



# First American Title Insurance Company of Oregon

222 S.W. Columbia Street - Suite 400 • Portland, Oregon 97201 • (503) 222-3651

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

## COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, TITLE INSURANCE COMPANY OF OREGON DBA FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON, an Oregon corporation (the "Company"), insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13 and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) a defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protection if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a government police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage.
  - (a) forgery, fraud, undue influence, duress, incompetence, incapacity, or impersonation;
  - (b) failure of any person or Entity to have authorized a transfer or conveyance;
  - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
  - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
  - (e) a document executed under falsified, expired, or otherwise invalid power of attorney;
  - (f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
  - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.
11. The lack of priority of the lien of the Insured Mortgage upon the Title
  - (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either
    - (i) contracted for or commenced on or before Date of Policy; or
    - (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and
  - (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title
  - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
14. Any defect in or lien or encumbrancer on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records. The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by the Policy, but only to the extent provided in the Conditions.

Countersigned

Authorized Officer

Title Insurance Company of Oregon  
dba FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON

BY *Steven F. B. Brien* PRESIDENT

ATTEST *John H. Johnson* SECRETARY



**SCHEDULE A**

POLICY NO. L405228-41006

AMOUNT OF INSURANCE \$ 105,000.00

PREMIUM \$ 486.00

DATE OF POLICY: September 21, 2007 at 11:10AM

1) NAME OF INSURED:

Thomas Richard Carr

2) THE ESTATE OR INTEREST IN THE LAND WHICH IS COVERED BY THIS POLICY IS:

FEE SIMPLE

3) TITLE TO THE ESTATE OR INTEREST IN THE LAND IS VESTED IN:

Theresa Kay Kerksiek

4) THE INSURED MORTGAGE AND ASSIGNMENTS THEREOF, IF ANY, ARE DESCRIBED AS FOLLOWS:

Trust Deed, including the terms and provisions thereof:

To secure an indebtedness of: \$105,000.00

Dated: September 21, 2007 Recorded: September 21, 2007

as instrument #2007-4769,

Grantor: Theresa Kay Kerksiek,

Trustee: Robert A. Smejkal, Attorney At Law,

Beneficiary: Thomas Richard Carr.

5) THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

A tract of land located in Section 35, Township 13 South, Range 12 East of the Willamette Meridian, Jefferson County, Oregon, described as follows:

Beginning at an iron rod on the Northerly right of way of Ermine Road (Formerly Ermine Drive), said point being South 1372.18 feet and East 1997.04 feet from the Northwest corner of said Section 35; thence South 89° 27' 55" West along said right of way 309.88 feet to an iron rod; thence North 701.24 feet to an iron rod; thence North 88° 22' 30" East 310.00 feet to an iron rod; thence South 707.14 feet to the point of beginning.

## **SCHEDULE B**

### PART I

#### EXCEPTIONS FROM COVERAGE

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:

NOTE: Taxes are assessed as Ref. #7883, Code #270, Map #13-12-35B-1300

1. Taxes for 2007-2008, a lien in an amount to be determined, but not yet payable.
2. Rights of the public in and to that portion of the herein described property lying in roads.
3. Subject to a 5 foot utility easement on all sides of property except sides bounded by streets.
4. Crooked River Ranch Club & Maintenance Association, Covenants, Conditions and Restrictions imposed by instrument, including the terms and provisions thereof, recorded April 7, 1972, in Jefferson County Deed Book 48, Page 382, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).  
Above conditions and restrictions were amended by instrument recorded September 21, 1982, in Book 69, Page 597.  
Said Covenants, Conditions and Restrictions recite a 10 foot easement for utility purposes.
5. Bylaws of Crooked River Ranch Owners Association, including the terms and provisions thereof, recorded April 20, 1972, in Jefferson County Misc. Book 11, Page 137, but omitting restrictions herein, if any, based on race, color, religion or national origin.  
Said Bylaws were amended by instrument recorded March 26, 1998 as instrument #981252.
6. Assessments, if any, as provided by Crooked River Ranch Club Maintenance Association. Statement of Account Information, recorded October 26, 2000, as instrument #20004498. (Paid Current)
7. Assessments, if any, as provided by Crooked River Ranch Water Company. (Paid Current)

## ***SCHEDULE B***

### PART II

IN ADDITION TO THE MATTERS SET FORTH IN PART I OF THIS SCHEDULE, THE TITLE TO THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN SCHEDULE A IS SUBJECT TO THE FOLLOWING MATTERS, IF ANY BE SHOWN, BUT THE COMPANY INSURES THAT THESE MATTERS ARE SUBORDINATE TO THE LIEN OR CHARGE OF THE INSURED MORTGAGE UPON THE ESTATE OR INTEREST:

NONE

**ENDORSEMENT**

**Attached to Policy No. L405228-41006**

**Issued By**

***First American Title Insurance Company of Oregon***

an assumed business name of TITLE INSURANCE COMPANY OF OREGON

Dated: September 21, 2007 at 11:10AM

Fee: \$100.00

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:
  - a) Covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
  - b) Unless expressly excepted in Schedule B:
    - (1) Present violations on the land of any enforceable covenants, conditions or restrictions, and any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.
    - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establish an easement on the land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment; (iv) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
    - (3) Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.
    - (4) Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
    - (5) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the Insured, provided the violation results in:
  - a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
  - b) Loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.
3. Damage to existing improvements, including lawns, shrubbery or trees:
  - a) Which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;

- b) Resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.
- 4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.
- 5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

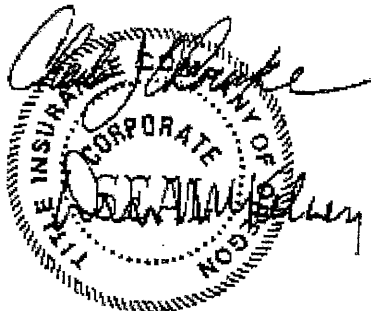
Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

**Title Insurance Company of  
Oregon**  
dba First American Title Insurance Company  
of Oregon

By:



President

Attest:

Secretary

**ENDORSEMENT**

**Attached to Policy No. L405228-41006**

**Issued By**  
**First American Title Insurance Company of Oregon**  
an assumed business name of TITLE INSURANCE COMPANY OF OREGON

Dated: September 21, 2007 at 11:10AM

Fee: \$ -0-

The Company assures the Insured that at the Date of this Policy there is located on the land described therein, improvements having a street address or route and/or box number as follows:

6652 SW Ermine Road  
Terrebonne, OR 97760

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurance herein shall prove to be incorrect.

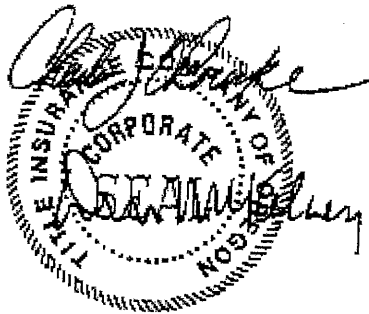
The total liability of the Company under said Policy and any Endorsement therein shall not exceed, in the aggregate, the face amount of said Policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This Endorsement is made a part of the Policy and is subject to all of the Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

**Title Insurance Company of  
Oregon**

dba First American Title Insurance Company  
of Oregon

By:



President

Attest:

Secretary

**ENDORSEMENT**

**Attached to Policy No. L405228-41006**

**Issued By**  
**First American Title Insurance Company of Oregon**  
an assumed business name of TITLE INSURANCE COMPANY OF OREGON

Dated: September 21, 2007 at 11:10AM

Fee: \$ -0-

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes:

NONE

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any prior endorsements, nor does it extend the effective Date of the Policy and any prior endorsements, nor does it increase the face amount thereof.

**Title Insurance Company of Oregon**  
dba First American Title Insurance Company of Oregon

By:

The image shows a handwritten signature in black ink over a circular embossed seal. The seal contains the text 'TITLE INSURANCE COMPANY OF OREGON' around the perimeter and 'CORPORATE' in the center. The signature is written across the seal.

President

Attest:

Secretary

**ENDORSEMENT**

**Attached to Policy No. L405228 - 41006**

**Issued By**  
**First American Title Insurance Company of Oregon**  
an assumed business name of TITLE INSURANCE COMPANY OF OREGON

DATE: September 21, 2007 at 3:23PM

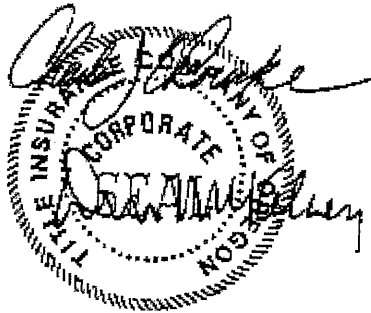
Fee: \$50.00

The term "land" as defined in this Policy includes the manufactured housing unit located on the land at Date of Policy.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any prior endorsements, nor does it extend the effective Date of the Policy and any prior endorsements, nor does it increase the face amount thereof.

**Title Insurance Company of  
Oregon**  
dba First American Title Insurance Company  
of Oregon

By:



President

Attest:

Secretary

