocks are shown and delineated on that certain map entitled "Map of South Willows, West Willows and Villa Lots of the Willows Land and Improvement Company, Willows, California", filed in the office of the County Recorder of Glenn County, State of California on March 20, 1894 in Book 1 of Maps and Surveys at page 49, more particularly described as follows:

Beginning at the Southwest corner of aforesaid Block 29 of South Willows, thence Easterly on and along the south line of aforesaid Blocks 29 and 26, 720 feet to the Southeast corner of said Block 26; thence northerly on and along the east line of said Block 26, 321.23 feet; thence Westerly and parallel to the south line of said Blocks 26 and 29, 720.00 feet to a point on the West line of said Block 29; thence Southerly on and along the said West line, 321.23 feet to the point of beginning.

Assessor's Parcel Numbers: 001-251-001; 001-251-002; 001-252-001; 001-252-001; 001-261-001; 001-261-002; 001-262-001; 001-262-002