

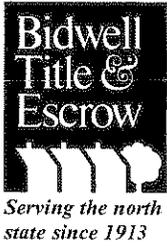
Preliminary Title Report

Prepared By



CHICO	OROVILLE	PARADISE	GRIDLEY
500 Wall St.	1835 Robinson St.	145 Pearson Rd.	560 Kentucky
Chico, CA 95928	Oroville, CA 95965	Paradise, CA 95969	Gridley, CA 95948
(530) 894-2612	(530) 533-2414	(530) 877-6262	(530) 846-4005
Fax (530) 894-0713	Fax (530) 533-1589	Fax (530) 872-5129	Fax (530) 846-0584

TITLE DEPARTMENT	TITLE ONLY DEPARTMENT
500 Wall St.	145 Pearson Rd. Suite A
Chico, CA 95928	Paradise, CA 95969
(530) 894-2612	(530) 877-6920
Fax (530) 894-5713	Fax (530) 877-6922



LaDonna Joyner
Chief Executive Officer
County Manager

CHICO
500 Wall St.
PO Box 5173
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(530) 894-2612
ESCROW FAX:
(530) 894-0713
TITLE FAX:
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GRIDLEY
560 Kentucky
PO Box 949
Gridley, CA 95948
(530) 846-4005
FAX (530) 846-0584

PURCHASER:

O / N: n/a
ORDER NO.: 00242833-005 - FH
TITLE CONTACT: Faith Harper
TITLE OFFICER: Amisa Hussing
PROPERTY ADDRESS: 2348 Baldwin Avenue
Oroville, CA 95965

THE UNDERSIGNED DECLARE THEY HAVE
EXAMINED THIS PRELIMINARY REPORT AND
AFFIDAVIT AND FIND IT TO BE TRUE, CORRECT,
AND COMPLETE.

BY: _____
BY: _____
BY: _____
BY: _____

PRELIMINARY REPORT
Stewart Title Guaranty Company
Old Republic National Title Insurance Company

In response to the above referenced application for a Policy of Title Insurance, Bidwell Title & Escrow 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 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 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 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.

Please read the exceptions shown or referred to below and the List of Printed Exceptions and Exclusions set forth in this report carefully. The Exceptions and Exclusions are meant to provide you with notice of matters which are not covered under the terms of 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 thereto) 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 : March 13, 2012 at 7:30 a.m.

Gail Beatty, Chief Title Officer

The form of Policy of Title Insurance contemplated by this Report is:

- ALTA Homeowners Policy – (01-01-08) (Revised 02-03-10)
- ALTA Loan Policy – (06-17-06)
- CLTA Standard Coverage Policy – 1990
- ALTA Short Form Residential Loan Policy (06-16-07)

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

FEE

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

THE STATE OF CALIFORNIA

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

EXCEPTIONS:

1. General and Special County and Municipal taxes for the fiscal year 2012-13, including possible personal property taxes, now a lien, but not yet due or payable.
2. General and Special County and Municipal taxes for the fiscal year 2007-08. Said taxes were not assessed for said year.

AP No. 012-100-018 Code 004-003

3. 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.
4. Rights of the public over any portion of the land described herein, lying within the lines of any public road or highway.

Affects : Baldwin Avenue

5. The effect of a Record of Survey recorded June 19, 1958 in Book 23 of Maps, at page 13 of Butte County Records.

END OF EXCEPTIONS

NOTES:

NOTE: The policy of title insurance may contain an arbitration clause. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

NOTE: The attached maps may or may not be a survey of the land depicted hereon. You should not rely upon them for any purpose other than orientation to the general location of the parcels depicted. Bidwell Title & Escrow Company expressly disclaims any liability for alleged loss or damage which may result from reliance on these maps.

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 PROPERTY.

BY THE ACCEPTANCE OF THIS PRELIMINARY TITLE REPORT, REQUESTER ACKNOWLEDGES AND AGREES:

- a. That the Company's sole obligation under the Report, shall be to set forth the Ownership of and defects, liens and encumbrances against the Interest in the Land as disclosed by the Title Instruments.
- b. That the Company shall not be obligated under this Report to pay costs, attorney's fees, or expenses incurred in any action, proceeding, or other claim brought against Requester.
- c. That the Report is not an abstract of title, title opinion, or commitment to issue title insurance.
- d. That Company's liability under the Report for an error or omission is limited and that if Requester desires that the Company assume any liability a Policy of Title Insurance, Binder, Commitment, or Guarantee should be requested.
- e. That Requester shall have no right or action against the Company, whether or not based on negligence.
- f. That the Preliminary Report is not valid upon cancellation and the Company shall have no liability for its use or contents.

LIMITATION OF LIABILITY

REQUESTER RECOGNIZES THAT IT IS EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE THE EXTENT OF LOSS WHICH COULD ARISE FROM ERRORS OR OMISSIONS IN THE REPORT. REQUESTER RECOGNIZES THAT THE CANCELLATION FEE CHARGE IS NOMINAL IN RELATION TO THE POTENTIAL LIABILITY WHICH COULD ARISE FROM SUCH ERRORS OR OMISSIONS. THEREFORE, REQUESTER UNDERSTANDS THAT THE COMPANY IS NOT WILLING TO PROCEED IN THE PREPARATION AND ISSUANCE OF THE REQUESTED REPORT UNLESS THE COMPANY'S LIABILITY IS ELIMINATED. REQUESTER AGREES WITH THE PROPERTY OF THIS LIMITATION AND AGREES TO BE BOUND BY ITS TERMS.

REQUESTER AGREES, AS PART OF THE CONSIDERATION FOR THE ISSUANCE AND/OR CANCELLATION OF THIS REPORT, THAT THE COMPANY SHALL NOT BE LIABLE TO REQUESTER UNDER THIS REPORT BY REASON OF AN ERROR OR OMISSION BY THE COMPANY IN FAILING TO SET FORTH THE OWNERSHIP OF AND DEFECTS, LIENS AND ENCUMBRANCES AGAINST THE INTEREST IN THAT LAND AS DISCLOSED BY THE TITLE INSTRUMENTS, WHICH ERROR OR OMISSION BY THE COMPANY HAS CAUSED LOSS TO THE REQUESTER.

ACCORDINGLY, REQUESTER REQUESTS THAT THE REPORT BE ISSUED WITH THIS LIMITATION AS A PART OF THE CONSIDERATION.

END OF NOTES

SCHEDULE C

THE LAND REFERRED TO HEREIN IS DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF OROVILLE,
COUNTY OF BUTTE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A PORTION OF OUTSIDE LOT 50 OF THE TOWNSITE OF OROVILLE, ACCORDING TO
THE OFFICIAL MAP THEREOF, RECORDED IN THE OFFICE OF THE RECORDER OF
THE COUNTY OF BUTTE, STATE OF CALIFORNIA, JANUARY 22, 1872, DESCRIBED AS
FOLLOWS:

COMMENCING AT AN IRON PIN AT THE POINT OF INTERSECTION OF THE
NORTHWESTERLY LINE OF BALDWIN AVENUE AND THE EASTERLY LINE OF SAID
OUTSIDE LOT 50, AND RUNNING THENCE SOUTH 56° 25' WEST ALONG SAID
NORTHWESTERLY LINE OF SAID BALDWIN AVENUE, 93.77 FEET TO THE
SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS DESCRIBED IN DEED
FROM E.W. LINDHOLM TO ORVILL EDWIN CURRAN ET US, RECORDED OCTOBER 15,
1954 IN BOOK 739 OF BUTTE COUNTY OFFICIAL RECORDS, AT PAGE 338, SAID POINT
BEING THE TRUE POINT OF BEGINNING FOR THE PARCEL DESCRIBED HEREIN;
THENCE FROM SAID TRUE POINT OF BEGINNING, CONTINUING ALONG THE
NORTHWESTERLY LINE OF SAID BALDWIN AVENUE, SOUTH 56° 22' WEST 211.16
FEET TO THE WESTERLY LINE OF SAID OUTSIDE LOT 50; THENCE ALONG SAID
WESTERLY LINE NORTH 20° 28' 5.70 FEET AND NORTH 6° 18' WEST 210.92 FEET TO AN
IRON PIN LOCATED AT THE INTERSECTION OF SAID WEST LINE OF SAID OUTSIDE
LOT 50, WITH THE SOUTHEASTERLY LINE OF THE WESTERN PACIFIC RAILROAD
COMPANY'S MAIN LINE RAILROAD; THENCE NORTHEASTERLY ALONG THE
SOUTHEASTERLY LINE OF SAID RAILROAD AND 50 FEET DISTANT SOUTHEASTERLY
FROM, AND PARALLEL WITH THE LOCATED CENTERLINE THEREOF, 275.26 FEET,
MORE OR LESS TO AN IRON PIN LOCATED AT THE INTERSECTION OF SAID
SOUTHEASTERLY LIEN OF SAID RAILROAD WITH THE WEST LINE
AFOREMENTIONED CURRAN PARCEL; THENCE SOUTH 2° 08' EAST ALONG SAID
WEST LINE OF SAID CURRAN PARCEL, 297.54 FEET TO THE TRUE POINT OF
BEGINNING.

AP NO. 012-100-018

Tax Withholding on Real Estate Sales

In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) either (a) an amount equal to three and one-third percent of the sales price or (b) elect an alternate withholding amount based on applying the maximum tax rate to the seller's estimated gain, in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller, or 2) a corporate seller that has no permanent place of business in California. If the seller elects an alternate withholding amount, the maximum tax rates are as follows: (a) 9.3% for individuals, (b) 8.84% for corporations, and (c) 10.84% for banks and financial corporations.

For failure to withhold, Section 18668 of the California Revenue and Taxation Code provides that the buyer may become subject to a penalty in the amount equal to the greater of 10% of the amount required to be withheld or five hundred dollars (\$500.00).

However, notwithstanding any other provision included in the California statutes referenced in Section 18668, no buyer will be required to withhold if:

Withholding exemptions for individual and non-individual sellers:

- The total sales price of the property conveyed does not exceed (\$100,000.00) or
- Property qualifies as the seller's principal residence, or decedent's if being sold by decedent's estate, within meaning of IRC Section 121, or
- Property was last used as the seller's principal residence (or decedent's, if being sold by decedent's estate) without regard to two-year time period.
- Sales resulting in a loss for California tax purposes or
- Like-kind exchanges with the exception of boot (IRC Section 1031) or
- Involuntary conversions (IRC Section 1033) or
- Transfer to a corporation controlled by the transferor (IRC Section 351) or contribution to a partnership in exchange for a partnership interest (IRC Section 721).
- Corporations with a permanent place of business in California or
- Partnerships or LLCs (which is not a single member LLC) or
- Tax exempt entities, insurance companies, IRAs or qualified pension plans or charitable remainder trust.
- Bank or banks acting as a fiduciary for a trust
- Certain foreclosures

The Seller is subject to penalty in the amount of \$1,000.00 or 20% of the amount required to be withheld, whichever is greater, for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced in Section 18668 include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on non-individual sellers only on a case-by-case basis.

In the event the buyer requires the withholding of three and one-third percent of sales price from the seller's proceeds, the buyer is required to file copy A of FTB Form 593 with the Franchise Tax Board along with the withholding amount due no later than the 20th day of the month following the month in which the withholding occurred to the following address:

Franchise Tax Board
P.O. Box 942867
Sacramento, CA 94267-0651

Buyer and seller acknowledge receipt of this notice. **If you have questions, contact your tax advisor, an attorney, or the Franchise Tax Board at (888) 792-4900, (916) 845-4900 (outside of the U.S.) or by fax at (916) 845-9512.**

ATTACHMENT ONE

AFFIDAVIT OF SELLER, BUYER, AND/OR OWNER

BEFORE ME, personally appeared (“Affiant”), who having been duly sworn, deposes and says that:

1. Affiant is the owner of, or intends to own, real property located in Butte County, California, described in the Preliminary Title Report, attached hereto.
2. Affiant is, or will be, in exclusive possession of the Property, and no other party has any right or claim of possession or use of the Property, except as set forth in Exhibit “B” or Rent Statement attached hereto.
3. There are no known recorded or unrecorded easements, covenants or restrictions affecting the Property, other than those listed in Preliminary Title Report for the above referenced Escrow, attached hereto.
4. There are no known judgments, assessments, tax liens or other liens against Seller or the Property remaining unpaid, and the Property is free and clear of all encumbrances except as set forth on the Preliminary Title Report, attached hereto.
5. Affiant is not aware of any improvements made to the Property within the 90 day period immediately preceding the execution hereof, and there are no bills, statements or other invoices for labor, materials or services applicable to or affecting the Property or any improvements thereon, remaining unpaid.
6. To the best of Affiant’s knowledge, there are no suits or matters pending against Affiant that could give rise to a lien that would attach to the Property prior to the recordation of the documents applicable to this transaction.
7. To the best of Affiant’s knowledge, there are no bankruptcy or insolvency proceedings, voluntary or involuntary, threatened or pending against Affiant and there are no grounds upon which any such proceeding could be filed against Affiant.
8. Affiant has not executed and will not execute any instrument that would adversely affect the title to or interest in the Property prior to the recordation of the documents applicable to this transaction.
9. Affiant hereby executes this Affidavit to induce Bidwell Title & Escrow Company to issue title insurance on the Property.
10. To the best of the Affiant’s knowledge, there are no structure violations, building violations, or health and safety violations.

Under penalties of perjury, I declare that I have examined this Preliminary Title Report and it is true, correct, and complete.

This affidavit is attached to and made a part of the Preliminary Title Report herein.

ATTACHMENT ONE

BIDWELL TITLE & ESCROW COMPANY STEWART TITLE GUARANTY COMPANY, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

February 1, 2003

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed.

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, or our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, securities and banking providers, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

We do not disclose any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability to Correct Errors Or Request Changes Or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Bidwell Title & Escrow Company
500 Wall Street
Chico, CA 95928

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but 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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which 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, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

ATTACHMENT ONE
EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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. Any 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 which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are 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.

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

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.

ATTACHMENT ONE

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.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	_____ % of Policy Amount Shown in Schedule A or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	_____ % of Policy Amount Shown in Schedule A or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	_____ % of Policy Amount Shown in Schedule A or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	_____ % of Policy Amount Shown in Schedule A or \$ _____ (whichever is less)	\$ _____

**AMERICAN LAND TITLE ASSOCIATION
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:
 - * land use
 - * improvements on the land
 - * land division
 - * environmental protection

ATTACHMENT ONE

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 notice of exercising the right appears in the public records
 - * on the Policy Date
 - * 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:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - * that result in no loss to you
 - * 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:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - OR
 - * 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;

ATTACHMENT ONE

- (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.

ATTACHMENT ONE

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 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. 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 deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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 in 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 that are 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

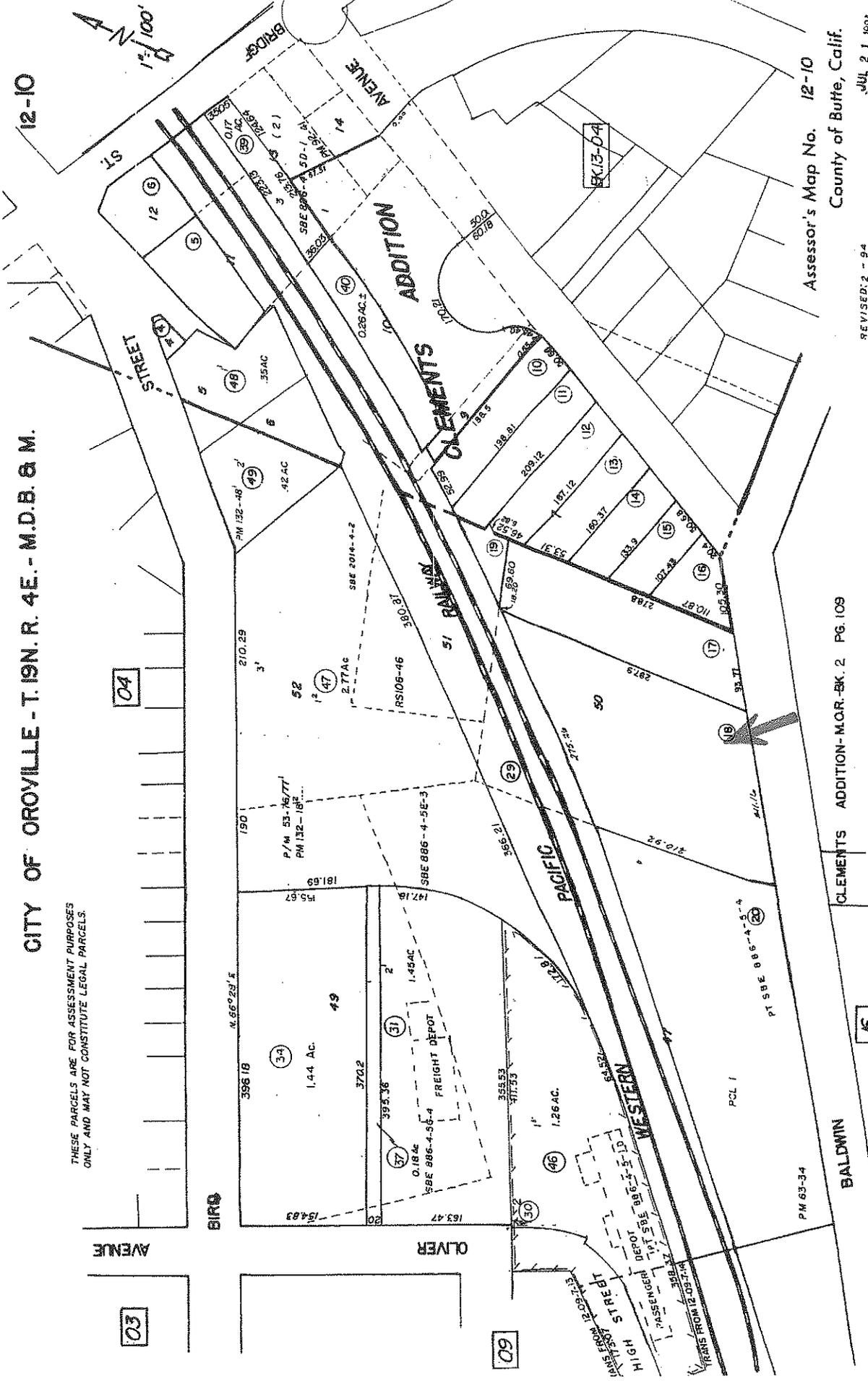
The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

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.

CITY OF OROVILLE - T. 19N. R. 4E. - M.D.B. & M.

THESE PARCELS ARE FOR ASSESSMENT PURPOSES ONLY AND MAY NOT CONSTITUTE LEGAL PARCELS.



Assessor's Map No. 12-10
County of Butte, Calif.

REVISED: 2 - 94

JUL 21 1994

This map may or may not be a survey of the land depicted hereon. You should not rely upon it for any purpose other than orientation to the general location of the parcels or parcels depicted. BOWELL, TITLE & ESCROW CO. expressly disclaims any liability for the alleged loss or damage which may result from reliance on this map.

CLEMENTS ADDITION - M.O.R. - BK. 2 PG. 109

BALDWIN

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BK. 13 - 04