



OLD REPUBLIC TITLE COMPANY

201 First Street, Suite 101 • Petaluma, CA • 94952 • (707) 763-9941 • Fax: (707) 762-0473

PRELIMINARY REPORT

Issued for the sole use of:

CENTURY 21 BUNDESEN
616 PETALUMA BLVD. SOUTH
PETALUMA, CA 94952

Attention: KARL BUNDESEN

1st AMENDED REPORT

Our Order Number 0812003691-BW

When Replying Please Contact:

Beth White
(707) 763-9941

Property Address:

2120 Fallon Two Rock Road, , CA 94952
[Unincorporated area of Marin 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. 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 March 21, 2006, at 7:30 AM

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

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

A CLTA Standard Coverage Owner's Policy; AND an ALTA Loan Policy. 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:

a Fee.

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

John Boscacci and Exchange Bank, Successor Co-Trustees of the Romeo E. and Gail L. Cerini Trust, as Amended

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

Commencing at a post marked F.H. standing in the North line of the Petaluma Road opposite and 90 links distant from the North West corner of Tract No. 43, standing also in the East line of the Tract of O. Hubbell No. 41; thence South 83-1/2° East 19.38 chains, thence South 62-1/2° East 31.60 chains to post F.S. at the Southwest corner of the Tract of L.H. Stine, No. 53; thence North 1/4° East 66.50 chains to post x; thence North 15-1/2° East 2.20 chains to the Northwest corner of tract No. 51 of I.P. Lindar; thence South 89-3/4° West 27.27 chains; thence South 89-1/2° West 4.50 chains; thence North 88-1/2° West 14.50 chains to post in the East line of Tract 41 of O. Hubbell; thence South 7-3/4° West 7.70 chains; thence South 1-1/2° West 43.56 chains to the point of beginning; containing 263.82 acres, more or less. True Meridian courses, Magnetic Variation 16-1/2° East. The same being Tract of land marked and numbered 44 upon a Map of the Blucher Rancho made by Horace B. Martin 1865 and 1866 for the settlers of said Rancho; saving and excepting therefrom that portion described as follows:

Commencing at a point in the East line of the lands of O. Hubbell in the center of the Two Rock and Estero County Road, thence from said point of beginning Northerly along the East line of Hubbell's land 574 feet, thence Southeasterly at an angle of forty five degrees to a point 25 feet distant from the East line of Hubbell's land; thence Southerly and parallel with the East line of O. Hubbell land distant from said East line of O. Hubbell, 25 feet, 544 feet, more or less to the center of the said Two Rock and Estero County Road, last described line being along a fence already erected; thence Westerly along the center of said Two Rock and Estero road to the place of beginning.

AND SAVING AND EXCEPTING THEREFROM that portion described as follows:

Commencing at the Southwesterly corner of the lands of said Warren W. Freeman, said point of commencement being the point of intersection of the Northerly line of the Two Rock and Estero County Road, and the Easterly line of the lands particularly described in that certain Deed from Robert Bailey and W.D. Freeman to Orton Hubbell, dated April 26th, 1875, and recorded May 3, 1875 in Liber M. of Deeds at Page 494 Marin County Records; running thence South 83-1/2° East 410 feet; thence Northwesterly 929 feet to a point on the Westerly line of the lands of Warren W. Freeman, which said point is distant 795 feet Northerly from the point of commencement aforesaid, and thence Southerly along the Westerly line of the lands of Warren W. Freeman 795 feet to the point of commencement; containing 3.741 acres and conveyed from Warren W. Freeman to William Bassett by Deed dated June 19, 1914, recorded November 20, 1961 in Liber 183 of Deeds, Page 231, Marin County Records.

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And being a part of the property conveyed from Frank H. Denman and Charlotte E. Denman, his wife, to Warren W. Freeman, by Deed dated September 27th, 1916, recorded October 6th, 1916 in Liber 181 of Deeds, at Page 456, Marin County Records.

APN: 100-060-16

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 2006 - 2007, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2005 - 2006, as follows:

Assessor's Parcel No	:	100-060-16	
Bill No.	:	05-196963	
Code No.	:	094-001	
1st Installment	:	\$785.71	Marked Paid
2nd Installment	:	\$785.71	NOT Marked Paid
Land	:	\$83,731.00	
Imp. Value	:	\$35,398.00	
Exemption	:	\$0.00	

3. 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.

4. Any easements or lesser rights which may be claimed as to a portion of said land by the owners or users, including any rights incidental thereto which may be ascertained by making inquiry of such owners or users,

Of	:	Roadway
Affects	:	Martinoni Road and Huntley Road
As Disclosed By	:	Arial photos and assessor's parcel map

5. Williamson Act – Land Conservation contract, as follows:

City/County : Marin
Landowner : Walter R. Caporgna, Romeo Cerini, and Romeo E. Cerini
Recorded : March 8, 1972 in Book 2548 of Official Records, Page 31 under
Recorder's Serial Number 8167
Contract/File No : Not Shown

6. Terms and conditions contained in the Romeo E. and Gail L. Cerini Trust as disclosed by Affidavit-Death of Trustee

Dated : December 21, 2005
Recorded : December 23, 2005 in Official Records under Recorder's Serial
Number 2005-0096380

NOTE: The requirement that:
A Certification of Trust be furnished in accordance with Probate Code Section 18100.5
The Company reserves the right to make additional exceptions and/or requirements.

7. Rights and claims of parties in possession.

8. Any unrecorded and subsisting leases.

9. The requirement that the Company be provided with a copy of the "rent roll" and "tenant estoppel certificates" for its review.

The Company may have different and/or additional requirements after its review.

10. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).

----- **Informational Notes** -----

A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 2.1 & 3.1.

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B. Short Term Rate ("STR") does not apply.

C. 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 2120 Fallon Two Rock Road, Petaluma, CA 94952.

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 two years prior to the date hereof, except as follows:

NONE

D. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Quitclaim Deed
By/From : Romeo E. Cerini
To : Romeo E. Cerini and Gail L. Cerini, Trustees of the Romeo E. and Gail L. Cerini Trust
Dated : January 16, 2003
Recorded : March 29, 2003 in Official Records under Recorder's Serial Number 2003-0034359

E. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Affidavit of Death of Co-Trustee
By/From : Romeo E. Cerini, Co-Trustee (Deceased)
To : Gail L. Cerini, Successor Trustee
Recorded : June 9, 2003 in Official Records under Recorder's Serial Number 2003-0068071

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F. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Affidavit of Death of Trustee
By/From : Gail L. Cerini, Sole Trustee
To : Exchange Bank and John F. Boscacci, Successor Trustees
Dated : February 21, 2006
Recorded : March 3, 2006 in Official Records under Recorder's Serial Number 2006-0013438

G. In addition to existing requirements pertaining to sellers who are non-residents of California, as a result of recent changes to Section 18662 of the Revenue and Taxation Code, in transactions closing after January 1, 2003 the buyer may then be responsible to withhold 3 1/3% of the sales price (as defined therein) from any seller, if this property is not the seller's principal residence. The statute, as modified, also provides for certain exemptions to the buyer's responsibility to withhold, which may apply.

H. County recorder will charge an additional \$ 10.00 "Monument User Fee" to record a Grant Deed and other transfer documents using the legal description shown here in.

O.N.
BC/sb

**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.

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 which may be asserted by persons in possession thereof,
3. Easements, liens or encumbrances, or claims thereof, which are 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.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY(10—17-92)
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10—17-92)
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 and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (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 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.
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) 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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.
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 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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer, or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms 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 General Exceptions:

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:

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 by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are 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.

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:

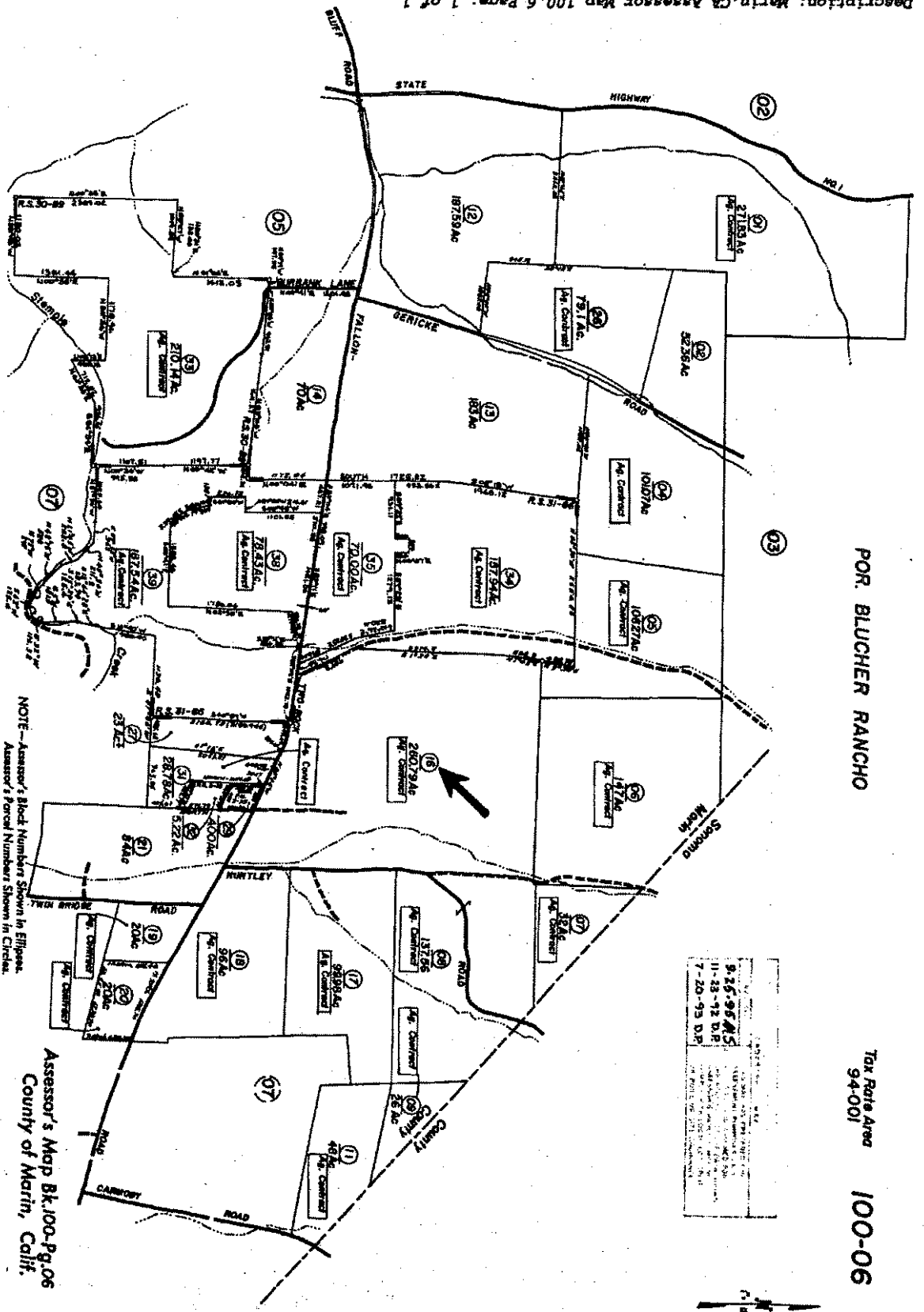
- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

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.

POR. BLUCHER RANCHO

Tax Rate Area 100-06
 94-001



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

NOTE—Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

Assessor's Map Bk.100-Pg.06
 County of Marin, Calif.