

Plan well, Dream Big.



**Butte
Community
Bank**



Volume #1

A Division of Community Valley Bancorp

July 25, <two thousand two>

BCB Changes Stock Symbol to CVLL

CVLL

At the May 2002 Annual Meeting, shareholders of Butte Community Bank approved the reorganization of the bank into Community Valley Bancorp with the bank being its principal asset.

This reorganization became effective June 17, 2002. Shareholders of Butte Community Bank automatically became shareholders of Community Valley Bancorp. The stock symbol for Community Valley Bancorp is CVLL. During the first part of August, Butte Community Bank shareholders will receive instructions on how to exchange their Butte Community Bank shares one-for-one for Community Valley Bancorp shares. The exchange of shares is not mandatory.

For address changes, inquiries regarding the purchase or sale of Community Valley Bancorp stock, plus all other shareholder matters, please contact:

Gayle Lee

Vice President/Controller

Butte Community Bank

(530) 877-0857 ext. 3115

glee@buttecommunity.com

Address changes can also be made by contacting our transfer agent, U.S. Stock Transfer at:

U.S. Stock Transfer Corporation

1745 Gardena Avenue, Ste 200

Glendale, CA 91204-2991

www.usstock.com

The Community Valley Bancorp stock symbol is CVLL. Current stock quotes can be found on many financial Web sites, including Bloomberg.com.

Market makers in Community Valley Bancorp stock are:

Ken Meyers

First Union Securities

10466 Brunswick Road, Ste 6

Grass Valley, CA 95945

1-888-383-3112

Joey Warmenhoven

Wedbush Morgan Securities

1300 SW Fifth Avenue, Ste 2000

Portland, OR 97201

1-800-234-0480

"We're honored to be the top performing California bank represented in our category."

Keith Robbins, President and CEO,
Butte Community Bank

Glenn Rilinger of Butte Community Bank

Honored by USDA

Chico-based lender Glenn Rilinger of Butte Community Bank was recognized by USDA Rural Development during a recent ceremony in Woodland.

Rilinger had the highest loan volume of lenders participating in the USDA Rural Development guaranteed loan programs in California.

These guaranteed loan programs provide credit to businesses so they can expand in the rural areas of California. The programs allow small banks to offer larger loans than they would be able to otherwise.

Butte Community Bank

Wins Top Honors

Butte Community Bank was recently named a Top ROE (Return on Equity) Subchapter C by *Independent Banker Magazine*, a publication of the Independent Community Bankers of America, in its June 2002 issue. Each year, *Independent Banker Magazine* identifies the top 20 best performing community banks, as reported by the FDIC. Butte Community Bank was the only California community bank identified in the category of banks worldwide with assets between \$150 - \$300 million in 2001, coming in at #10.

Butte Community Bank also received special recognition by American Bankers Association being ranked number 34 of 1,426 banks and bank holding companies in the U.S. with assets of \$100 million to \$1 billion in *ABA Banking Journal*, July 2002.

"Butte Community Bank strives to consistently exceed our shareholders expectations," said Keith Robbins, President and CEO of Butte Community Bank. "We're honored to be the top performing California bank represented in our category."

Butte Community Bank ended its second quarter, June 30, 2002 with assets at \$282 million, compared to \$257 million at June 30, 2001.

Small Business Administration

Recognizes Two Chico Women

Above-and-beyond contributions and support to the community earned two Chico women special citations from the U.S. Small Business Administration.

Sophie Konuwa, executive director of the Butte College Small Business Development Center, and Elizabeth Colleran, owner of Chico Hospital for Cats, were honored last week in Sacramento. Every year, the Sacramento district office of the U.S. Small Business Administration selects honorees from its 21-county territory that reaches from San Joaquin County to the Oregon border. SBA district director Jim O'Neal of Sacramento called both women "strong community advocates for business."

Konuwa has been head of the Butte College Small Business Development Center since 1998, but has been with the center for eight years. She's worked with small businesses for a total of 12 years. "Ms. Konuwa has been a tireless advocate and supporter of the business community, and the women's forum she has created in Chico is not only a major business event in the local area, but is a pattern for the rest of the state," O'Neal said.

For three years, Konuwa and her staff have put on the Women in Business Conference, bringing in major speakers on women's issues and promoting networking among business women. This year's conference is slated for Sept. 17 on the theme "The Art of Managing - Your Business, Your Career, Yourself." Speakers will include Pat Wiklund of Wiklund and Associates, in Mountain View, and Terrah Stearns of Strategic Transformation, in Round Rock, Texas. Konuwa said the Sacramento SBA office is hoping to encourage other

Small Business Development Centers in California to put together a similar conference for women.

Colleran has been a veterinarian here since 1991, and opened the specialty cat hospital at 548 W. East Avenue in 1998. Of Colleran, O'Neal noted her successful business and its growth, which sees 60 to 100 new clients each month. The hospital got financial assistance from the SBA, through Butte Community Bank. Colleran has "developed a unique and prosperous business," O'Neal noted.

Colleran has volunteered to lecture on entrepreneurship at Butte College and the Small Business Development Center. She also was among a group of vets who formed an emergency pet clinic in Chico, North Valley Emergency Veterinary Clinic. She also has donated services to help Chico Cat Coalition, which rescues cats dumped in Bidwell Park, and other cat organizations.

For the past year, she has served as treasurer for the Chico Community Shelter Partnership, which is building a homeless human shelter in Chico off Whitman Avenue. "I think it's important to identify issues to care about," rather than career-related issues. "I think I was certainly flattered but I felt the people should have gotten it are my staff." Colleran also is looking into opening a second cat hospital in the Roseville or Rocklin area within the next year.

Regarding the award, Colleran said, "I don't want to minimize the importance of the support from Sophie and from Butte Community Bank. People should understand that (getting this award) is a team effort. No good idea goes anywhere without good help."

by Laura Urseny, Chico Enterprise Record

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Statement of Income June 30, 2002*

INTEREST INCOME		NON-INTEREST INCOME	
Interest and Fees on Loans	\$9,538,314	Service Charge Income	\$494,453
Interest on Investments	94,072	Other Operating Income	1,028,004
Interest on Certificates of Deposit	24,374	Total Non-Interest Income	\$1,522,457
Interest on Federal Funds Sold	287,669		
Total Interest Income	\$9,944,429	NON-INTEREST EXPENSE	
		Salaries and Related Benefits	\$3,433,639
INTEREST EXPENSE		Other Operating Expenses	2,429,340
Interest Paid on Deposits	\$2,486,819	Total Non-Interest Expense	\$5,862,979
Net Interest Income			
Before Loan Loss Provision	\$7,457,610	INCOME BEFORE TAX PROVISION	\$2,864,088
Provision for Possible Loan Losses	\$253,000	Income Taxes	\$638,539
Net Income from Earning Assets	\$7,204,610	NET INCOME	\$2,225,549

Butte Community Bank Comparative Statement of Condition

	June 30, 2002*	June 30, 2001	June 30, 2000
Assets			
Cash and Due From Banks	\$12,553,914	\$13,060,851	\$12,215,106
U.S. Government Agency Securities	1,228,627	1,711,951	1,861,249
Certificates of Deposit	1,486,000	694,000	2,674,000
Municipal Bonds	2,081,572	2,588,303	2,552,966
Other Investments	263,225	263,225	263,225
Fed Funds Sold	30,250,000	20,910,000	4,700,000
Loans (Net)	\$217,493,175	\$203,562,556	148,867,098
Bank Premises and Equipment	6,483,085	5,378,361	5,365,721
Other Assets	10,220,104	9,223,486	7,591,232
Total Assets	\$282,059,702	\$257,392,733	\$186,090,597
Liabilities			
Demand Deposits	\$53,608,594	\$42,210,010	\$30,805,963
Savings and Time Deposits	101,779,000	125,182,956	82,672,127
NOW and Money Market Deposits	99,145,921	66,975,360	54,830,111
Total Deposits	254,533,515	234,368,326	168,308,201
Other Liabilities	4,642,097	3,948,028	2,960,861
Total Liabilities	\$259,175,612	\$238,316,354	\$171,269,062
Shareholder's Equity			
Capital Stock and Retained Earnings	22,884,090	19,076,379	14,821,535
Total Capital and Liabilities	\$282,059,702	\$257,392,733	\$186,090,597

**unaudited*