



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

PSOMAS AND ASSOCIATES
11444 OLYMPIC BOULEVARD SUITE 750
LOS ANGELES, CA 90065
Attn: JOHN CHIAPPE

Order Number: 040207570

Your Reference: EXPANDED WETLANDS
PARCELS

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 February 03, 2004 at 7:30 A.M.

Updated

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
American Land Title Association Owners Policy - Form B

SCHEDULE A

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

A 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:

Parcel 1: (Quad III) (APN 4211-14-7, 8, 9, 13, 14)

That portion of the 341.85 acre tract of the land allotted to Ramona S. de Machado by the Decree of Partition of a portion of the Rancho la Ballona, in the City of Los Angeles, County of Los Angeles, State of California, in Case No. 2722, of the District Court of said County, being also shown on the Map recorded in Book 3 Page 204 et seq., of Miscellaneous Records, in the office of the County Recorder of said County, described as follows:

Beginning at a point in the southerly line of Playa Street, 33 feet wide, as shown on said Map at its intersection with the northerly prolongation of the westerly line of the 80.70 acre tract of land described in deed to R. J. Northam, recorded in Book 2091 Page 127 of Deeds, Records of said County; thence to and along the westerly line of said land of Northam, South 29° East, 2657.60 feet to the most southerly corner of said land, said corner lying on the southerly line of said Rancho la Ballona; thence South 53° West, 344.48 feet to Station 12 of said Rancho; thence North 81° West, 6 chains to Station 13 of said Rancho; thence North 52° 45' West, 17 chains to Station 14 of said Rancho; thence South 73° West, 8 chains to Station 15 of said Rancho, as established by the proceedings in Case No. 20065, Los Angeles County Superior Court; thence parallel with the westerly line of said land of Northam, North 29° West, 20.05 chains to said southerly line of Playa Street; thence along said line of Playa Street, North 61° East, to the Point of Beginning.

Except therefrom that portion of said land lying northeasterly of the southwesterly line of Roosevelt Highway (100 feet wide), as described in the Deed recorded in Book 7448 Page 77, Official Records of said County, and its northwesterly prolongation.

Also except therefrom that portion of said land described as follows:

Beginning at the most westerly corner of that certain parcel of land described in Deed recorded on April 15, 1926 in Book 5662 Page 124, Official Records; thence southeasterly along the southwesterly line of said certain parcel, described in said Deed, to the most southerly corner of said certain parcel;

Continued on next page

thence northeasterly along the southeasterly line of said certain parcel to the most westerly corner of the land designated as Parcel 4A, in lis pendens, recorded September 3, 1965, as Instrument No. 5086, in Book M1969 Page 549, Official Records; thence along the southwesterly lines of said Parcel 4A, the following three courses:

- 1) South 73° 35' 35" East, 49.58 feet;
- 2) South 28° 45' 46" East, 336.00 feet;
- 3) North 61° 14' 14" East, 6.00 feet to said southwesterly line of Roosevelt Highway (100 feet wide); thence northerly along said Roosevelt Highway and its prolongation to the northwesterly line of the land described in said Deed recorded in Book 5662 Page 124, Official Records; thence southwesterly along said northwesterly line of the land described in said last mentioned deed to the Point of Beginning.

Also except therefrom that portion of said land lying northerly and easterly of the following described line:

Beginning at the intersection of the southeasterly line of Playa Street, 33 feet wide, as shown on said Map recorded in Book 3 Page 204 et seq., of Miscellaneous Records, and the westerly line of Roosevelt Highway as described in the deed recorded in Book 7448, Page 77, Official Records, in the Office of the County Recorder of said County; thence along said southeasterly line of Playa Street South 61°14'57" West 49.01 feet; thence South 28°45'03" East 33.50 feet to the southeasterly line of the land described in Book 5662, Page 124 of Official Records of said County, said line being the southeasterly line of Jefferson Boulevard, 100.00 feet wide, as it now exists; thence along said southeasterly line, South 61°14'57" West 1539.20 feet, to the TRUE POINT OF BEGINNING; thence South 16°19'09" West 8.47 feet to the beginning of a curve concave to the east and having a radius of 5.00 feet; thence southerly 6.38 feet along said curve through a central angle of 73°08'41"; thence South 56°49'32" East 22.19 feet to the beginning of a curve concave to the southwest and having a radius of 30.00 feet; thence southeasterly 12.99 feet along said curve through a central angle of 24°49'02"; thence South 32°00'30" East 89.53 feet to the beginning of a curve concave to the southwest and having a radius of 99.00 feet; thence southeasterly 11.32 feet along said curve through a central angle of 6°33'09"; thence South 25°27'21" East 145.17 feet to the beginning of a curve concave to the northeast and having a radius of 225.00 feet; thence southeasterly 57.82 feet along said curve through a central angle of 14°43'26" to the beginning of a curve concave to the northeast having a radius

Continued on next page

of 235.00 feet and to beginning which a radial line bears South 49°56'17" West; thence southeasterly 150.98 feet along said curve through a central angle of 36°48'36" to the beginning of a compound curve concave to the north and having a radius of 160.00 feet; thence easterly 57.55 feet along said curve through a central angle of 20°36'35" to the beginning of a compound curve concave to the north and having a radius of 200.00 feet; thence easterly 66.47 feet along said curve through a central angle of 19°02'32"; thence South 35°45'16" East 46.75 feet; thence South 49°40'26" East 15.74 feet to the beginning of a curve concave to the north and having a radius of 38.00 feet; thence easterly 53.66 feet along said curve through a central angle of 80°54'25"; thence North 49°25'09" East 120.50 feet; thence North 55°28'40" East 26.75 feet; thence North 62°21'19" East 81.50 feet to the beginning of a curve concave to the northwest and having a radius of 41.00 feet; thence northerly 46.72 feet along said curve through a central angle of 65°17'19" to the beginning of a reverse curve concave to the southeast and having a radius of 30.50 feet; thence northerly 40.83 feet along said curve through a central angle of 76°42'09; thence South 88°02'41" East 45.28 feet to the beginning of a curve concave to the south and having a radius of 212.00 feet; thence easterly 18.86 feet along said curve through a central angle of 5°05'55" to the beginning of a compound curve concave to the northwest and having a radius of 268.00 feet; thence easterly 307.90 feet along said curve through a central angle of 65°49'31" to the beginning of a reverse curve concave to the southeast and having a radius of 215.00 feet; thence northeasterly 119.37 feet along said curve through a central angle of 31°48'41" to the beginning of a compound curve concave to the south and having a radius of 77.00 feet; thence easterly and southerly 136.95 feet along said curve through a central angle of 101°54'15"; thence South 15°03'21" East 240.16 feet to the beginning of a curve concave to the east and having a radius of 425.00 feet; thence southerly 448.04 feet along said curve through a central angle of 60°24'06" to the beginning of a reverse curve concave to the southwest and having a radius of 213.00 feet; thence southeasterly 78.18 feet along said curve through a central angle of 21°01'51"; thence on a non-tangent line South 63°06'40" West 70.80 feet; thence South 26°53'20" East 44.00 feet; thence North 63°06'40" East 87.85 feet to the beginning of a curve concave to the southwest and having a radius of 213.00 feet and to which beginning a radial line bears North 48°17'32" East; thence southeasterly 13.42 feet along said curve through a central angle of 3°36'39" to the beginning of a compound curve concave to the southwest and having a radius of 1360.00 feet; thence southerly 475.87 feet along said curve through a central angle of 20°02'53"; thence South 10°40'08" East 43.66 feet; thence South 3°14'13" East 56.39 feet; thence

Continued on next page

South 11°21'02" East 45.97 feet; thence South 3°05'37" East 43.54 feet; thence South 35°35'02" West 31.24 feet; thence South 26°46'54" East 63.00 feet; thence South 42°48'31" East 83.00 feet; thence South 46°47'13" East 124.00 feet; thence South 57°39'29" East 103.50 feet; thence South 77°21'27" East 66.00 feet; thence North 85°15'14" East 125.00 feet; thence North 66°35'11" East 74.00 feet; thence North 89°16'30" East 82.50 feet; thence North 62°39'40" East 29.50 feet; thence North 24°39'33" East 31.00 feet; thence North 12°19'04" East 50.41 feet; thence North 41°35'09" East 31.75 feet along the southwesterly prolongation of a radial line to the curved southwesterly line of Roosevelt Highway (100 feet wide) as described in the Deed recorded in Book 7448 Page 77, Official Records of said County.

Parcel 10: (Quad III) (APN 4114-3-11)

Lot 1, Block 12 of Tract No. 9167, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 172 Pages 46 et seq. of Maps, in the Office of the County Recorder of said County.

Parcel 11: (Quad III) (APN 4114-3-12, 13, 14, 15, 16)

Lots 2 through 6 inclusive, in Block 12 of Tract No. 9167, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 172 Pages 46 through 49 of Maps, in the Office of the County Recorder of said County.

This Legal Description is shown on the accompanying "LEGAL DESCRIPTION MAP, EXPANDED WETLANDS PARCEL" Exhibit and is made a part hereof for reference purposes and is not intended for the use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.

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. PROPERTY TAXES, WHICH ARE A LIEN NOT YET DUE AND PAYABLE, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2004 - 2005 WHICH ARE A LIEN NOT YET PAYABLE.

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	\$20.15 PAID
2ND INSTALLMENT	\$20.15 OPEN
EXEMPTION	NONE
CODE AREA	1502
ASSESSMENT NO.	4211-014-007

1.2. 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	\$23.10 PAID
2ND INSTALLMENT	\$23.10 OPEN
EXEMPTION	NONE
CODE AREA	1502
ASSESSMENT NO.	4211-014-008

1.3. 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	\$17.55 PAID
2ND INSTALLMENT	\$17.54 OPEN
EXEMPTION	NONE
CODE AREA	1502
ASSESSMENT NO.	4211-014-009

1.4. 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	\$5,440.78 PAID
2ND INSTALLMENT	\$5,440.78 OPEN
EXEMPTION	NONE
CODE AREA	1502
ASSESSMENT NO.	4211-014-013

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1.5. 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	\$352.46 PAID
2ND INSTALLMENT	\$352.46 OPEN
EXEMPTION	NONE
CODE AREA	1508
ASSESSMENT NO.	4211-014-014

1.6. 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	\$19.06 PAID
2ND INSTALLMENT	\$19.06 OPEN
EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-011

1.7. 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	\$15.64 PAID
2ND INSTALLMENT	\$15.64 OPEN
EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-012

1.8. 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	\$15.97 PAID
2ND INSTALLMENT	\$15.96 OPEN
EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-013

1.9. 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	\$20.79 PAID
2ND INSTALLMENT	\$20.79 OPEN
EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-014

1.10. 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	\$15.33 PAID
2ND INSTALLMENT	\$15.33 OPEN

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EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-015

1.11. 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	\$15.32 PAID
2ND INSTALLMENT	\$15.32 OPEN
EXEMPTION	NONE
CODE AREA	68
ASSESSMENT NO.	4114-003-016

1.12. SAID LAND HAS BEEN DECLARED TAX DEFAULTED FOR DELINQUENT TAXES FOR THE

FISCAL YEAR	1999-2000
REDEEM PRIOR TO	FEBRUARY 29, 2004
AMOUNT TO REDEEM	\$56.85

AFFECTS PARCEL NO: 4114-003-016

PARTIAL PAYMENT ON FILE-EXAMINATION OF COUNTY RECORDS REQUIRED

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

3. COVENANTS, CONDITIONS, AND RESTRICTIONS AS SET FORTH IN INSTRUMENT RECORDED OCTOBER 22, 1926 IN BOOK 6070, PAGE 310 AS INSTRUMENT NO. 708, OFFICIAL RECORDS, BUT OMITTED ANY COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION; (A) IS EXEMPT UNDER TITLE 42 OF THE UNITED STATES CODE; OR (B) RELATES TO HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS.

NOTE: SECTION 12956.1 OF THE GOVERNMENT CODE PROVIDES THE FOLLOWING: IF THIS DOCUMENT CONTAINS ANY RESTRICTIONS BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

4. INTENTIONALLY DELETED.

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5. COVENANTS, CONDITIONS, AND RESTRICTIONS AS SET FORTH IN INSTRUMENT RECORDED IN BOOK 10561 PAGE 279, OFFICIAL RECORDS, BUT OMITTED ANY COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION; (A) IS EXEMPT UNDER TITLE 42 OF THE UNITED STATES CODE; OR (B) RELATES TO HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS.

NOTE: SECTION 12956.1 OF THE GOVERNMENT CODE PROVIDES THE FOLLOWING: IF THIS DOCUMENT CONTAINS ANY RESTRICTIONS BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

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.

6. THE RIGHT TO ENTER UPON SAID LAND AT ANY TIME FOR THE PURPOSE OF GRADING, SURFACING, OILING AND MAINTAINING THE SAME FOR STREET AND/OR ALLEY PURPOSES, FOR THE USE AND BENEFIT OF THE LAND ABUTTING THEREON AND TO PUT IN CULVERTS, GUTTERS AND ALL NECESSARY IMPROVEMENTS FOR THE PROPER DRAINAGE OF SAID LAND AND ABUTTING THEREON AND THE RIGHT AT ANY TIME TO DEDICATE SAID PARCELS OF LAND OR ANY OF THEM TO THE PUBLIC FOR STREET AND/OR ALLEY PURPOSES AND TO GRANT EASEMENTS FOR PUBLIC UTILITIES ACROSS, UNDER AND ALONG THE SAME, SAID DEDICATION TO BE COMPLETE AND SUFFICIENT WITHOUT THE CONSENT OF OR EXECUTION BY ANY OWNER OF ANY LAND ABUTTING ON OR ADJACENT TO SAID LAND AND UPON SUCH DEDICATION THE EASEMENT GRANTED HEREBY SHALL CEASE TO BE PRIVATE AND SHALL MERGE IN THE PUBLIC EASEMENT FOR GENERAL STREET AND OR ALLEY PURPOSES, AS RESERVED IN THE ABOVE MENTIONED DEEDS.

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

GRANTED TO	CITY OF LOS ANGELES
PURPOSE	STORM DRAIN AND SANITARY SEWER
RECORDED	IN BOOK 12483, PAGE 310, OFFICIAL RECORDS

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

" (AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY AND MARCH
Continued on next page

1984 AND REVISED FEBRUARY 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 01701-03)".

8. INTENTIONALLY DELETED.

9. RESERVATION AND EXCEPTION CONTAINED IN DEED FROM RECONSTRUCTION FINANCE CORPORATION AND UNITED STATES OF AMERICA, BOTH ACTING BY AND THROUGH GENERAL SERVICES ADMINISTRATOR TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, DATED DECEMBER 1, 1953, RECORDED OCTOBER 15, 1954 AS INSTRUMENT NO. 580, IN BOOK 45847, PAGE 89, OFFICIAL RECORDS, THE LOCATION AND TERMS OF WHICH ARE MORE PARTICULARLY DESCRIBED THEREIN.

10. AN EASEMENT OVER SAID LAND FOR A SINGLE LINE OF POLES, WITH CROSS-ARMS AND WIRES, FOR PRIVATE TELEPHONE PURPOSES, TOGETHER WILL ALL RIGHTS OF WAY COVERING THE CONSTRUCTION AND MAINTENANCE OF SUCH FACILITIES, AS CONVEYED BY UNRECORDED SURFACE LEASE FROM DEL REY COMPANY TO P. M. PIKE, DATED JUNE 1, 1933 AND BY MESNE ASSIGNMENTS TRANSFERRED AND CONVEYED TO UNION OIL COMPANY OF CALIFORNIA, BY ASSIGNMENT OF LEASE FROM P. M. PIKE INVESTMENT COMPANY, DATED JANUARY 27, 1943, AS PROVIDED IN DECREE ENTERED JULY 12, 1946 IN ACTION NO. 2454, CIVIL, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTAL DIVISION.

11. AN AGREEMENT DATED AUGUST 15, 1963, WHEREBY HUGHES TOOL COMPANY, A CORPORATION, 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 THE DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE, RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 7055, IN BOOK M1338, PAGE 287, OFFICIAL RECORDS.

12. INTENTIONALLY DELETED.

13. INTENTIONALLY DELETED.

14. INTENTIONALLY DELETED.

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

GRANTED TO | HOWARD HUGHES REALTY, INC.

Continued on next page

PURPOSE	THE CONSTRUCTION, INSTALLATION, MAINTENANCE, OPERATION, REPAIR AND REPLACEMENT OF SLOPE SUPPORT IMPROVEMENTS
RECORDED	FEBRUARY 15, 1989
INSTRUMENT/FILE NO	89-247257, OF OFFICIAL RECORDS

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

COVENANTS, CONDITIONS AND RESTRICTIONS IN THE ABOVE RECORDED INSTRUMENT. (RESTRICTIONS, IF ANY, BASE ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED).

16. INTENTIONALLY DELETED.

17. INTENTIONALLY DELETED.

18. INTENTIONALLY DELETED.

19. INTENTIONALLY DELETED.

20. INTENTIONALLY DELETED.

21. INTENTIONALLY DELETED.

22. INTENTIONALLY DELETED.

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

GRANTED TO PURPOSE RECORDED AFFECTS	TITLE GUARANTEE AND TRUST COMPANY, A CORPORATION POLES, CONDUITS, SEWER, WATER AND GAS PIPES IN BOOK 11238, PAGE 265, OFFICIAL RECORDS PORTIONS OF PARCELS 8, 9 AND 11 OF QUAD III AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT
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24. THE PROVISIONS IN THE DEED PROHIBITING THE BUYING, SELLING OR HANDLING OF INTOXICATING LIQUORS UPON SAID LAND, ALSO 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, ANY OTHER COVENANTS, CONDITIONS AND RESTRICTIONS IN SAID DEED BEING UNENFORCEABLE,

IN FAVOR OF RECORDED	TITLE GUARANTEE AND TRUST COMPANY, A CORPORATION IN BOOK 11238, PAGE 265, OF OFFICIAL RECORDS
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SAID MATTER AFFECTS: PARCELS 8, 9 AND 11 OF QUAD III

25. AN EASEMENT FOR THE PURPOSES SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN OR AS OFFERED FOR DEDICATION ON THE

Continued on next page

RECORDED MAP SHOWN BELOW

MAP NO	SUBDIVISION 9167
IN FAVOR OF	THE CITY OF LOS ANGELES
EASEMENT PURPOSE	SANITARY SEWERS
AFFECTS	THE NORTH 4 FEET OF LOTS 1 AND 2 AND THE NORTH 7 FEET OF LOTS 4, 5 AND 6 OF PARCELS 10 AND 11 OF QUAD III

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

26. INTENTIONALLY DELETED.

27. INTENTIONALLY DELETED.

28. INTENTIONALLY DELETED.

29. THE MATTERS CONTAINED IN AN INSTRUMENT:

ENTITLED	AGREEMENT
DATED	JUNE 1, 2002
BY AND BETWEEN: WEST BASIN MUNICIPAL WATER DISTRICT AND PLAYA CAPITAL COMPANY, LLC UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED.	
RECORDED	JULY 30, 2003
INSTRUMENT NO.	03-2184705, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

30. INTENTIONALLY DELETED.

31. 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.

32. ANY RIGHTS, INTERESTS OR CLAIMS WHICH MAY EXIST OR ARISE BY REASON OF THE FOLLOWING MATTERS DISCLOSED BY A SURVEY PREPARED BY PSOMAS ON DECEMBER 08, 2003 AND DESIGNATED AS JOB NO. IPCC020623 TASK 102 AND BY INSPECTION OF SAID LAND:

A. THE FACT THAT CHAINLINK FENCES OVER THE SOUTHWESTERLY PORTION OF SAID LAND LIE PARTLY OVER SAID LAND AND PARTLY OVER THE ADJOINING LAND TO THE SOUTHWEST.

B. INTENTIONALLY DELETED.

C. THE FACT THAT THE CONCRETE CURB OVER THE EASTERLY PORTION OF SAID LAND LIES PARTLY OVER SAID LAND AND THE ADJOINING LAND TO THE SOUTHEAST.

Continued on next page

D. THE FACT THAT THE BROKEN PAVEMENT ROADWAY OVER THE EASTERLY BOUNDARY OF SAID LAND LIES PARTLY OVER SAID LAND AND PARTLY OVER THE ADJOINING LAND TO THE SOUTHEAST.

E. THE FACT THAT RIP-RAP DRAIN STRUCTURE IS LOCATED ACROSS THE SOUTHEASTERLY BOUNDARY OF SAID LAND.

F. THE FACT THAT A CATCH BASIN AND MANHOLE ARE LOCATED OVER THE EASTERLY PORTION OF SAID LAND.

THE ABOVE SURVEY EXCEPTIONS ARE SUBJECT TO A PHYSICAL INSPECTION OF SAID LAND.

33. 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 CO LLC LESSEE
YEAR/ACCOUNT NO	03/49110434
AMOUNT	\$78.37
RECORDED	DECEMBER 9, 2003
INSTRUMENT NO.	03-3702805 OF OFFICIAL RECORDS

34. 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 ET AL
YEAR/ACCOUNT NO	03/40796359
AMOUNT	\$4,910.17
RECORDED	DECEMBER 9, 2003
INSTRUMENT NO.	03-3702806 OF OFFICIAL RECORDS

35. 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 ET AL
YEAR/ACCOUNT NO	03/40796360
AMOUNT	\$4,156.82
RECORDED	DECEMBER 9, 2003
INSTRUMENT NO.	03-3702807 OF OFFICIAL RECORDS

+++++ REQUIREMENTS +++++

1. THIS COMPANY WILL REQUIRE THE FOLLOWING DOCUMENTS IN ORDER TO
Continued on next page

INSURE A CONVEYANCE OR ENCUMBRANCE BY THE CORPORATION OR UNINCORPORATED ASSOCIATION NAMED BELOW:

CORPORATION: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY

- (A) A COPY OF THE CORPORATION BY-LAWS OR ARTICLES.
- (B) AN ORIGINAL OR CERTIFIED COPY OF THE RESOLUTION AUTHORIZING THE SUBJECT TRANSACTION.
- (C) IF THE ARTICLES OR BY-LAWS REQUIRE APPROVAL BY A "PARENT" ORGANIZATION, WE WILL ALSO REQUIRE A COPY OF THOSE BY-LAWS OR ARTICLES.
- (D) IF AN UNINCORPORATED ASSOCIATION, A STATEMENT PURSUANT TO APPLICABLE LAW (SUCH AS CALIFORNIA CORPORATION CODE SECTION 20002). THE RIGHT IS RESERVED TO ADD REQUIREMENTS OR ADDITIONAL ITEMS AFTER COMPLETION OF SUCH REVIEW.

2. PROVIDE RELEASE/RECONVEYANCE INSTRUMENTS FOR DEEDS OF TRUST OF RECORD AS FOLLOWS:

A. IF INSTITUTIONAL LENDER WE MUST BE PROVIDED A DEMAND FOR PAYMENT. IF SERVICED BY OTHER THAN THE BENEFICIARY WE MUST BE PROVIDED A COPY OF THE LOAN SERVICING AGREEMENT.

B. IF AN INDIVIDUAL LENDER WE MUST BE PROVIDED DEMAND FOR PAYMENT TOGETHER WITH THE ORIGINAL NOTE. DEED OF TRUST AND SIGNED REQUEST FOR FULL RECONVEYANCE, REQUEST FOR FULL RECONVEYANCE MUST BE SIGNED BY BOTH SPOUSES IF BENEFICIAL INTEREST IS IN ONE SPOUSE ALONE.

C. IF BENEFICIARY IS A TRUST, WE MUST BE PROVIDED A FULL COPY OF SAID TRUST, TOGETHER WITH THE ORIGINAL NOTE, DEED OF TRUST AND SIGNED REQUEST FOR FULL RECONVEYANCE.

D. IF THE LOAN IS FOR A REVOLVING LINE OF CREDIT, THE ACCOUNT MUST BE FROZEN, OTHERWISE WE WILL HOLD AN AMOUNT EQUAL TO THE AVAILABLE CREDIT LIMIT.

3. IT IS THE POLICY OF THIS COMPANY TO MAKE ALL REQUIRED PAYOFFS.

THE COMPANY WILL REQUIRE CURRENT, WRITTEN PAYOFF DEMANDS ADDRESSED TO STEWART TITLE OF CALIFORNIA, INC. OR OUR ESCROW CUSTOMER. NONCURRENT AND EXPIRED DEMANDS WILL NORMALLY NOT BE ACCEPTABLE BUT THEY MAY BE ACCEPTED AT THE DISCRETION OF THE COMPANY IF VERBAL UPDATING CAN BE OBTAINED.

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THE COMPANY WILL HOLD AN AMOUNT EQUAL TO ONE MONTHLY MORTGAGE PAYMENT UNTIL ACCEPTANCE BY THE LENDER OF OUR PAYOFF ON ANY NONCURRENT OR EXPIRED BENEFICIARY DEMAND, WHETHER OR NOT VERBALLY UPDATED.

THE COMPANY WILL ALSO HOLD AN AMOUNT EQUAL TO ONE MONTHLY MORTGAGE PAYMENT UNTIL ACCEPTANCE BY THE LENDER OF OUR PAYOFF ON ANY DEMAND WHICH INCLUDES A PAYMENT MADE WITHIN 14 DAYS OF CLOSING UNLESS THE COMPANY HAS BEEN PROVIDED WITH SATISFACTORY PROOF OF PAYMENT (I.E. A CANCELLED CHECK OR WRITTEN CONFIRMATION OF CHECK CLEARANCE.)

PLEASE BE ADVISED THAT THE COMPANY WILL REQUIRE THAT THE BENEFICIARY OR BENEFICIARIES SIGN AN ESTIMATED CLOSING COST STATEMENT ANYTIME WE ARE PRESENTED FOR PAYOFF A NET PROCEEDS DEMAND OR A DEMAND IN WHICH THE BENEFICIARY OR BENEFICIARIES ARE ACCEPTING FOR PAYOFF LESS THAN WHAT THEY ARE OWED.

4. IT IS THE POLICY OF STEWART TITLE OF CALIFORNIA - LOS ANGELES DIVISION TO COLLECT ALL TITLE CHARGES AND DEDUCT SAID CHARGES UPON RECORDING WHEN STEWART TITLE IS DOING THE PAYOFF.

5. THE REQUIREMENT THAT WE BE PROVIDED WITH DEMANDS AND RELEASES FOR ITEM(S) 33, 34 AND 35.

END OF EXCEPTIONS

Continued on next page

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 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 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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040207570

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 # 040207570, 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.