

EXHIBIT A

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

The West one-half of the Northwest quarter of the Northeast quarter of Section 34, Township 10 North, Range 9 East, Mount Diablo Base and Meridian.

SAVING AND EXCEPTING THEREFROM the West 330 feet of the Northwest quarter of the Northeast quarter of Section 34.

ALSO EXCEPTING THEREFROM all that portion thereof lying Easterly of the following described line:

Beginning at a point from which the Southeast corner of the East half of the West half of the Northwest quarter of the Northeast quarter of said Section 34, bears South 89° 59' 40" East, 153.67 feet; thence North 0° 12' 42" East, 253 feet; thence North 89° 59' 40" West, 15 feet; thence North 00° 12' 42" East, 1071.05 feet, the terminus of said line.

APN: 070-040-02-100



OLD REPUBLIC
TITLE COMPANY

500 Auburn Folsom Road, Suite 300
Auburn, CA 95603
(530) 885-7770 Fax: (530) 885-4618

PRELIMINARY REPORT

Issued for the sole use of:

CAYENTE WAY INVESTORS, LLC
P.O. BOX 1977
FOLSOM, CA 95630

Our Order Number 2123004871-SH

Attention: ANTHONY SCOTCH

When Replying Please Contact:

Sheryl Holben
(530) 885-7770

Property Address:

3051 Cayente Way, Cameron Park, CA 95682
[Unincorporated area of El Dorado 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 August 29, 2006, at 7:30 AM

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

Page 1 of 7 Pages

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

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:

Fee

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

Cayente Way Investors, LLC

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

The West one-half of the Northwest quarter of the Northeast quarter of Section 34, Township 10 North, Range 9 East, Mount Diablo Base and Meridian.

SAVING AND EXCEPTING THEREFROM the West 330 feet of the Northwest quarter of the Northeast quarter of Section 34.

ALSO EXCEPTING THEREFROM all that portion thereof lying Easterly of the following described line:

Beginning at a point from which the Southeast corner of the East half of the West half of the Northwest quarter of the Northeast quarter of said Section 34, bears South 89° 59' 40" East, 153.67 feet; thence North 0° 12' 42" East, 253 feet; thence North 89° 59' 40" West, 15 feet; thence North 00° 12' 42" East, 1071.05 feet, the terminus of said line.

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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.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 2123004871-SH

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

Assessor's Parcel No	:	070-040-02	
Bill No.	:	043741	
Code No.	:	054-101	
1st Installment	:	\$2,238.49	Marked Paid
2nd Installment	:	\$2,238.49	Marked Paid
Land	:	\$224,952.00	
Imp. Value	:	\$207,808.00	
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.

4. Assessments that may be levied by the El Dorado Irrigation District. Further information on said assessments may be obtained by contacting said district at 2890 Mosquito Rd., Placerville, CA 95667, (530) 622-4513. Specifically request current and delinquent charges.

5. Assessments that may be levied by the El Dorado Irrigation Improvement District. Further information on said assessments may be obtained by contacting said district at 2890 Mosquito Road, Placerville, CA 95667, Telephone: (530) 622-4513, Fax: (530) 622-8569, Attention: Sara Rodarte. Specifically request current and delinquent charges.

6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To	:	Pacific Telephone and Telegraph Company, a corporation
For	:	Installation, operation and maintenance of communication transmission facilities and incidental purposes
Recorded	:	October 11, 1954 in Book 350 of Official Records, Page 237
Affects	:	Indefinite as to exact location

7. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant Deed
Granted To : Frank Shrader and Dires M. Shrader, husband and wife as joint tenants and Virginia Stowell, an unmarried woman
For : A non-exclusive Right of Way and Easement for roadway and public utility purposes
Dated : May 12, 1975
Recorded : [October 20, 1976 in Book 1439 of Official Records, Page 657](#)
Affects : Southerly 25 feet

NOTE: The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein

8. An easement for light and air over a portion of said land lying above a certain plane as provided in that certain agreement by and between County of El Dorado, a political subdivision of the State of California and Stanley C. Finberg and Georgene T. Finberg, and upon the terms, provisions and conditions contained therein

Dated : October 29, 2002
Recorded : [November 8, 2002 in Official Records under Recorder's Serial Number 2002-0087114-00](#)
Returned to
Address : 330 Fair Ln, Placerville, CA 95667

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

Amount : \$328,000.00
Trustor/Borrower : Kenneth Masegian and Joan Masegian, husband and wife as joint tenants
Trustee : First American Title
Beneficiary/Lender : Sacramento Credit Union
Dated : February 24, 2004
Recorded : [March 3, 2004 in Official Records under Recorder's Serial Number 2004-0015592](#)
Loan No. : 142611
Returned to : 800 H St, Sacramento, CA 95814

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

Amount : \$41,000.00
Trustor/Borrower : Kenneth Masegian and Joan Masegian, husband and wife as joint tenants
Trustee : T.D. Service Company, a California corporation
Beneficiary/Lender : Sacramento Credit Union
Dated : February 24, 2004
Recorded : [March 3, 2004 in Official Records under Recorder's Serial Number 2004-0015593-00](#)
Returned to : 800 H St, PO Box 2351, Sacramento, CA 95812-2351

NOTE: Said Deed of Trust appears to secure a Revolving Line or Equity Line of Credit. If this loan is to be paid off and reconveyed through this transaction, the Company will require a written statement from the Beneficiary/Lender that a freeze is in effect on the account, and that the demand for payoff from the Beneficiary/Lender states that a reconveyance will be issued upon payment of the amounts shown therein.

The Beneficiary/Lender may be assisted in freezing this account by receiving a creditline freeze authorization letter signed by the Trustor/Borrower/Seller with the request for payoff demand. A sample copy of a typical such letter is available from the Company upon request.

11. Conditions contained and/or referred to in an instrument,

Entitled : Notice of Non-Compliance (Construction without a Permit)
By : El Dorado County - Development Services Department
Dated : March 13, 2006
Recorded : [March 14, 2006 in Official Records under Recorder's Serial Number 2006-0016860-00](#)
Returned to Address : 1141 Manning Dr, El Dorado Hills, CA 95762

12. Any question of delivery, defect or invalidity in the title to said land arising out of or occasioned by the Deed,
- From : Kenneth Masegian and Joan Masegian, husband and wife as joint tenants
To : Cayente Way Investors, LLC
Dated : July 18, 2006
Recorded : [July 27, 2006 in Official Records under Recorder's Serial Number 2006-0050786-00](#)
Returned to Address : 1141 Manning Dr, El Dorado Hills, CA 95762

NOTE: In connection therewith, this Company requires that a "new deed" or estoppel affidavit from Kenneth Masegian and Joan Masegian be duly executed and acknowledged in one of our offices or an affiliate's and perhaps recorded.

13. NOTE: Prior to the issuance of any policy of title insurance, the Company will require the following with respect to Cayente Way Investors, LLC, a California Limited Liability Company:
1. A copy of any management or operating agreements and any amendments thereto, together with a current list of all members of said LLC.
 2. A certified copy of its Articles of Organization (LLC-1), any Certificate of Correction (LLC-11), Certificate of Amendment (LLC-2), or Restatement of Articles of Organization (LLC-10).
 3. Recording a Certified copy of said LLC-1 and any "amendments thereto".
14. Any unrecorded and subsisting leases.
15. Rights and claims of parties in possession.

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

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 2.2.

- 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 commercial building known as 3051 Cayente Way, Cameron Park, CA 95682.

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:

Grant Deed executed by Kenneth Masegian and Joan Masegian, husband and wife as joint tenants to Cayente Way Investors, LLC recorded [July 27, 2006 in Official Records under Recorder's Serial Number 2006-0050786-00](#).

O.N.
TP/dot

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.

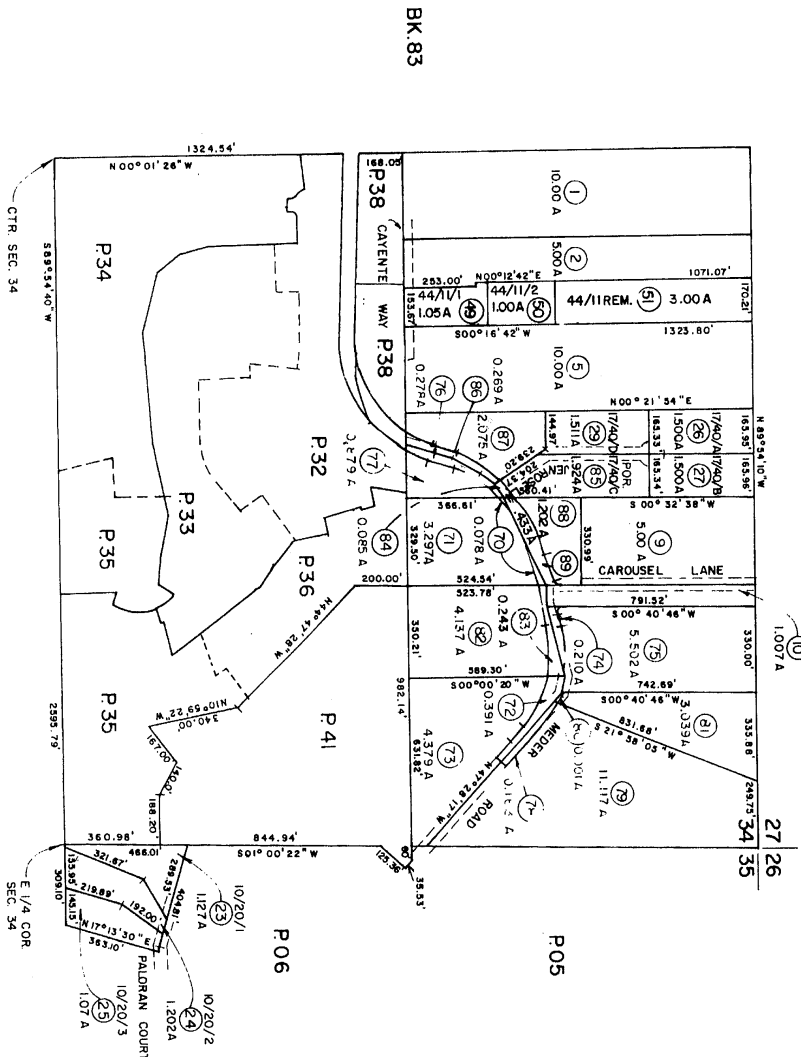
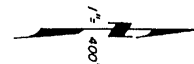
We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

NE 1/4 SEC. 34, T10N, R9E, M.D.M.

Tax Area Code

70:04

P01



BK.83

NOTE: Assessor's Block Numbers Shown in Ellipse
Assessor's Parcel Numbers Shown in Circles