

EXHIBIT A

The land referred to is situated in the unincorporated area of the County of Sonoma, State of California, and is described as follows:

Parcel One:

Lot 104, as numbered and designated upon the recorded Map of The Sea Ranch No. 21, Tract No. 396, filed in the Office of the County Recorder on May 29, 1968 in Book 121 of Maps, Pages 39, 40, 41, 42, 43 and 44, Sonoma County Records.

Parcel Two:

The non-exclusive right to use common area pursuant to The Sea Ranch restrictions.

APN: 156-170-010



OLD REPUBLIC
TITLE COMPANY

545 Fourth Street
San Rafael, CA 94901
(415) 454-8300 Fax: (415) 453-3563

PRELIMINARY REPORT

Issued for the sole use of:

SPANEK REAL ESTATE
PO BOX 2190
SARATOGA, CA 95070

Attention: DENIS SPANEK

Our Order Number 0435010177-CG

Customer Reference HUMBER

When Replying Please Contact:

Cathy Gaidano
(415) 454-8300

Property Address:

314 Lands End Close, The Sea Ranch, CA 95497
[Unincorporated area of Sonoma County]

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE 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 any 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 and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit A attached. 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 Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. 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 exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the 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 hereto) 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 June 30, 2009, at 7:30 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

The form of policy of title insurance contemplated by this report is:

Homeowner's Policy of Title Insurance - 2008; and ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

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

Fee as to Parcel(s) One and an Easement as to Parcel(s) Two

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

Lena Humber, a married woman as her sole and separate property

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Parcel Two:

The non-exclusive right to use common area pursuant to The Sea Ranch restrictions.

APN: 156-170-010

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

1. Taxes and assessments, general and special, for the fiscal year 2009 - 2010, a lien, but not yet due or payable.
2. Taxes and assessments, general and special, for the fiscal year 2008 - 2009, as follows:

Assessor's Parcel No	:	156-170-010	
Code No.	:	100-004	
1st Installment	:	\$1,510.25	Marked Paid
2nd Installment	:	\$1,510.25	Marked Paid
Land Value	:	\$55,772.00	
Imp. Value	:	\$192,299.00	

3. Supplemental taxes, general and special, for the fiscal year 2006 - 2007 as follows:

Assessor's Parcel No.	:	156-170-010	
1st Installment	:	\$2.30	Delinquent
All Due & Payable on	:	June 30, 2008	
Penalty	:	\$0.23	
2nd Installment	:	\$2.30	Delinquent
All Due & Payable on	:	October 31, 2008	
Penalty	:	\$0.23	
Cost	:	\$20.00	

4. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

AFFECTS THE CONTEMPLATED FORM ALTA LOAN POLICY ONLY.

5. Recitals as shown or noted on the filed map.

6. Restricted private area as shown upon the filed Map of said Subdivision.

7. Building set-back line as shown on the filed map.

Affects : 20 feet from Lands End Close

8. Covenants, Conditions, Restrictions, Limitations, Easements, Assessments, Reservations, Exceptions, Terms, Liens or Charges, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Recorded : [May 10, 1965 in Book 2127 of Official Records, Page 238](#)

Modification thereof, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Recorded : [July 15, 1966 in Book 2220 of Official Records, Page 678](#)

And recorded [May 23rd, 1967](#) in Book 2269 of Official Records, Page 943.

And recorded [September 5th, 1967](#) in Book 2282 of Official Records, Page 665.

And recorded [May 29th, 1968](#) in Book 2333 of Official Records, Page 372.

And recorded [June 7th, 1968](#) in Book 2334 of Official Records, Page 931.

And recorded [August 14th, 1968](#) in Book 2346 of Official Records, Page 527.

And recorded [August 11th, 1969](#) in Book 2411 of Official Records, Page 381.

And recorded [September 10th, 1969](#) in Book 2416 of Official Records, Page 418.

And recorded [September 18th, 1969](#) in Book 2418 of Official Records, Page 53.

And recorded [October 14th, 1969](#) in Book 2422 of Official Records, Page 567.

And recorded [October 14th, 1969](#) in Book 2423 of Official Records, Page 1.

And recorded [March 4th, 1970](#) in Book 2448 of Official Records, Page 275.

And recorded [May 18th, 1970](#) in Book 2461 of Official Records, Page 472.

And recorded [August 3rd, 1970](#) in Book 2476 of Official Records, Page 155.

And recorded [October 7th, 1970](#) in Book 2488 of Official Records, Page 911.

And recorded [July 29th, 1971](#) in Book 2553 of Official Records, Page 24.

And recorded [September 2nd, 1971](#) in Book 2562 of Official Records, Page 348.

And recorded [September 16th, 1971](#) in Book 2565 of Official Records, Page 510.

And recorded [July 2nd, 1973](#) in Book 2777 of Official Records, Page 598.

And recorded [October 15th, 1974](#) in Book 2905 of Official Records, Page 387.

And recorded [March 28th, 1980](#) in Official Records, as Document Number 80-018450.

And recorded [August 19th, 1981](#) in Official Records, as Document Number 81-047547.

And recorded [November 18th, 1981](#) in Official Records, as Document Number 81-066808.

And recorded [September 13th, 1982](#) in Official Records, as Document Number 82-049415.

And recorded [April 6th, 1983](#) in Official Records, as Document Number 83-020647.

And recorded [November 15th, 1983](#) in Official Records, as Document Number 83-077006.

And recorded [May 2nd, 1984 in Official Records, as Document Number 84-028977.](#)

And recorded [November 19th, 1984 in Official Records, as Document Number 84-077180.](#)

And recorded [May 15th, 1985 in Official Records, as Document Number 85-045113.](#)

And recorded [August 6th, 1985 in Official Records, as Document Number 85-050562.](#)

And recorded [September 10th, 1985 in Official Records, as Document Number 85-059907.](#)

And recorded [July 23rd, 1986 in Official Records, as Document Number 86-054853.](#)

And recorded [August 17th, 1988 in Official Records, as Document Number 88-067944.](#)

And recorded [August 22nd, 1988 in Official Records, as Document Number 88-069270.](#)

And recorded [September 26th, 1988 in Official records, as Document Number 88-081346.](#)

And recorded [August 25th, 1991 in Official Records, as Document Number 91-036798.](#)

And recorded [February 1st, 1994 in Official Records, as Document Number 94-014592.](#)

And recorded [July 19th, 1994 in Official Records, as Document Number 94-087620.](#)

And recorded [March 18th, 1997 in Official Records, as Document Number 97-0021843.](#)

And recorded [May 29th, 1997 in Official Records, as Document Number 97-0044942.](#)

And recorded [June 12th, 1998 in Official Records, as Document Number 98-0065493.](#)

And recorded [June 29th, 1998 in Official Records, as Document Number 98-0072505.](#)

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

9. Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

Notwithstanding the Mortgagee protection clause contained in the above mentioned covenants, conditions and restrictions, they provide that the liens and charges for upkeep and maintenance are subordinate only to a first mortgage.

For information regarding the current status of said liens and/ or assessments
Contact : The Sea Ranch Association

10. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$700,000.00
Trustor/Borrower : Lena Humber, a married woman
Trustee : Alliance Title Company
Beneficiary/Lender : Mortgage Electronic Registration Systems, Inc., solely as nominee for Home Savings Association, a Federal Savings Association
Dated : October 27, 2006
Recorded : [November 7, 2006 in Official Records under Recorder's Serial Number 2006137307](#)
Loan No. : 0543486597
"MIN" : 1004425-0000482649-4
Returned to : 35 East Broadway Little Falls, MN 56345

NOTE: This loan appears to be registered with Mortgage Electronics Registration Systems, Inc. ("MERS"). Accordingly, the name, address and telephone number of the loan servicer should be obtained by calling the toll-free number, 1-888-679-MERS, and referring to the Mortgage Identification Number ("MIN") shown above

Modification/amendment of the terms of said Deed of Trust, by an instrument

Entitled : Loan Modification Agreement
Executed By : Lena Humber, a married woman and Home Savings of America
Dated : February 19, 2009
Recorded : [February 26, 2009 in Official Records under Recorder's Serial Number 2009016583](#)
Returned to
Address : 35 East Broadway Little Falls, MN 56345

11. The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, contact the Title Department immediately.

----- Informational Notes -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1 and 2.1.
- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a single family residence known as 314 Lands End Close, The Sea Ranch, CA 95497.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Grant Deed executed by Lena Humber, a married woman (who acquired title as Lena Price-Humber, a married woman) to Lena Humber, a married woman as her sole and separate property recorded [November 7, 2006 in Official Records under Recorder's Serial Number 2006137306](#).

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08)
 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.
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.

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 on 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:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00

AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE - 2006
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;
 - (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).

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

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.

Old Republic Title Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

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. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Old Republic Title Company

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.

- Information about your transactions we secure from our files, or from [our affiliates or] others.

- Information we receive from a consumer reporting agency.

- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

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.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.

- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

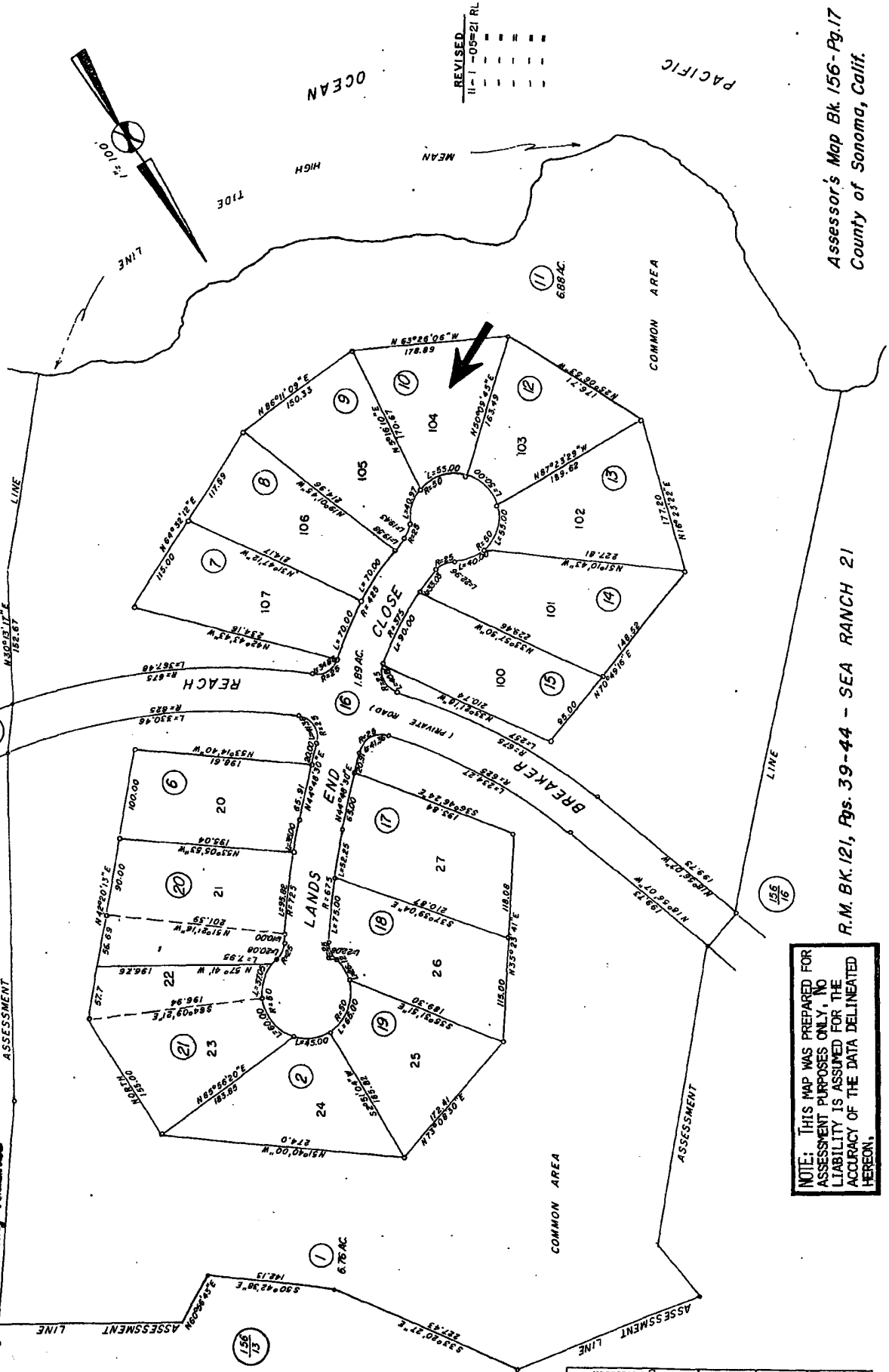
We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Notice: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated herein with reference to street and other land. No liability is assumed by reason of any reliance hereon.

SUBDIVIDED LAND IN THE GERMAN RANCHO

TAX RATE AREA
100-004

156-17



Assessor's Map Bk. 156-Pg.17
County of Sonoma, Calif.

R.M. Bk. 121, Pgs. 39-44 - SEA RANCH 21

NOTE: Assessor's parcels do not necessarily constitute legal lots. To verify legal parcel status, check with the appropriate city or county community development or planning division.