

**UPDATED AND
AMENDED
SEPTEMBER 5, 2018**



First American Title Insurance Company

National Commercial Services

4380 La Jolla Village Drive, Suite 110
San Diego, CA 92122

September 5, 2018

Brad Termini
Zephyr Partners
700 2nd St
Encinitas , CA 92024
Phone: (858)461-5120
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Escrow Officer: Lynn K. Graham
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Buyer: Zephyr Oceanside, LLC, a California limited liability company

Owner:

Property: 3460 Mission Avenue and 3436 San Luis Rey Road, Oceanside,
CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the 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 August 29, 2018 at 7:30 A.M.

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

ALTA Standard Owner Policy

A specific request should be made if another form or additional coverage is desired.

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

Zephyr Oceanside, LLC, a California limited liability company

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

Fee Simple

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2018-2019, a lien not yet due or payable.
2. Real property taxes are currently assessed under the State Board of Equalization Public Utility Tax Roll; Code Area No. 804-37-6A . Which includes this and other property; for full particulars, please contact the State Board of Equalization Property Tax Validation Division, Telephone Number (916) 322-2323. Additional information to follow upon request.

(Affects Parcel 8)

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. An easement for public road and incidental purposes, recorded May 22, 1893 in Book 220 of Deeds, Page 77.
In Favor of: The County of San Diego.
Affects: Parcel 4, as described therein
5. Covenants in Deed executed by Charles Forman and Mary A. Forman, his Wife, to William M. Osborn and George A. Osborn, and recorded February 16, 1910 in Book 480, Page 424 of Deeds.

(Affects Parcels 3, 5, 7 and 8)

6. Reservation of water and water rights as contained in Deed to South Coast Land Company, recorded August 7, 1912 in Book 574, Page 114 of Deeds.

The location of the easement cannot be determined from record information.

(Affects Parcels 3 and 6)

7. Reservation of water and water rights and right of way for pipelines, as contained in deed recorded February 4, 1913 in Book 595, Page 344 of Deeds.

The location of the easement cannot be determined from record information.

(Affects Parcels 3 and 6)

8. An easement for the right to enter upon said land for the purpose of drilling wells and developing water, etc. and incidental purposes, recorded February 13, 1913 in Book 597 of Deeds, Page 210.
In Favor of: South Coast Land Company, a corporation.
Affects: as described therein

The location of the easement cannot be determined from record information.

9. Covenants, conditions, restrictions and easements in the document recorded February 13, 1913 in Book 597 of Deeds, Page 210, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

(Affects Parcels 1, 2 and 4)

10. The right to enter upon the East Half of the Northwest Quarter, and the Northeast Quarter of the Southwest Quarter of Section 18, Township 11 South, Range 4 West, San Bernardino Meridian, for the purpose of drilling wells and developing water thereon, and for the purpose of erecting a pumping plant or plants, laying and constructing pipelines and conduits sufficiently large to pump and carry and conduct away to other lands within or without the San Luis Rey water shed, 200 miner's inches of water, and for the purpose of doing any and all this necessary or convenient for the maintenance, operation and repair thereof; and all lands, rights of way, rights of ingress and egress necessary and convenient for the above purposes, are hereby expressly excepted, reserved and retained unto the said Grantor, its successors or assigns, from the above last mentioned premises, and from any other of the lands conveyed hereby which said pipelines or conduits may cross, and if said Grantor, its successors or assigns, for any reason at any time should find it impossible or impracticable to develop 200 miner's inches of water upon the premises last herein above described, then in that event the Grantor, its successors or assigns may enter upon any of the lands conveyed by this instrument that lies West of the East boundary line or its extension of Section 8, Township 11 South, Range 4 West, San Bernardino Meridian, for the purpose of developing said amount of water and all lands and rights of way of every description in this paragraph mentioned as being reserved as to property last herein above particularly described are also expressly excepted, reserved and retained unto said Grantor, its successors or assigns, from any other of the lands conveyed by this instrument as may be

necessary or convenient for said purposes; and said grantor further expressly excepts, reserves and retains unto itself, its successors or assigns, any and all water and water rights of every nature and description whatsoever appurtenant to the lands in this paragraph specifically described. Such exception and reservation, however, to be limited to the development, use or conducting away by said Grantor of not to exceed 200 miner's inches of water.

As expressly reserved, excepted and retained unto the grantor, its successors and assigns in Deed from South Coast Land Company to C.A. Canfield, dated January 29, 1913, and recorded February 13, 1913 in Book 597, Page 210 of Deeds, records of said San Diego County, and as granted by said South Coast Land Company to the Oceanside Mutual Water Company, by Deed dated April 30, 1915, recorded in Book 672, Page 362 of Deeds.

The exact location of said wells, pumps and lines is not set out therein.

Affects Parcels 1, 2 and 4.

11. An easement for well sites, pipelines and incidental purposes, recorded July 13, 1940 in Book 1051, Page 35 of Official Records.

In Favor of: The City of Oceanside.

Affects: Parcels 3, 4 and 6, as described therein

12. An easement for public utilities and incidental purposes, recorded October 11, 1940 in Book 1085, Page 69 and in Book 1076, Page 488, both of Official Records.

In Favor of: San Diego Gas and Electric Company.

Affects: Parcels 3 and 5, as described therein

13. An easement for public utilities and incidental purposes, recorded October 21, 1940 in Book 1089, Page 158 of Official Records.

In Favor of: San Diego Gas and Electric Company.

Affects: Parcels 3 and 6, as described therein

14. An easement for public utilities and incidental purposes, recorded January 14, 1947 in Book 2324, Page 203 of Official Records.

In Favor of: San Diego Gas and Electric Company.

Affects: Parcels 2, 3 and 6, as described therein

15. An easement for public utilities and incidental purposes, recorded December 30, 1947 in Book 2597, Page 135 of Official Records.

In Favor of: San Diego Gas and Electric Company.

Affects: Parcels 3 and 4, as described therein

A document entitled "Quitclaim of Easement" recorded August 04, 2005 as Instrument No. 2005-0664556 of Official Records.

16. The effect of a map purporting to show the land and other property, filed as Map No. 3211 of Record of Surveys.

17. An easement for public utilities and incidental purposes, recorded July 23, 1954 in Book 5310, Page 330 of Official Records.

In Favor of: San Diego Gas and Electric Company.

Affects: Parcel 7, as described therein

18. An easement for the right to construct, reconstruct, repair, replace, operate, maintain, and use a water reclamation pipeline, appurtenances and appurtenant work and incidental purposes, recorded March 25, 1958 in Book 7007, Page 522 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcel 3, as described therein
19. An easement for the right to construct, reconstruct, repair, replace, operate, maintain and use a water reclamation pipeline and incidental purposes, recorded April 2, 1958 in Book 7020, Page 165 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 3 and 5, as described therein
20. An action entitled "San Luis Rey Water Conservation District, et al, vs. Carlsbad Mutual Water Company, et al," commenced in Superior Court, San Diego County Case No. 184855 to, among other things, enjoin and restrain Defendants and each of them from pumping, extracting, removing or imploring water, etc.

Notice of Pendency of said action was recorded June 16, 1958 in Book 7124, Page 32 of Official Records.

Affects Parcels 3 and 6.
21. An easement for an airport approach zone and incidental purposes, recorded June 4, 1962 as Instrument No. 94349 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 1, 2 and 4, as described therein
22. An easement for sewer pipeline and incidental purposes, recorded August 2, 1962 as Instrument No. 131604 of Official Records.
In Favor of: The City of Oceanside, a municipal corporation.
Affects: Parcels 3, 5 and 8, as described therein
23. An easement for one or more pipelines, valves, cathodic protection, test leads and incidental purposes, recorded December 3, 1962 as Instrument No. 206126 of Official Records.
In Favor of: San Diego Pipeline Company, a corporation.
Affects: Parcels 3 and 5, as described therein
24. An easement for public utilities and incidental purposes, recorded December 4, 1962 as Instrument No. 206284 of Official Records.
In Favor of: San Diego Gas and Electric Company.
Affects: Parcels 3 and 5, as described therein
25. An easement for public utilities and incidental purposes, recorded February 27, 1963 as Instrument No. 34027 of Official Records.
In Favor of: San Diego Gas and Electric Company.
Affects: Parcel 3, as described therein
26. The terms and provisions contained in the document entitled "Agreement to Exchange" recorded April 2, 1964 as Instrument No. 59869 of Official Records.

27. An easement for road, utility and incidental purposes, recorded April 8, 1964 as Instrument No. 63393 of Official Records.
In Favor of: Various parties of record.
Affects: Parcel 4, as described therein
28. Covenants, conditions, restrictions and easements in the document recorded April 8, 1964 as Instrument No. 63393 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

(Affects Parcels 1, 2 and 4)
29. An easement for public utilities and incidental purposes, recorded May 4, 1966 as Instrument No. 75034 of Official Records.
In Favor of: San Diego Gas and Electric Company.
Affects: Parcel 7, as described therein
30. An easement for public utilities and incidental purposes, recorded May 4, 1966 as Instrument No. 75035 of Official Records.
In Favor of: San Diego Gas and Electric Company.
Affects: Parcel 2, as described therein
31. An easement for public utilities and incidental purposes, recorded June 16, 1966 as Instrument No. 99320 of Official Records.
In Favor of: San Diego Gas and Electric Company.
Affects: Parcel 3, as described therein

The location of the easement cannot be determined from record information.
32. An easement for drainage and incidental purposes, recorded January 24, 1972 as Instrument No. 18119 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcel 2, as described therein
33. An easement for public highway and incidental purposes, recorded February 4, 1974 as Instrument No. 74-029101 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 1, 3, 4 and 6, as described therein
34. An easement for pipeline or pipelines, ingress and egress and incidental purposes, recorded January 4, 1982 as Instrument No. 82-000051 and March 9, 1983 as Instrument No. 83-075091, both of Official Records.
In Favor of: Fallbrook Sanitary District.
Affects: Parcels 1, 2, 3 and 4, as described therein

35. An easement for a portion of its pipeline transportation system, including the right to construct, maintain, use and operate one, or conduits, as may be initially installed, and any additional pipeline or conduits which from time to time may be installed, any valves and cathodic protection, to use said right of way for access thereto and incidental purposes, recorded June 25, 1985 as Instrument No. 85-225831 of Official Records.
In Favor of: San Diego Pipeline Company, a corporation.
Affects: Parcels 3 and 5, as described therein
- The location of the easement cannot be determined from record information.
36. An easement for Mar Lado slope easements, temporary construction easements and incidental purposes, recorded July 22, 1986 as Instrument No. 86-301983 of Official Records.
In Favor of: William P. Lee, a single man.
Affects: Parcel 1, as described therein
37. An easement for sanitary sewer and incidental purposes, recorded August 3, 1990 as Instrument No. 90-426033 of Official Records.
In Favor of: The City of Oceanside, a municipal corporation.
Affects: Parcel 5, as described therein
38. An easement for storm drain and incidental purposes, recorded August 3, 1990 as Instrument No. 90-426034 of Official Records.
In Favor of: The City of Oceanside, a municipal corporation.
Affects: Parcel 5, as described therein
39. An easement for water line and incidental purposes, recorded May 8, 1992 as Instrument No. 1992-0278827 of Official Records.
In Favor of: The City of Oceanside.
Affects: as described therein
40. An easement for water pipeline and incidental purposes, recorded July 1, 1993 as Instrument No. 1993-0424282 of Official Records.
In Favor of: The City of Oceanside, a municipal corporation.
Affects: Parcel 1, as described therein
41. An easement for storm drain and incidental purposes, recorded December 15, 1993 as Instrument No. 1993-0844957 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 1, 2 and 7, as described therein
42. An easement for temporary construction and incidental purposes, recorded December 15, 1993 as Instrument No. 1993-0844957 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 1, 2, 4 and 7, as described therein

43. An easement for potable water pipeline, reclaimed water pipeline and sanitary sewer and incidental purposes, recorded February 22, 1994 as Instrument No. 1994-0118941 of Official Records.
In Favor of: The City of Oceanside, a municipal corporation.
Affects: Parcel 8, as described therein
44. Abutter's rights of ingress and egress to or from the freeway adjacent thereto have been relinquished in the document recorded February 14, 1994 as Instrument No. 1994-0098072 of Official Records.
45. The terms and provisions contained in the document entitled "A Resolution of the City Council of the City of Oceanside Confirming the 1994 Weed Abatement Program Cost Report" recorded March 30, 1995 as Instrument No. 1995-0131525 of Official Records.

(Affects portion of Parcel 6)
46. Abutter's rights of ingress and egress to or from State Highway, adjacent thereto have been relinquished in the document recorded July 7, 1995 as Instrument No. 1995-0290801 of Official Records.
47. Abutter's rights of ingress and egress to or from Highway 76 have been relinquished in the document recorded August 20, 1998 as Instrument No. 1998-0530024 of Official Records.
48. An easement for road and public utilities and incidental purposes, recorded August 20, 1998 as Instrument No. 1998-0530024 of Official Records.
In Favor of: The City of Oceanside.
Affects: as described therein
49. An easement for drainage and incidental purposes, recorded August 20, 1998 as Instrument No. 1998-0530024 of Official Records.
In Favor of: The City of Oceanside.
Affects: as described therein
50. An easement for public utilities and incidental purposes, recorded September 27, 1999 as Instrument No. 1999-0654971 of Official Records.
In Favor of: The City of Oceanside.
Affects: as described therein
51. The terms and provisions contained in the document entitled "Memorandum of Acknowledgment of Grant of Easement" recorded July 8, 2002 as Instrument No. 2002-0570470 of Official Records.

(Affects Parcels 5 and 8)
52. An easement for waterline purposes and incidental purposes, recorded July 8, 2002 as Instrument No. 2002-0570471 of Official Records.
In Favor of: The City of Oceanside.
Affects: Parcels 5 and 8, as described therein

53. An easement for waterline and incidental purposes, recorded March 08, 2007 as Instrument No. 2007-0160216 of Official Records.
In Favor of: City of Oceanside, a Municipal Corporation
Affects: as described therein

54. Water rights, claims or title to water, whether or not shown by the public records.

INFORMATIONAL NOTES

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

1. The property covered by this report is vacant land.

(Affects Parcels 1, 2, 4 through 8 and portion of Parcel 3)
2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Commercial Structure known as 3460 Mission Avenue, Oceanside, California.

(Affects portion of Parcel 3)
3. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Single Family Residence known as 3436 San Luis Rey Road, Oceanside, California.

(Affects portion of Parcel 3)
4. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
5. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded July 17, 2018 as Instrument No. 2018-0289129 of Official Records.
From: Chicago Title Company, a California Corporation
To: Oceanside Pavilion Lender, LLC, an Arizona limited liability company
6. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
7. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. WITH RESPECT TO A CORPORATION:
 1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated

transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.

3. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendment;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- D. WITH RESPECT TO A GENERAL PARTNERSHIP:
1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-1), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:
1. A copy of its operating agreement and any amendments thereto;
 2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
 3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
 4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) 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 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.

5. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 6. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:
1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

******To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.******

LEGAL DESCRIPTION

Real property in the City of Oceanside, County of San Diego, State of California, described as follows:

PARCEL 1:

THAT PORTION OF THE WEST HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE WEST HALF OF SAID SECTION; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89 DEG. 00'21" EAST, 695.11 FEET TO THE WESTERLY LINE OF LAND DESCRIBED IN DEED TO SAN DIEGO GAS AND ELECTRIC COMPANY RECORDED MAY 31, 1962 AS INSTRUMENT NO. 92390 OF OFFICIAL RECORDS; THENCE ALONG SAID WESTERLY LINE, SOUTH 19 DEG. 49'38" EAST (RECORD SOUTH 19 DEG. 49'13" EAST), 1398.58 FEET TO THE NORTHWESTERLY LINE OF PARCEL 2 DESCRIBED IN DEED TO REX MCDANIEL, ET UX, RECORDED MARCH 26, 1952 IN BOOK 4414, PAGE 449 OF OFFICIAL RECORDS; THENCE ALONG SAID BOUNDARY SOUTH 30 DEG. 31'53" WEST (RECORD SOUTH 30 DEG. 27'52" WEST), 945.90 FEET; THENCE NORTH 59 DEG. 23'46" WEST, 480.93 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LAND DESCRIBED IN DEED TO THE CITY OF OCEANSIDE RECORDED JUNE 4, 1962 AS INSTRUMENT NO. 94349 OF OFFICIAL RECORDS, BEING TRUE POINT OF BEGINNING; THENCE ALONG SAID PROLONGATION SOUTH 43 DEG. 56'55" WEST, 755.41 FEET TO AN ANGLE POINT IN THE BOUNDARY OF SAID LAND; THENCE ALONG SAID BOUNDARY NORTH 46 DEG. 03'10" WEST (RECORD NORTH 46 DEG. 02'26" WEST), 50 FEET AND SOUTH 68 DEG. 26'55" WEST (RECORD SOUTH 68 DEG. 27'36" WEST), 1225.72 FEET TO THE WESTERLY LINE OF SAID SECTION; THENCE ALONG SAID WESTERLY LINE NORTH 0 DEG. 08'15" EAST, 1283.97 FEET TO THE NORTHWEST CORNER OF THE SOUTH 37.26 ACRES OF LOT 2 IN SAID SECTION; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89 DEG. 00'40" EAST, 1413.20 FEET TO THE EAST LINE OF SAID LOT 2; THENCE SOUTHEASTERLY IN A STRAIGHT LINE TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCELS 1, 2, AND 4 AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 15, 1993 AS INSTRUMENT NO. 1993-0844957 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 OF ACQUISITION AREA AS GRANTED TO THE CITY OF OCEANSIDE AUGUST 20, 1998 AS INSTRUMENT NO. 1998-0530024 OF OFFICIAL RECORDS AND AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 23, 1999 AS INSTRUMENT NO. 1999-0581649 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

PARCEL 2:

THAT PORTION OF THE WEST HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE WEST HALF OF SAID SECTION; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89 DEG. 00'21" EAST, 695.11 FEET TO THE WESTERLY LINE OF LAND DESCRIBED IN DEED TO SAN DIEGO GAS AND

ELECTRIC COMPANY, RECORDED MAY 31, 1962 AS INSTRUMENT NO. 92390 OF OFFICIAL RECORDS; THENCE ALONG SAID WESTERLY LINE, SOUTH 19 DEG. 49'33" EAST (RECORD SOUTH 19 DEG. 49'13" EAST), 545.58 FEET; THENCE NORTH 74 DEG. 05' WEST, 569 FEET; THENCE NORTH 89 DEG. 39'40" WEST, 334.91 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18; THENCE ALONG SAID WEST LINE, NORTH 0 DEG. 20'20" EAST, 343.16 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 2 AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 15, 1993 AS INSTRUMENT NO. 1993-0844957 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

PARCEL 3:

THOSE PORTIONS OF THE NORTH HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT MARKING THE CENTER OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE SOUTH 0 DEG. 14'25" WEST ALONG THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 18, A DISTANCE OF 160.43 FEET, MORE OR LESS, TO THE CENTER LINE OF SAN LUIS REY ROAD NO. 2; THENCE ALONG THE CENTER LINE OF SAID SAN LUIS REY ROAD, SOUTH 50 DEG. 15'09" WEST, A DISTANCE OF 777.51 FEET; THENCE NORTH 39 DEG. 57'33" WEST ALONG THE SOUTHWESTERLY LINE OF LAND DESCRIBED IN PARCEL NO. 2 IN DEED TO REX MCDANIEL, ET UX, RECORDED MARCH 25, 1952 IN BOOK 4414, PAGE 449 OF OFFICIAL RECORDS, TO A POINT DISTANT THEREON 249.91 FEET (MEASURED ALONG SAID LAST DESCRIBED LINE) FROM THE NORTHWESTERLY LINE OF SAID LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 27, 1940 IN BOOK 995, PAGE 370 OF OFFICIAL RECORDS, BEING ALSO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 39 DEG. 27'33" WEST, 357.16 FEET TO AN ANGLE POINT IN SAID MC DANIEL LAND; THENCE NORTH 30 DEG. 27'52" EAST, 1,876.17 FEET; THENCE SOUTH 89 DEG. 45'35" EAST, 73.42 FEET TO AN INTERSECTION WITH THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 18; THENCE SOUTH 0 DEG. 14'25" WEST ALONG THE SAID CENTER LINE OF SECTION 18, A DISTANCE OF 126.18 FEET TO A 2 INCH PIPE MARKING THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 18; THENCE CONTINUING ALONG SAID NORTH AND SOUTH CENTER LINE OF SAID SECTION 18, SOUTH 0 DEG. 14'25" WEST, 1,104.93 FEET TO A POINT DISTANT THEREON NORTH 0 DEG. 14'25" EAST, 231.28 FEET FROM THE CENTER OF SAID SECTION 18; THENCE SOUTH 50 DEG. 16' WEST, PARALLEL WITH SAID NORTHWESTERLY LINE OF SAID DEED TO THE STATE OF CALIFORNIA, A DISTANCE OF 1,031.04 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE NORTH 0 DEG. 18'40" EAST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION, 427.70 FEET; THENCE SOUTH 39 DEG. 44' EAST TO A POINT ON THE NORTHWESTERLY LINE OF COUNTY ROAD FROM OCEANSIDE TO SAN LUIS REY, KNOWN AS SAN LUIS REY ROAD NO. 2, A MAP THEREOF BEING ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY; THENCE SOUTH 50 DEG. 16' WEST ALONG SAID NORTHWESTERLY LINE OF SAID COUNTY ROAD TO AN INTERSECTION WITH THE SOUTH LINE OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 89 DEG. 02'10" WEST ALONG SAID SOUTH LINE, 151.04 FEET TO THE POINT OF BEGINNING.

ALSO, TOGETHER WITH THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF SAID SECTION; THENCE NORTH 0 DEG. 18'40" EAST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION, 427.70 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 0 DEG. 18'40" EAST, 909.30 FEET; THENCE SOUTH 39 DEG. 44' EAST, 1,118.19 FEET TO A POINT ON THE NORTHWESTERLY LINE OF COUNTY ROAD FROM OCEANSIDE TO SAN LUIS REY, KNOWN AS SAN LUIS REY ROAD NO. 2, A MAP THEREOF BEING ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY; THENCE SOUTH 50 DEG. 16' WEST ALONG SAID NORTHWESTERLY LINE OF SAID COUNTY ROAD TO A LINE WHICH BEARS SOUTH 39 DEG. 44' EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 39 DEG. 44' WEST TO THE TRUE POINT OF BEGINNING.

ALSO, TOGETHER WITH THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION, WHICH IS NORTH 0 DEG. 18'40" EAST, 1,337 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER, SAID POINT OF BEGINNING BEING THE MOST NORTHERLY CORNER OF A PORTION OF SAID NORTHEAST QUARTER CONVEYED BY THE SOUTHERN TITLE AND TRUST COMPANY TO PETE BERGES AND SYLVIAN BERGES BY DEED DATED MARCH 1, 1929; THENCE SOUTH 39 DEG. 44' EAST ALONG THE NORTHEASTERLY LINE OF SAID PORTION SO CONVEYED TO BERGES, 1,118.19 FEET TO THE MOST EASTERLY CORNER THEREOF, BEING A POINT ON THE NORTHWESTERLY LINE OF THE COUNTY ROAD FROM OCEANSIDE TO SAN LUIS REY, KNOWN AS SAN LUIS REY ROAD NO. 2, A MAP BEING ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID SAN DIEGO COUNTY; THENCE NORTH 50 DEG. 16' EAST ALONG THE SAID NORTHWESTERLY LINE OF SAID COUNTY ROAD, 355 FEET; THENCE NORTH 39 DEG. 44' WEST, 1,540.59 FEET TO A POINT ON THE WEST LINE OF SAID NORTHEAST QUARTER OF SAID SECTION 18; THENCE SOUTH 0 DEG. 18'40" WEST ALONG SAID WEST LINE, 551.77 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM ALL OF THE ABOVE DESCRIBED PROPERTY, THAT PORTION CONVEYED TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION, BY ROSWELL H. WILSON AND FLORENCE A. WILSON, HIS WIFE, BY DEED RECORDED IN BOOK 618, PAGE 260 OF DEEDS.

ALSO EXCEPTING FROM ALL OF THE ABOVE DESCRIBED PROPERTY, THAT PORTION LYING WITHIN PARCEL 1 OF PARCEL MAP NO. 7726, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 21, 1978 AS INSTRUMENT NO. 78-355631 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 23657-1 (23658-1) AS CONDEMNED AND TAKEN BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION BY FINAL ORDER OF CONDEMNATION RECORDED JULY 7, 1995 AS INSTRUMENT NO. 1995-0290801 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 (28043-1) AND PARCEL 1 (30081-1) AS GRANTED TO THE CITY OF OCEANSIDE AUGUST 20, 1998 AS INSTRUMENT NO. 1998-0530024 OF OFFICIAL RECORDS AND AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 23, 1999 AS INSTRUMENT NO. 1999-0581649 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

PARCEL 4:

THAT PORTION OF THE WEST HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO,

STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED DECEMBER 27, 1870, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE WEST HALF OF SAID SECTION; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89 DEG. 00'21" EAST, 695.11 FEET TO THE WESTERLY LINE OF LAND DESCRIBED IN DEED TO SAN DIEGO GAS AND ELECTRIC COMPANY, RECORDED MAY 31, 1962 AS INSTRUMENT NO. 92390 OF OFFICIAL RECORDS; THENCE ALONG SAID WESTERLY LINE, SOUTH 19 DEG. 49'38" EAST (RECORD SOUTH 19 DEG. 49'13" EAST), 1,398.58 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL 2 DESCRIBED IN DEED TO REX MCDANIEL, ET UX, RECORDED MARCH 26, 1952 IN BOOK 4414, PAGE 449 OF OFFICIAL RECORDS; THENCE ALONG SAID BOUNDARY, SOUTH 30 DEG. 31'53" WEST (RECORD SOUTH 30 DEG. 27'52" WEST), 945.90 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 30 DEG. 31'53" WEST, 796.57 FEET AND SOUTH 39 DEG. 53'32" EAST (RECORD SOUTH 39 DEG. 57'33" EAST), 605.59 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 27, 1940 IN BOOK 995, PAGE 370 OF OFFICIAL RECORDS; THENCE ALONG SAID RIGHT OF WAY LINE, SOUTH 50 DEG. 19'10" WEST (RECORD SOUTH 50 DEG. 16' WEST), 586.83 FEET TO THE NORTHEASTERLY LINE OF THE 40 FOOT DRAINAGE EASEMENT DESCRIBED IN DEED TO THE CITY OF OCEANSIDE, RECORDED SEPTEMBER 20, 1961 AS INSTRUMENT NO. 163907 OF OFFICIAL RECORDS; THENCE ALONG SAID NORTHEASTERLY LINE, NORTH 39 DEG. 40'50" WEST (RECORD NORTH 39 DEG. 45'14" WEST), 1,168.11 FEET TO A TANGENT 220 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG SAID CURVE, 30.73 FEET THROUGH AN ANGLE OF 8 DEG. 00'12" TO THE SOUTHEASTERLY LINE OF LAND DESCRIBED IN DEED TO THE CITY OF OCEANSIDE, RECORDED JUNE 4, 1962 AS INSTRUMENT NO. 94349 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE NORTHEASTERLY PROLONGATION THEREOF, NORTH 43 DEG. 56'55" EAST (RECORD NORTH 43 DEG. 57'35" EAST), 1,183.46 FEET TO A LINE WHICH BEARS NORTH 59 DEG. 23'46" WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 59 DEG. 23'46" EAST, 480.93 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 5 AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 15, 1993 AS INSTRUMENT NO. 1993-0844957 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 23657-1 (23658-1) AS CONDEMNED AND TAKEN BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION BY FINAL ORDER OF CONDEMNATION RECORDED JULY 7, 1995 AS INSTRUMENT NO. 1995-0290801 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 (28043-1) AND PARCELS 2 AND 3 OF ACQUISITION AREA AS GRANTED TO THE CITY OF OCEANSIDE AUGUST 20, 1998 AS INSTRUMENT NO. 1998-0530024 OF OFFICIAL RECORDS AND AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 23, 1999 AS INSTRUMENT NO. 1999-0581649 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION GRANTED TO THE CITY OF OCEANSIDE BY DEED RECORDED JANUARY 03, 2005, AS INSTRUMENT NO. 2005-0000776 OF OFFICIAL RECORDS.

PARCEL 5:

PARCEL 1 OF PARCEL MAP NO. 7726, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO,

STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 21, 1978 AS INSTRUMENT NO. 78-355631 OF OFFICIAL RECORDS.

PARCEL 6:

THAT PORTION OF THE EAST HALF OF THE WEST HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED DECEMBER 27, 1870, DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT MARKING THE CENTER OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE SOUTH 0 DEG. 14'25" WEST ALONG THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 18, A DISTANCE OF 160.43 FEET, MORE OR LESS, TO THE CENTER LINE OF SAN LUIS REY ROAD NO. 2; THENCE ALONG THE CENTER LINE OF SAID SAN LUIS REY ROAD, SOUTH 50 DEG. 15'09" WEST, A DISTANCE OF 777.51 FEET; THENCE NORTH 39 DEG. 57'33" WEST ALONG THE SOUTHWESTERLY LINE OF LAND DESCRIBED IN PARCEL NO. 2 IN DEED TO REX MCDANIEL, ET UX, RECORDED MARCH 25, 1952 IN BOOK 4414, PAGE 449 OF OFFICIAL RECORDS, TO A POINT DISTANT THEREON 249.91 FEET (MEASURED ALONG SAID LAST DESCRIBED LINE) FROM THE NORTHWESTERLY LINE OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 27, 1940 IN BOOK 995, PAGE 370 OF OFFICIAL RECORDS; THENCE NORTH 50 DEG. 16' EAST, PARALLEL WITH SAID NORTHWESTERLY LINE, A DISTANCE OF 1,031.04 FEET TO A POINT IN THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 18, A DISTANT THEREON NORTH 0 DEG. 14'25" EAST, 231.28 FEET FROM THE CENTER OF SAID SECTION 18; THENCE SOUTH 0 DEG. 14'25" WEST ALONG SAID NORTH AND SOUTH CENTER LINE, A DISTANCE OF 231.28 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PORTION OF THE ABOVE DESCRIBED PROPERTY LYING WITHIN THE RIGHT OF WAY OF THE SAN LUIS REY ROAD NO. 2.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 23657-1 (23658-1) 23657-2 AND 23657-3 (23658-1) AS CONDEMNED AND TAKEN BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION BY FINAL ORDER OF CONDEMNATION RECORDED JULY 7, 1995 AS INSTRUMENT NO. 1995-0290801 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 1 (28043-1) AND PARCEL 1 (30081-1) AS GRANTED TO THE CITY OF OCEANSIDE AUGUST 20, 1998 AS INSTRUMENT NO. 1998-0530024 OF OFFICIAL RECORDS AND AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 23, 1999 AS INSTRUMENT NO. 1999-0581649 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION GRANTED TO THE CITY OF OCEANSIDE BY DEED RECORDED JANUARY 03, 2005, AS INSTRUMENT NO. 2005-0000776 OF OFFICIAL RECORDS.

PARCEL 7:

THAT PORTION OF THE WEST HALF OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE WEST HALF OF SAID SECTION; THENCE ALONG THE NORTHERLY LINE THEREOF, NORTH 89 DEG. 00'21" EAST, 695.11 FEET TO THE WESTERLY LINE OF LAND DESCRIBED IN DEED TO SAN DIEGO GAS AND

ELECTRIC COMPANY, RECORDED MAY 31, 1962 AS INSTRUMENT NO. 92390 OF OFFICIAL RECORDS; THENCE ALONG SAID WESTERLY LINE, SOUTH 19 DEG. 49'38" EAST (RECORD SOUTH 19 DEG. 49'13" EAST), 545.58 FEET; THENCE NORTH 74 DEG. 05' WEST, 569 FEET TO THE TRUE POINT OF BEGINNING; THENCE RETRACING SOUTH 74 DEG. 05' EAST, 569 FEET TO SAID WESTERLY LINE OF SAN DIEGO GAS AND ELECTRIC COMPANY LAND; THENCE ALONG SAID WESTERLY LINE, SOUTH 19 DEG. 49'38" EAST, 853.00 FEET TO THE NORTHWESTERLY LINE OF PARCEL 2 AS DESCRIBED IN DEED TO REX MCDANIEL, ET UX, RECORDED MARCH 26, 1952 IN BOOK 4414, PAGE 449 OF OFFICIAL RECORDS; THENCE ALONG SAID BOUNDARY SOUTH 30 DEG. 31'53" WEST (RECORD SOUTH 30 DEG. 27'52" WEST), 945.90 FEET; THENCE NORTH 59 DEG. 23'46" WEST, 480.93 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LAND DESCRIBED IN DEED TO THE CITY OF OCEANSIDE, RECORDED JUNE 4, 1962 AS INSTRUMENT NO. 94349 OF OFFICIAL RECORDS; THENCE NORTHWESTERLY IN A STRAIGHT LINE TO THE NORTHEAST CORNER OF THE SOUTH 37.26 ACRES OF LOT 2 IN SAID SECTION 18; THENCE ALONG THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF SECTION 18 NORTH 0 DEG. 20'20" EAST, 1,178.51 FEET, MORE OR LESS, TO A LINE WHICH BEARS NORTH 89 DEG. 39'40" WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEG. 39'40" EAST, 334.91 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL 2 AS CONDEMNED AND TAKEN BY THE CITY OF OCEANSIDE BY FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 15, 1993 AS INSTRUMENT NO. 1993-0844957 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

PARCEL 8:

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 11 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED DECEMBER 27, 1870, AS DESCRIBED IN DEED TO THE CITY OF OCEANSIDE RECORDED AUGUST 3, 1948, UNDER DOCUMENT NO. 76589 IN BOOK 2897 AT PAGE 1 OF OFFICIAL RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 18 THENCE; ALONG THE SOUTHERLY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18 NORTH 89 DEG. 36'45" EAST 137.11 FEET, MORE OR LESS TO THE SOUTHEASTERLY LINE OF SAID LAND DESCRIBED IN THAT DEED TO THE CITY OF OCEANSIDE RECORDED IN BOOK 2897, PAGE 1 OF OFFICIAL RECORDS THENCE; ALONG SAID SOUTHEASTERLY LINE NORTH 50 DEG. 49'16" EAST (RECORD NORTH 51 DEG. 04' EAST) 425.37 FEET, MORE OR LESS TO THE TRUE POINT OF BEGINNING SAID POINT OF BEGINNING ALSO BEING ON THE EASTERLY LINE OF THE LAND DESCRIBED IN THAT DEED TO SAN DIEGO GAS AND ELECTRIC COMPANY RECORDED JUNE 4, 1965 AS INSTRUMENT NO. 99538 OF OFFICIAL RECORDS THENCE; ALONG SAID EASTERLY LINE NORTH 19 DEG. 20'17" WEST (RECORD NORTH 19 DEG. 49'13" WEST) 106.31 FEET TO THE NORTHWESTERLY LINE OF SAID LAND DESCRIBED IN DEED RECORDED IN BOOK 2897, PAGE 1 OF OFFICIAL RECORDS THENCE; ALONG SAID NORTHWESTERLY LINE NORTH 50 DEG. 49'16" EAST (RECORD NORTH 51 DEG. 04' EAST) 818.89 FEET TO THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN THAT DEED TO THE SAN DIEGO GAS AND ELECTRIC COMPANY RECORDED AUGUST 15, 1966 AS INSTRUMENT NO. 131749 OF OFFICIAL RECORDS THENCE; ALONG THE SOUTHWESTERLY PROLONGATION OF THE SAID SOUTHWESTERLY LINE SOUTH 39 DEG. 09'19" EAST (RECORD SOUTH 39 DEG. 44' EAST) 100.00 FEET TO THE SAID SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN DEED RECORDED IN BOOK 2897, PAGE 1 OF OFFICIAL RECORDS THENCE; ALONG SAID SOUTHEASTERLY LINE SOUTH 50 DEG. 49'16" WEST (RECORD SOUTH 51 DEG. 04' WEST) 854.93 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF LAND AS GRANTED TO THE CITY OF OCEANSIDE

DECEMBER 23, 1996 AS INSTRUMENT NO. 1996-0642426 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS AND MINERAL SUBSTANCES (EXCEPT WATER) LYING NOT LESS THAN 100.00 FEET BELOW THE SURFACE OF SAID REAL PROPERTY, AS RESERVED BY THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY IN DEED RECORDED AUGUST 3, 1948 AS DOCUMENT NO. 76589 IN BOOK 2897, PAGE 1 OF OFFICIAL RECORDS, PROVIDED THAT THE RAILWAY COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT TO GO UPON THE SURFACE OF SAID REAL PROPERTY FOR THE PURPOSE OF EXTRACTING SAID OIL, GAS OR OTHER HYDROCARBON AND MINERAL SUBSTANCES. NOR FOR ANY PURPOSES IN CONNECTION THEREWITH, BUT SHALL HAVE THE RIGHT TO EXTRACT AND REMOVE SAID OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES, NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, BUT SHALL HAVE THE RIGHT TO EXTRACT AND REMOVE SAID OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES BY MEANS OF SLANT-DRILLED WELLS LOCATED ON ADJACENT OR NEARBY LAND, OR BY ANY OTHER MEANS WHICH SHALL NOT REQUIRE ENTRY UPON THE SURFACE OF THE SAID REAL PROPERTY.

APN:

- 160-270-31-00 (Affects portion of Parcel 4)
- 160-270-82-00 (Affects Parcel 6)
- 160-270-79-00 (Affects portion of Parcel 4)
- 160-280-14-00 (Affects portion of Parcel 1)
- 160-280-48-00 (Affects Parcel 2)
- 160-280-49-00 (Affects portion of Parcel 7)
- 160-280-50-00 (Affects portion of Parcel 7)
- 160-280-51-00 (Affects portion of Parcel 1)
- 160-280-53-00 (Affects portion of Parcel 3)
- 160-280-54-00 (Affects portion of Parcel 3)
- 160-280-55-00 (Affects portion of Parcel 1)
- 160-290-58-00 (Affects Parcel 5)
- 160-290-60-00 (Affects Parcel 8) and
- 160-290-63-00 (Affects portion of Parcel 3)

The First American Corporation
First American Title Company
Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- 1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - (a) building; (d) improvements on the Land;
 - (b) zoning; (e) land division; and
 - (c) land use; (f) environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

- 2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
- 3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
- 4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
- 5. Failure to pay value for Your Title.
- 6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- 1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

- 2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form 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 Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - a. a fraudulent conveyance or fraudulent transfer; or
 - b. a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form 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 Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - b. a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.