



title of california

Sanctity of Contract

**STEWART TITLE OF CALIFORNIA, INC.,
LOS ANGELES DIVISION**

525 N. BRAND BLVD.
GLENDALE, CA 91203
(818) 502-2700
www.stewarttitlela.com

MEMBER CALIFORNIA LAND TITLE ASSOCIATION

PRELIMINARY REPORT

PLAYA VISTA
12555 W. JEFFERSON, #300
LOS ANGELES, CA 90066
Attn: CATHERINE TYRRELL

Order Number: 040104934

Your Reference: AREA "A"

In response to the above referenced application for a Policy of Title Insurance, Stewart Title of California, Inc. 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 CLTA and ALTA Homeowner's Policies 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 October 29, 2003 at 7:30 A.M. **Amended**

LARRY MCGUIRE, Sr. Title Officer, V.P.
(818) 502-2723 Fax: (818) 241-9173
e-mail address: lmcguire@stewart.com

WIL CAMPOS, Title Officer
(818) 502-2724 Fax: (818) 241-9173
e-mail address: wcampos@stewart.com

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:
California Land Title Association Standard Coverage Policy

SCHEDULE A

The Estate or Interest in the land hereinafter described or referred
to covered by this report is:

FEE

Title to said estate or interest at the date hereof is vested in:
PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Continued on next page

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

AREA "A"

PARCEL 1: (SUMMA PARCEL 26) (QUAD II) (4211-16-5)

THAT PORTION OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, BOUNDED BY THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT TWO (2) OF TRACT NO. 25165, AS SHOWN ON MAP RECORDED IN BOOK 674, PAGES 30, ET SEQ. OF MAPS RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY OF SAID TRACT NO. 25165, SOUTH 62 DEGREES 01' 26" WEST, 1921.44 FEET, SOUTH 62 DEGREES 02' 50" WEST, 1117.91 FEET, SOUTH 31 DEGREES 01' 18" WEST, 291.35 FEET, SOUTH 1309.16 FEET AND SOUTH 34 DEGREES 08' 33" EAST, 490.00 FEET TO THE NORTHWESTERLY LINE OF THE 380 FOOT WIDE BALLONA CREEK FLOOD CONTROL CHANNEL, AS DESCRIBED IN DECREE OF CONDEMNATION RECORDED IN BOOK 16382, PAGE 191, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 55 DEGREES 51' 27" EAST, 3951.72 FEET TO A POINT IN THE WESTERLY LINE OF CULVER BOULEVARD AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 16371, PAGE 72 OFFICIAL RECORDS OF SAID COUNTY, A RADIAL LINE OF THE CURVE IN SAID WESTERLY LINE BEARS NORTH 81 DEGREES 06' 41" WEST, TO SAID LAST MENTIONED POINT; THENCE NORTHERLY ALONG SAID WESTERLY LINE ON A CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 900 FEET, A DISTANCE OF 394.80 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE AND ALONG THE NORTHWESTERLY LINE OF SAID CULVER BOULEVARD, NORTH 34 DEGREES 01' 21" EAST, 40.18 FEET TO THE SOUTHWESTERLY LINE OF THE 60 FOOT STRIP OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 17, 1932, AS INSTRUMENT NO. 597, IN BOOK 11722 PAGE 329, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 55 DEGREES 58' 39" WEST, 60.00 FEET TO THE NORTHWESTERLY LINE OF SAID 60 FOOT STRIP; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 34 DEGREES 01' 21" EAST, 27.75 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF LINCOLN BOULEVARD, 100 FEET WIDE, A RADIAL LINE OF THE CURVE IN SAID SOUTHWESTERLY LINE BEARS NORTH 49 DEGREES 02' 43" EAST, TO SAID POINT; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE ON A CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1950 FEET, A DISTANCE OF 348.54 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE AND ALONG THE SOUTHWESTERLY LINE OF SAID LINCOLN BOULEVARD, NORTH 51 DEGREES 11' 44" WEST, 759.57 FEET TO THE POINT OF BEGINNING.

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EXCEPT THEREFROM THAT PORTION OF SAID LAND WITHIN A STRIP OF LAND, TEN (10) FEET WIDE, THE NORTHEASTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY BOUNDARY OF LOT TWO (2), TRACT NO. 25165, AS SHOWN ON MAP RECORDED IN BOOK 674, PAGE 30 TO 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN 100 FOOT STRIP OF LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA, FOR LINCOLN BOULEVARD, RECORDED OCTOBER 26, 1931, AS INSTRUMENT NO. 516, IN BOOK 11130, PAGE 339, OFFICIAL RECORDS, IN THE OFFICE OF SAID RECORDER; THENCE SOUTH 51 DEGREES 15' 30" EAST, ALONG SAID LINCOLN BOULEVARD 550.00 FEET.

THE SOUTHEASTERLY LINE OF SAID TEN (10) FOOT STRIP OF LAND SHALL BE PROLONGED AT THE BEGINNING THEREOF SO AS TO TERMINATE IN SAID SOUTHEASTERLY LINE.

ALSO EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR RECOVERABLE FROM THAT PORTION OF SAID LAND LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO JOSEPH PIERSON, RECORDED JULY 26, 1940 IN BOOK 17715, PAGE 91, OFFICIAL RECORDS, AS INSTRUMENT NO. 11; THENCE SOUTH 27 DEGREES 53' 30" EAST, 1000 FEET TO THE MOST EASTERLY CORNER OF SAID LAND OF PIERSON; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAND, SOUTH 62 DEGREES 06' 30" WEST, 676.43 FEET TO A POINT DISTANT NORTH 62 DEGREES 06' 30" WEST, 323.57 FEET FROM THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN SAID DEED TO PIERSON; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF DEL REY BEACH, AS SHOWN ON MAP RECORDED IN BOOK 6, PAGE 186 OF MAPS, RECORDS OF SAID COUNTY, TO THE SOUTHEASTERLY LINE OF THE LAND HEREINABOVE DESCRIBED.

INSTRUMENTS EXECUTED BY ARNOLD D. HASKELL, EUGENE P. CLARK, J. H. RISENHEBERGER, PAUL NOURSE AND UNION OIL COMPANY OF CALIFORNIA, WHEREBY THEY WAIVE ANY RIGHTS THAT THEY MAY HAVE TO ERECT OR CONSTRUCT UPON SURFACE OF:

THAT PART OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWEST LINE OF THE 42.24 ACRE TRACT OF LAND ALLOTTED TO GREGORIA TALAMANTES BY THE FINAL DECREE OF PARTITION OF SAID RANCHO LA BALLONA HAD IN CASE NO. 965 OF THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, WHICH POINT LIES SOUTH 62 DEGREES 06' 30" WEST, 1249.73 FEET, MEASURED ALONG SAID NORTHWEST LINE FROM A

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TWO-INCH IRON PIPE SET IN CONCRETE AT THE MOST SOUTHERLY CORNER OF LOT SEVEN (7) OF PRADERA TRACT, AS SAID TRACT IS DELINEATED UPON A MAP RECORDED IN BOOK 16, PAGE 38 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT ALSO BEING THE WEST CORNER OF A 22.96 ACRE PARCEL OF LAND DEEDED BY DEL REY COMPANY TO JOSEPH PIERSON, AS PER DEED RECORDED IN BOOK 17715, PAGE 91, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 62 DEGREES 06' 30" WEST, 1006.37 FEET ALONG SAID NORTHWEST LINE OF 42.24 ACRE TRACT TO A FOUR-INCH STAKE; THENCE SOUTH 27 DEGREES 53' 30" EAST, 700 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 581.37 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH STAKE; THENCE NORTH 27 DEGREES 53' 30" WEST, 50 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 150 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE SOUTH 27 DEGREES 53' 30" EAST, 50 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 275 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH STAKE IN THE SOUTHWEST LINE OF SAID 22.96 ACRE PARCEL OF LAND DEEDED TO JOSEPH PIERSON; THENCE NORTH 27 DEGREES 35' 30" WEST, 700 FEET NORMAL TO SAID NORTHWESTERLY LINE OF THE 42.24 ACRE TRACT TO THE POINT OF BEGINNING MARKED BY A FOUR-INCH BY FOUR-INCH STAKE, ANY OIL WELL RIG OR OTHER STRUCTURE OF ANY NATURE OR KIND, BUT DO NOT WAIVE, BUT EXPRESSLY RESERVE RIGHT TO REMOVE FROM, OR FROM UNDER SAID REAL PROPERTY ANY MINERAL, OIL, GAS OR OTHER HYDROCARBON SUBSTANCES CONTAINED IN, OR WHICH IS OR MAY BE UNDER SAME, BY MEANS OF ANY WELL OR OTHER STRUCTURE ERECTED UPON REAL PROPERTY OTHER THAN THE PROPERTY DESCRIBED IN PARCEL 2 AND TO PROJECT ANY WELLS, THE DRILLING OF WHICH IS COMMENCED OUTSIDE OF THE BOUNDARIES OF SAID PARCEL 1, UNDER SAID REAL PROPERTY FOR PURPOSE OF REMOVING SAID OIL, GAS OR OTHER HYDROCARBON SUBSTANCES, RECORDED IN BOOK 19794, PAGE 69; IN BOOK 19797, PAGE 54; IN BOOK 19802, PAGE 55 AND IN BOOK 19761, PAGE 213, OFFICIAL RECORDS.

PARCEL 2: (QUAD II) (4211-15-7)

THAT PORTION OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF THE 380 FEET STRIP OF LAND DESCRIBED IN THE DECREE OF CONDEMNATION TO LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, RECORDED IN BOOK 16382 PAGE 191, OFFICIAL RECORDS, WITH THE SOUTHWESTERLY LINE OF ROOSEVELT HIGHWAY, NOW LINCOLN BOULEVARD; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE ON A CURVE TO THE LEFT 137.23 FEET, TO THE SOUTHEASTERLY LINE OF CULVER BOULEVARD, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK

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16371 PAGE 72, OFFICIAL RECORDS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE 261.05 FEET, TO THE NORTHWESTERLY LINE SAID 380 FOOT STRIP; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 55 DEGREES 51' 27" EAST, 220.17 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR RECOVERABLE FROM THAT PORTION OF SAID LAND LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO JOSEPH PIERSON, RECORDED JULY 26, 1940, AS INSTRUMENT NO. 11, IN BOOK 17715 PAGE 91, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 27 DEGREES 53' 30" EAST, 1000 FEET TO THE MOST EASTERLY CORNER OF SAID LAND OF PIERSON; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAND, SOUTH 62 DEGREES 06' 30" WEST, 676.43 FEET TO A POINT DISTANT NORTH 62 DEGREES 06' 30" EAST, 323.57 FEET FROM THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN SAID DEED TO PIERSON; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF DEL REY BEACH, AS SHOWN ON MAP RECORDED IN BOOK 5 PAGE 186 OF MAPS, RECORDS OF SAID COUNTY, TO THE SOUTHEASTERLY LINE OF THE LAND HEREINBEFORE DESCRIBED.

END OF LEGAL DESCRIPTION

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SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

1. GENERAL AND SPECIAL CITY AND/OR COUNTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2003-2004:

1ST INSTALLMENT	\$1,401.48 OPEN
2ND INSTALLMENT	\$1,401.48 OPEN
EXEMPTION	NONE
CODE AREA	1478
ASSESSMENT NO.	4211-015-007

1.1. GENERAL AND SPECIAL CITY AND/OR COUNTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2003-2004:

1ST INSTALLMENT	\$92,040.28 OPEN
2ND INSTALLMENT	\$92,040.28 OPEN
EXEMPTION	NONE
CODE AREA	1478
ASSESSMENT NO.	4211-016-005

2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.

2.1. ASSESSMENTS, FOR COMMUNITY FACILITY DISTRICTS AFFECTING SAID LAND WHICH MAY EXIST BY VIRTUE OF ASSESSMENT MAPS OR NOTICES FILED BY SAID DISTRICTS.

THE FOLLOWING MATTERS AFFECT QUAD II

3. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO
PURPOSE

COUNTY OF LOS ANGELES
EXTENDING EMBANKMENT SLOPES BEYOND THE SOUTH-
EASTERLY LIMITS OF CULVER BOULEVARD FOR
CONSTRUCTING AN OVERHEAD GRADE SEPARATION
SEPARATING CULVER BOULEVARD FROM LINCOLN
BOULEVARD

RECORDED

JANUARY 22, 1932 AS INSTRUMENT NO. 1217,
IN BOOK 11340 PAGE 265, OFFICIAL RECORDS
THAT PORTION OF PARCELS 1 AND 2 OF QUAD II
MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

AFFECTS

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4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF CITY OF LOS ANGELES
 FOR SANITARY SEWER AND STORM DRAIN
 RECORDED NOVEMBER 3, 1930 AS INSTRUMENT NO. 753,
 IN BOOK 10418, PAGE 126, OFFICIAL RECORDS
 AFFECTS THAT PORTION OF PARCEL 1 OF QUAD II MORE
 PARTICULARLY DESCRIBED IN SAID DOCUMENT

5. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, LTD.
 FOR A POLE LINE
 RECORDED SEPTEMBER 24, 1940 AS INSTRUMENT NO. 1509,
 IN BOOK 17818, PAGE 325, OFFICIAL RECORDS
 AFFECTS A PORTION OF PARCEL 1 OF QUAD II AS MORE
 PARTICULARLY DESCRIBED IN SAID DOCUMENT

6. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF ASSOCIATED TELEPHONE COMPANY, LTD.
 FOR POLE LINES AND CONDUITS
 RECORDED JUNE 27, 1941 AS INSTRUMENT NO. 1257, IN
 BOOK 18482, PAGE 367, OFFICIAL RECORDS
 AFFECTS A PORTION OF PARCEL 1 OF QUAD II AS MORE
 PARTICULARLY DESCRIBED IN SAID DOCUMENT

7. THE FREE AND UNOBSTRUCTED RIGHT FROM TIME TO TIME TO EXPLORE FOR, MINE FOR, DRILL FOR, PRODUCE, TREAT, TRANSPORT, STORE AND REMOVE MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND INCIDENTAL PURPOSES, AS MORE FULLY DEFINED IN AND AS RESERVED BY UNION OIL COMPANY OF CALIFORNIA, A CORPORATION, IN THE DEED RECORDED MAY 29, 1945 AS INSTRUMENT NO. 6, IN BOOK 21983, PAGE 305, OFFICIAL RECORDS.

SAID RIGHTS, INSOFAR AS THEY AFFECT PORTIONS OF SAID LAND, WERE MODIFIED BY DEEDS FROM UNION OIL COMPANY OF CALIFORNIA, RECORDED FEBRUARY 5, 1959 AS INSTRUMENT NO. 4213, IN BOOK D-356, PAGE 958, OFFICIAL RECORDS, AND RECORDED AUGUST 21, 1958 AS INSTRUMENT NO. 4834, IN BOOK D-579, PAGE 972, OFFICIAL RECORDS, AND BY AGREEMENT RECORDED MARCH 15, 1961 AS INSTRUMENT NO. 3819, IN BOOK D-1156, PAGE 518, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 1 OF QUAD II

8. THE EXCLUSIVE RIGHT, AFFECTING THAT PORTION OF SAID LAND INCLUDED WITHIN THE LAND DESCRIBED IN DEED NEXT REFERRED TO, TO USE THE SUBSURFACE OF SAID LAND AND ALL ZONES CONTAINED THEREIN, REGARDLESS OF DEPTH, FOR THE INJECTION OF GAS INTO, THE STORAGE OF GAS IN, AND/OR THE WITHDRAWAL OF GAS FROM SAID PROPERTY, AND

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INCIDENTAL PURPOSES, AS MORE FULLY DESCRIBED IN AND AS RESERVED BY SOUTHERN CALIFORNIA GAS COMPANY, IN DEED RECORDED NOVEMBER 21, 1946 AS INSTRUMENT NO. 1046, IN BOOK 23939, PAGE 338, OFFICIAL RECORDS.

SAID RIGHTS, INSOFAR AS THEY AFFECT A PORTION OF SAID LAND, WERE MODIFIED BY DEED FROM SOUTHERN CALIFORNIA GAS COMPANY, RECORDED FEBRUARY 6, 1959 AS INSTRUMENT NO. 4278, IN BOOK D-358, PAGE 367, OFFICIAL RECORDS, AS MODIFIED BY AN INSTRUMENT RECORDED AUGUST 14, 1959 IN BOOK M-339, PAGE 989, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 1 OF QUAD II

9. AN AGREEMENT AFFECTING PARCEL 1 OF QUAD II DATED AUGUST 15, 1963, WHEREBY HUGHES TOOL COMPANY, A CORPORATION, HEREBY CONVEYS TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, THE EXCLUSIVE RIGHT TO USE SUBSURFACE MINERAL, OIL AND/OR GAS ZONES FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS (WHETHER PROVIDED FROM SUCH OR OTHER PROPERTY) THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME; BUT WITH NO RIGHT TO USE THE SURFACE OR TO CARRY ON SUCH OPERATION EXCEPT BETWEEN A DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE THEREOF, WHICH AGREEMENT ALSO RECITES THAT:

HUGHES TOOL COMPANY HEREBY COVENANTS AND AGREES TO PROHIBIT EXPLORATION FOR MINERAL, OIL, GAS OR OTHER HYDROCARBONS BETWEEN DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE, RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 7055, IN BOOK M-1338, PAGE 287, OFFICIAL RECORDS.

<p>10. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, GRANTED TO PURPOSE</p>	<p>SOUTHERN CALIFORNIA GAS COMPANY WORKING, OPERATING, CLEANING OUT, DEEPENING, REDRILLING, PLUGGING BACK AND ABANDONING DEL REY WELLS, 11, 12, 13, 14, 15, 17 AND 19 AND FOR THE CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE AND REMOVAL OF PIPELINES, TOGETHER WITH THE RIGHT TO CONSTRUCT AND MAINTAIN A PRIVATE ROADWAY</p>
<p>RECORDED AFFECTS</p>	<p>IN BOOK D 2166, PAGE 904, OF OFFICIAL RECORDS A PORTION OF SAID LAND MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT</p>

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280, OF OFFICIAL

Continued on next page

RECORDS.

11. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	SOUTHERN CALIFORNIA GAS COMPANY, A CALIFORNIA CORPORATION
PURPOSE	UTILITIES
RECORDED	SEPTEMBER 1, 1983
INSTRUMENT/FILE NO	83-1027591, OF OFFICIAL RECORDS
AFFECTS	A STRIP OF LAND 15 FEET WIDE AS THEREIN DESCRIBED

12. AN ACTION IN THE SUPERIOR COURT

COMMENCED	MAY 15, 1961
ENTITLED	LOS ANGELES FLOOD CONTROL DISTRICT VS. SHELL OIL COMPANY, ET AL.
CASE NO.	771085
COUNTY OF	LOS ANGELES
NATURE OF ACTION	TO CONDEMN THE SLOPE EASEMENT FOR THE WIDENING OF FLOOD CONTROL CHANNEL
NOTICE OF SAID ACTION RECORDED	MAY 15, 1961 AS INSTRUMENT NO. 5153, IN BOOK M771, PAGE 334, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT.

13. RIGHTS OF THE FOLLOWING UNDER VARIOUS OFF-RECORD LEASES, AGREEMENTS AND LICENSES, TO USE PORTION OF SAID LAND:

A. LEASE BETWEEN PLAYA PHASE 1 COMMERCIAL LAND COMPANY, LLC, AS LANDLORD, AND THE COUNTY OF LOS ANGELES, AS TENANT, DATED OCTOBER 12, 1998.

B. LEASE BETWEEN PLAYA CAPITAL COMPANY, LLC, AS LANDLORD, AND THE COUNTY OF LOS ANGELES, AS TENANT, DATED OCTOBER 29, 2001.

C. LEASE BETWEEN MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, AS LANDLORD, AND THE COUNTY OF LOS ANGELES, AS TENANT, DATED AUGUST 2, 1995.

14. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	U.S. TRUST COMPANY OF CALIFORNIA, N.A., AS TRUSTEE
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PURPOSE	ROADWAY IMPROVEMENTS AND FOR VEHICULAR ACCESS, INGRESS AND EGRESS
RECORDED	AUGUST 31, 1990
INSTRUMENT/FILE NO	90-1515157, OF OFFICIAL RECORDS
AFFECTS	A PORTION OF QUAD IV AND QUAD II AND ALL OF QUAD I

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

15. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED	"MEMORANDUM OF AGREEMENT"
DATED	JANUARY 4, 1996
BY: MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED	
RECORDED	APRIL 23, 1996
INSTRUMENT/FILE NO	96-637590, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

16. DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN
BELOW, AND ANY OTHER OBLIGATIONS SECURED THEREBY:

AMOUNT	\$60,400,000.00
DATED	SEPTEMBER 2, 1997
TRUSTOR	PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY
TRUSTEE	FIRST AMERICAN TITLE INSURANCE COMPANY
BENEFICIARY	PLAYA INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY
RECORDED	OCTOBER 16, 1997
INSTRUMENT NO.	97-1625347 OF OFFICIAL RECORDS

AND RE-RECORDED DECEMBER 23, 1997, AS INSTRUMENT/FILE NO.
97-2009527, OF OFFICIAL RECORDS

A SUBORDINATION, AND STANDSTILL AGREEMENT, DATED MAY 5, 1999,
AFFECTING THE DEED OF TRUST SHOWN ABOVE AND THE DEED OF TRUST
RECORDED MAY 5, 1999 AS INSTRUMENT NO. 99-828132, OF OFFICIAL
RECORDS RECORDED MAY 7, 1999 AS INSTRUMENT NO. 99-828134, OF
OFFICIAL RECORDS.

SAID DEED OF TRUST HAS BEEN SUBORDINATED BY THE PROVISIONS OF AN
INSTRUMENT

DATED	AUGUST 13, 2002
EXECUTED BY	PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY PLAYA INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY

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RECORDED INSTRUMENT/FILE NO SUBORDINATED TO	AND RESIDENTIAL FUNDING CORPORATION AUGUST 27, 2002 02-2013250, OFFICIAL RECORDS ITEM NO. 27
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SUBSTITUTION OF TRUSTEE UNDER SAID DEED OF TRUST WHICH NAMES AS THE SUBSTITUTED TRUSTEE, THE FOLLOWING:

TRUSTEE RECORDED INSTRUMENT/FILE NO	FIRST AMERICAN TITLE INSURANCE COMPANY JUNE 27, 2003 03-185461 OF OFFICIAL RECORDS
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SAID INSTRUMENT HAS BEEN SUBORDINATED BY THAT CERTAIN IRREVOCABLE OFFER TO DEDICATE:

DATED EXECUTED BY	SEPTEMBER 19, 2003 BANK OF THE WEST AS SUCCESSOR IN INTEREST TO UNITED CALIFORNIA BANK, AS SUCCESSOR IN INTEREST TO TOKAI BANK OF CALIFORNIA, A CALIFORNIA BANKING CORPORATION
RECORDED INSTRUMENT/FILE NO SUBORDINATED TO	OCTOBER 23, 2003 03-3175571 OFFICIAL RECORDS ITEM 31

- 17. INTENTIONALLY DELETED.
- 18. INTENTIONALLY DELETED.
- 19. INTENTIONALLY DELETED.
- 20. INTENTIONALLY DELETED.
- 21. INTENTIONALLY DELETED.
- 22. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED DATED	MEMORANDUM OF OPTION AUGUST 8, 2001
BY AND BETWEEN: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY; THE TRUST FOR PUBLIC LAND, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED	
RECORDED INSTRUMENT/FILE NO	SEPTEMBER 7, 2001 01-1688057, OF OFFICIAL RECORDS

- 23. INTENTIONALLY DELETED.
- 24. INTENTIONALLY DELETED.

Continued on next page

25. INTENTIONALLY DELETED.

26. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE:

COUNTY	LOS ANGELES
TAXPAYER	PLAYA CAPITAL COMPANY LLC
YEAR/ACCOUNT NO	01/40745622
AMOUNT	\$5,433.45
RECORDED	MARCH 8, 2002
INSTRUMENT NO.	02-557076 OF OFFICIAL RECORDS

27. DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN BELOW, AND ANY OTHER OBLIGATIONS SECURED THEREBY:

AMOUNT	\$40,000,000.00
DATED	AUGUST 13, 2002
TRUSTOR	PLAYA CAPITA COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY
TRUSTEE	STEWART TITLE OF CALIFORNIA
BENEFICIARY	RESIDENTIAL FUNDING CORPORATION
RECORDED	AUGUST 27, 2002
INSTRUMENT NO.	02-2013247 OF OFFICIAL RECORDS

28. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE:

COUNTY	LOS ANGELES
TAXPAYER	PLAYA CAPITAL COMPANY LLC LESSEE C/O ASCOM HASLER
YEAR/ACCOUNT NO	02/49914335
AMOUNT	\$117.06
RECORDED	JUNE 17, 2003
INSTRUMENT NO.	03-1722853 OF OFFICIAL RECORDS

29. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE:

COUNTY	LOS ANGELES
TAXPAYER	PLAYA CAPITAL LESSEE C/O GTE
YEAR/ACCOUNT NO	02/49917153
AMOUNT	\$1,693.89
RECORDED	SEPTEMBER 8, 2003
INSTRUMENT NO.	03-2623553 OF OFFICIAL RECORDS

30. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE:

COUNTY	LOS ANGELES
TAXPAYER	PLAYA CAPITAL LESSEE

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YEAR/ACCOUNT NO	C/O GTE
AMOUNT	02/49917151
RECORDED	\$2,547.47
INSTRUMENT NO.	SEPTEMBER 8, 2003
	03-2623666 OF OFFICIAL RECORDS

31. INTENTIONALLY DELETED.

32. THE MATTERS CONTAINED IN AN INSTRUMENT:
 ENTITLED | MEMORANDUM OF AGREEMENT TO SUBORDINATE
 DATED | AUGUST 8, 2001
 BY AND BETWEEN: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED
 LIABILITY COMPANY AND THE TRUST FOR PUBLIC LAND, A CALIFORNIA
 NONPROFIT PUBLIC BENEFIT CORPORATION UPON THE TERMS AND
 CONDITIONS AND COVENANTS THEREIN PROVIDED.
 RECORDED | OCTOBER 22, 2003
 INSTRUMENT NO. | 03-3162873, OFFICIAL RECORDS

33. WATER RIGHTS, CLAIMS OR TITLE TO WATER IN OR UNDER SAID
 LAND, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

34. MATTERS WHICH MAY BE DISCLOSED BY AN INSPECTION OR BY A
 SURVEY OF SAID LAND SATISFACTORY TO THIS COMPANY, OR BY INQUIRY
 OF THE PARTIES IN POSSESSION THEREOF.

+++++ REQUIREMENTS +++++

1. THE REQUIREMENT THAT STEWART TITLE OF CALIFORNIA, INC. BE
 INFORMED OF WHAT TYPE OF TITLE INSURANCE COVERAGE/POLICIES ARE
 BEING REQUESTED, SO THAT WE MAY PROVIDE YOU WITH ANY ADDITIONAL
 REQUIREMENTS OR EXCEPTIONS THAT WE MAY HAVE OR THAT APPLY.

2. PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE, THE
 COMPANY WILL REQUIRE THE FOLLOWING WITH RESPECT TO PLAYA
 CAPITAL COMPANY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY:

1. A COPY OF ITS OPERATING AGREEMENT AND ANY AMENDMENTS
 THERETO MUST BE SUBMITTED TO THE COMPANY FOR REVIEW.
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) MUST BE SUBMITTED TO THE COMPANY FOR
 REVIEW.

3. WITH RESPECT TO ANY DEED, DEED OF TRUST, LEASE, SUBORDINATION

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AGREEMENT OR OTHER DOCUMENT OR INSTRUMENT EXECUTED BY SUCH LIMITED LIABILITY COMPANY AND PRESENTED TO THE COMPANY FOR RECORDING OR UPON WHICH THE COMPANY IS ASKED TO RELY, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED IN ACCORDANCE WITH THE FOLLOWING:

- (A) IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES THROUGH OFFICERS APPOINTED OR ELECTED PURSUANT TO THE TERMS OF THE WRITTEN OPERATING AGREEMENT, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED BY AT LEAST TWO DULY ELECTED OR APPOINTED OFFICERS AS FOLLOWS: THE CHAIRMAN OF THE BOARD, THE PRESIDENT, VICE PRESIDENT, AND ANY SECRETARY, ASSISTANT SECRETARY, THE CHIEF FINANCIAL OFFICER OR ANY ASSISTANT TREASURER.
 - (B) IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES THROUGH A MANAGER OR MANAGERS IDENTIFIED IN THE ARTICLES OF ORGANIZATION AND/OR DULY ELECTED PURSUANT TO THE TERMS OF A WRITTEN OPERATING AGREEMENT, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED BY AT LEAST TWO SUCH MANAGERS OR BY ONE MANAGER IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES WITH THE EXISTENCE OF ONLY ONE MANAGER.
4. OTHER REQUIREMENTS WHICH THE COMPANY MAY IMPOSE FOLLOWING ITS REVIEW OF THE MATERIAL REQUIRED HEREIN AND OTHER INFORMATION WHICH THE COMPANY MAY REQUIRE.

END OF EXCEPTIONS

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NOTES**A. LENDERS NOTE:**

IF AN ALTA LOAN POLICY - 1970, AMENDED 10-17-70 (AMENDED 12-6-85) IS REQUESTED, THE FOLLOWING WILL BE ADDED AS AN EXCLUSION FROM COVERAGE:

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 OR 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 JUDGEMENT OR LIEN CREDITOR.

B. IF AN OWNERS POLICY WILL BE REQUESTED, PLEASE BE AWARE THAT UNLESS INSTRUCTED OTHERWISE, WE WILL ISSUE A CLTA STANDARD COVERAGE OWNERS POLICY. IF A DIFFERENT FORM OF POLICY IS CONTEMPLATED FOR THIS TRANSACTION, PLEASE ADVISE AND CONTACT YOUR TITLE OFFICER FOR ADDITIONAL REQUIREMENTS

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040104934

Sanctity of Contract

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available prior to disbursement. Funds received by Stewart Title of California, Inc. (Stewart Title) via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title. Stewart Title may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title shall have no obligation to account to the depositing party in any manner for the value of, or pay to such party, any benefit received by Stewart Title. Such benefits shall be deemed additional compensation to Stewart Title for its services in connection with the escrow or sub-escrow.

WIRING INSTRUCTIONS

IF YOU ANTICIPATE HAVING FUNDS WIRED TO STEWART TITLE OF CALIFORNIA, INC. OUR WIRING INFORMATION IS AS FOLLOWS:

ADDITIONAL NOTE: DIRECT WIRE TRANSFERS TO:
CITY NATIONAL BANK
5601 E. SLAUSON AVE
CITY OF COMMERCE, CALIFORNIA 90040
ROUTING NO. 122016066
CREDIT TO STEWART TITLE OF CALIFORNIA, INC.
ACCOUNT # 013 218811
REF: (ORDER # 040104934, TITLE OFFICER NAME: LARRY MCGUIRE)

WHEN INSTRUCTING THE FINANCIAL INSTITUTION TO WIRE FUNDS, IT IS VERY IMPORTANT THAT YOU REFERENCE STEWART TITLE'S ORDER NUMBER.

SHOULD YOU HAVE ANY QUESTIONS IN THIS REGARD PLEASE CONTACT YOUR TITLE OFFICER IMMEDIATELY.