

DUPLICATE

DOCUMENT NO. RR-259130

FOURTH AMENDMENT TO LEASE AGREEMENT

FILED

AUG 22 1983

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

This Fourth Amendment executed by and between The City of San Diego, a municipal corporation (City), Lessor, and Associated Mobile Estates, a California limited partnership (Lessee), successor in interest to Tri-Square Construction Company, Inc., a California corporation.

WHEREAS, the parties heretofore have entered into that certain lease agreement dated November 8, 1967 and filed as Document 723339 in the Office of the City Clerk, as amended by Documents 726824, 731191 and 759649 filed in said Office of the City Clerk.

WHEREAS, the parties hereto now desire to further amend said lease agreement in the manner herein set forth;

NOW, therefore, City and Lessee hereby agree:

- I. That Article III, Use of the Premises, of the aforesaid lease agreement is hereby amended to include the following activities:
 - a. Outside storage of boats, boat trailers and recreational vehicles in a screened-in area approximately 230 feet by 230 feet, as delineated on Area A of Exhibit A, attached hereto.
 - b. Temporary outside storage of boats and boat trailers in the parking area of Area C & H as delineated on Exhibit A, attached hereto, with a reasonable number of parking spaces, not less than 31, reserved for public parking. This temporary use will be subject to termination if it is determined by City Manager that this area is needed for parking only.

c. Outside storage of boats, boat trailers and recreational vehicles in a screened-in area in that part of Area E delineated on Exhibit A attached hereto.

II. That Subsection L) of Section B.1. of Article IV, Rent, is added in sequence as follows:

L) Effective January 1, 1983, Lessee shall pay to City 8 percent of gross income from all outside dry boat and boat trailer storage and from all recreational vehicle storage in the areas described in Subparagraphs a. and b. of Paragraph I. of this amendment. The percentage of gross income paid to City from this activity will be increased to 10 percent commencing January 1, 1985, 15 percent commencing January 1, 1987, and 20 percent commencing January 1, 1989.

III. That Article XXX, Schedule of Operations, of said lease agreement, as amended, is hereby deleted and the following substituted therefore:

ARTICLE XXX

Schedule of Operations

Lessee agrees to operate the leased premises and associated facilities continuously throughout the entire term of this agreement after such premises are first opened to the public in order to serve the public interest, and in accordance with sound business practices.

Closing of portions of the premises for a limited period for remodeling or alterations during times of least interference with the public's use of the premises will be approved by the City Manager upon request in writing with reasonable notice by the Lessee. All facilities upon the leased premises shall be open to the public during a regular schedule of

days and hours which shall be subject to approval of the City Manager. Provided, however, Lessee may close the premises for limited periods during the off-season, upon prior approval of City Manager. The length of stay permitted during any one occupancy shall be subject to regulation by the City Manager. The usual occupancy limitation shall be two (2) weeks; provided, however, that during the period of October 1 through May 15, the maximum period shall be 90 days.

Residents of the City of San Diego, prior to May 15 of each year, shall have priority for making reservations of accommodations for their own use during the period June 15 through September 15 of each year.

Lessee shall hold at least 40 campsites in Area F, as shown on the attached Exhibit A for such reservations. During the period June 15 through September 15 and the balance of the year all other reservations and admissions will be on a first-come, first-served basis.

Residents of the City of San Diego shall be offered a 20 percent discount on daily camping fees in Area F, as shown on the attached Exhibit A. All printed advertisements and brochures with local distribution shall contain the following language:

"Inquire regarding discount and reservation priority for San Diego City Residents in Area F."

Type and quality of service furnished by Lessee must qualify for the conditions and requirements of the "A" card issued by Department of Health for City to operators of food-handling establishments.

IV. That Article XXXXII, Channel Maintenance, is hereby amended to include the following:

Lessee shall, within 60 days of City's execution of this amendment, submit a plan subject to the City Manager's approval, which approval shall not be unreasonably withheld, for restoration of that portion of the Rose Creek Inlet bank within and immediately adjacent to Parcel 3 of the leased premises. If the City Manager does not approve said plan, Lessee shall promptly revise and resubmit plans until City Manager approval is granted. However, if Lessee does not submit a plan satisfactory to the City Manager within 120 days of City's execution of this amendment, this failure to submit shall constitute an event of default under the lease.

Within 120 days after City's approval of said plan, Lessee shall complete the necessary work in a manner satisfactory to the City Manager without cost or expense to City. Lessee shall use its best efforts in diligently seeking the requisite permits and shall submit applications for such permits within 10 working days after City's approval of the plan. Lessee agrees to comply with any and all conditions imposed by any agency in connection with any such application so long as such conditions do not substantially increase the cost of the work. City shall assist Lessee in any manner practical in securing said permits. Lessee agrees to take all actions necessary to secure the necessary permits and complete the work in a timely manner. In the event that such permits are not obtainable, City shall grant Lessee additional

time within which to complete the necessary work but if the permits have not been obtained and the work completed within eight (8) months after the effective date of this amendment, Lessee shall be in default under this lease.

Lessee shall provide the City with a performance bond, a Letter of Credit from a financial institution acceptable to the City or such other collateral security as may be satisfactory to the City to assure such performance prior to commencement of said work.

V. This amendment shall be effective upon the date of execution hereof by City.

VI. Nothing contained herein is intended to alter or amend any other covenant or condition of said lease agreement.

THE CITY OF SAN DIEGO

Date 8/22/83

By Arlene Thromer
ASSISTANT TO THE City Manager

ASSOCIATED MOBILE ESTATES

Date 4.7.83

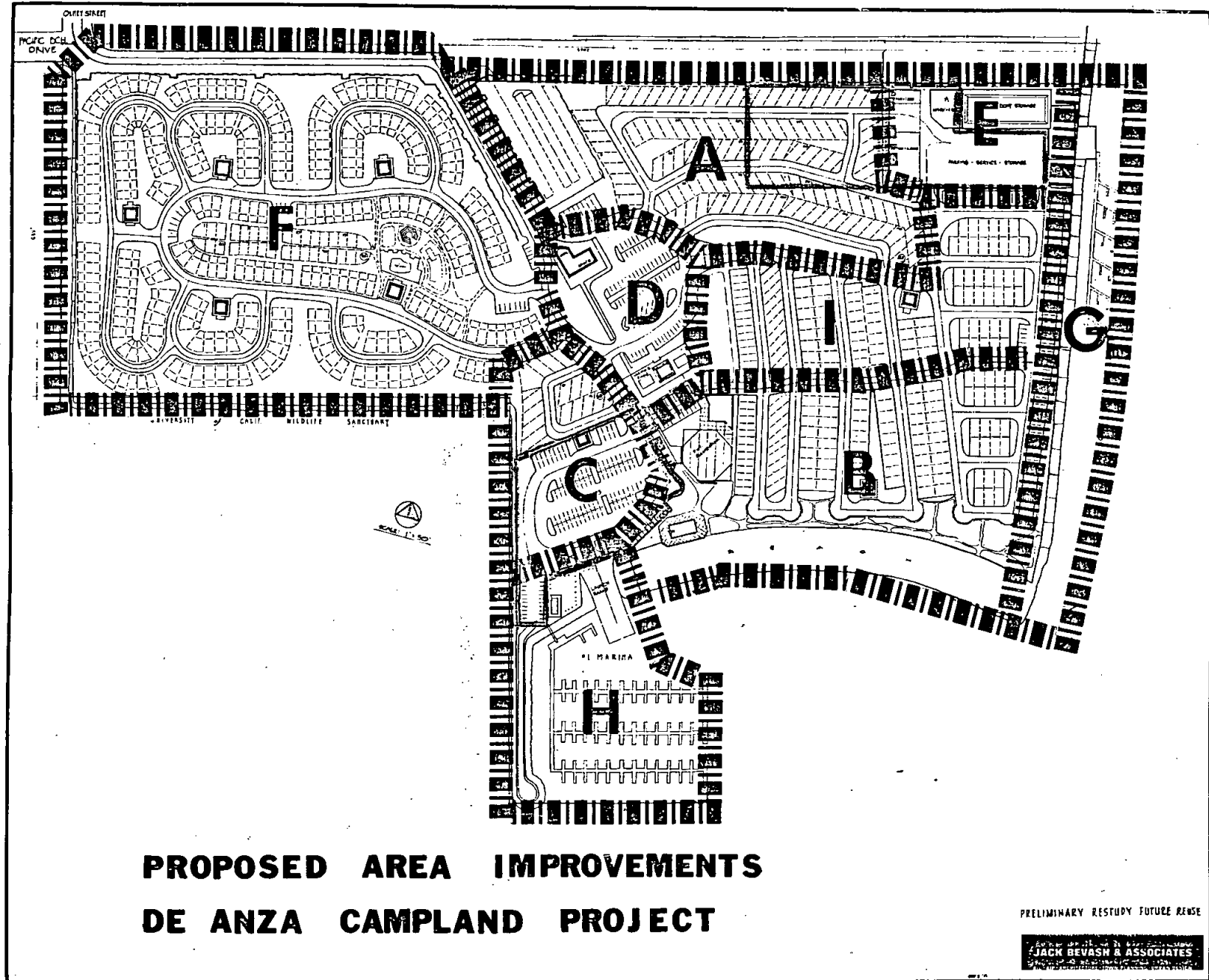
By Richard L. [Signature]

Approved as to form and legality this 31 day of August, 1983.

CITY ATTORNEY

By [Signature]
Deputy

EXHIBIT "A"



(R-83-2133)

RESOLUTION NUMBER R- 259130

Adopted on AUG 22 1983

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a Fourth Amendment to Lease Agreement with ASSOCIATED MOBILE ESTATES, a California limited partnership, for that property located at North Mission Bay Park known as Campland on the Bay, under the terms and conditions set forth in that Fourth Amendment on file in the office of the City Clerk as Document No. RR- 259130.

APPROVED: John W. Witt, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

HOV:ps
6/21/83
Or.Dept:Prop.
Job: 216325
Form=r.none

RESOLUTION No. 218565

(R. 77-2308)

JUN 8 1977

Adopted on

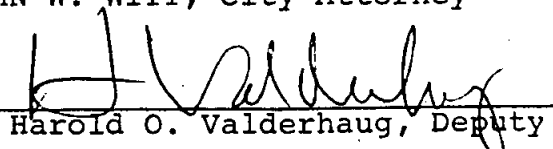
BE IT RESOLVED, by the Council of The City of San Diego as follows:

*Lease - M.B. Park
Rose Creek*

That the City Manager is hereby authorized and empowered to execute, for and on behalf of the City of San Diego, an Assignment and Assumption to Lease and Consent to Assignment Agreement with MISSION BAY, INC., a Delaware Corporation, (Assignor), and ASSOCIATED MOBILE ESTATES, a California Limited Partnership, (Assignee), concerning all of that certain real property situated in the City of San Diego's Mission Bay Park known as Mission Bay Campland, under the terms and conditions set forth in that form of Assignment and Assumption to Lease and Consent to Assignment Agreement, on file in the office of the City Clerk as Document No. 759626.

APPROVED: JOHN W. WITT, City Attorney

By


Harold O. Valderhaug, Deputy

HOV:sml
6-7-77
Or.Dept.:Property
Job:12996

Passed and adopted by the Council of The City of San Diego
on AUG 22 1983, by the following vote:

YEAS: Mitchell, Cleator, McCall, Jones, Gotch, Murphy, Martinez,
Hedgecock.

NAYS: None.

NOT PRESENT: Struiksma.

AUTHENTICATED BY:

ROGER HEDGECOCK
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By JUNE A. BLACKNELL, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. R-259130
passed and adopted by the Council of The City of San Diego,
California, on AUG 22 1983.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By June A. Blacknell, Deputy.

COPY

THIRD AMENDMENT TO LEASE AGREEMENT

DOCUMENT NO. 759649

FILED JUN 16 1977

THIS THIRD AMENDMENT TO LEASE AGREEMENT is ~~executed by~~ executed by CITY CLERK, and between THE CITY OF SAN DIEGO, a municipal corporation SAN DIEGO, CALIFORNIA (CITY), and ASSOCIATED MOBILE ESTATES, a California limited partnership, (LESSEE).

A. Heretofore, CITY entered into that certain Lease Agreement dated November 8, 1967 and filed as Document No. 723339 in the Office of the City Clerk, which Lease Agreement as amended was assigned by assignment on June 13, 1968 and filed in the Office of the City Clerk as Document No. 727225 to Mission Bay, Inc., a Delaware corporation and which Agreement has been assigned to LESSEE by Assignment and Assumption of Lease dated JUN 15 1977 and filed as Document No. 759628 in the Office of the City Clerk;

B. The parties hereto now desire to further Amend said Lease Agreement in the manner herein set forth;

NOW, THEREFORE, CITY and LESSEE hereby agree:

- I. That ARTICLE III, USE OF THE PREMISES of the aforesaid Lease Agreement is hereby amended to delete the following language, "LESSEE shall not permit travel trailers, defined as towed items in which to live, to occupy the premises."
- II. That the last sentence of Subsection i) SECTION B1. of Article IV, RENT, of the aforesaid Lease Agreement is deleted in its entirety and the following substituted therefor:

Provided, however, in the event the total gross income for said telephone and/or machines exceeds the amount of \$500.00 in any month then the total gross income including the first \$500 per month from said telephone and/or machines during said month shall be computed on the basis of the percentages of said total gross income in accordance with Subparagraphs B1(b) through B1(h) of this Article IV. rather than on the basis of the income received by the LESSEE.
- III. That Subsection 2 (a), (b) and (c) [?] SECTION B of ARTICLE IV, RENT of the aforesaid Lease Agreement are hereby deleted in their entirety and the following substituted therefor:

Proposed Subsections 2(a) and (b) of
Section B of Article IV

"2(a) For the ten (10) year period ending June 30, 1987 all rentals due to City in excess of \$150,000 per annum and to the extent that such excess is actually expended by lessee during the first seven years of said ten year period in accordance with Article XXXII, DEVELOPMENT, hereof, shall be retained by LESSEE. Any amount expended in any year for improvements specified in Article XXXII, DEVELOPMENT, which exceeds the amount which would otherwise be paid to City as rent, shall be credited against future rentals in excess of \$150,000 up to the maximum \$649,200. For example, should Lessee expend \$100,000 for improvements in 1977-1978, and should the percentage rental due City during that year be \$200,000, Lessee shall pay \$150,000 cash rent to City, shall receive a credit during 1977-78 for \$50,000, against the balance of rents due and shall carry forward the remaining \$50,000 credit to apply, in accordance with this provision to a future year. The carry forward provision shall not apply, however, beyond the ten year period specified above, or for any amount in excess of a total of \$649,200.

"2(b) Beginning July 1, 1977, the minimum Annual Rent to be paid to the City shall be \$100,000. Beginning July 1, 1982, the minimum Annual Rent to be paid to City shall be \$150,000. Beginning July 1, 1987, the minimum Annual Rent to be paid to City shall be adjusted to 66-2/3 percent of the Annual average of that which would normally have been payable during the preceding five-year period without regard to the provisions of Subsection 2(a) above. Thereafter, the minimum Annual Rent to be paid to City shall be adjusted to 66-2/3 percent of the annual average of rent paid during the preceding five-year period, provided, however, that in no event shall the minimum Annual Rent to be paid to City during any five-year period be less than the minimum Annual Rent required for the preceding five-year period."

III a. That subsection k) of SECTION B1. of ARTICLE IV is added in sequence as follows:

"k) Twenty percent (20%) of gross income received from boat slip rental and related wet storage."

IV. That ARTICLE XXXII, DEVELOPMENT be deleted in its entirety and the following substituted therefor:

ARTICLE XXXII

DEVELOPMENT

LESSEE has previously improved the demised premises in conformance with that certain development plan filed in the Office of the City Clerk as Document No. 723338, LESSEE now proposes to repair, refurbish and provide additional improvements to the premises in accordance with the revised development plan filed in the Office of the City Clerk as Document No. 759629, which provides for an expenditure of at least \$649,200 for which signed contracts and/or said receipts will be furnished by CITY as work is completed. In consideration for said improvements CITY agrees to provide the Rental Adjustment in a maximum amount of \$649,200 as provided for in SECTION B, ARTICLE IV, RENT Subsection 2 (a), and (b) above. LESSEE agrees that the above described development shall be commenced within sixty (60) days of the effective date hereof and shall be completed on or before seven (7) years from said effective date to the satisfaction of the City Manager or his authorized representative. Provided, however that LESSEE'S obligation to complete said development plan shall be limited to the available rent credits pursuant to paragraph 2(a) of Section B of Article IV hereof.

V. That ARTICLE XXIII, INSURANCE shall be deleted in its entirety and the following substituted therefor:

During the entire term of this lease, LESSEE agrees to procure and maintain public liability insurance which names CITY as an additional insured with an insurance company satisfactory to CITY, licensed to do business in California to protect against losses from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any act or activities of CITY or LESSEE, its sublessees or any person acting for CITY or LESSEE or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts or activities of CITY, or LESSEE, or its sublessees, or any person acting for CITY or LESSEE, or under its control or direction. Such property damage and public liability insurance shall also provide for and protect CITY against incurring any legal cost in defending claims for alleged loss. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this lease in the amount of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) COMBINED SINGLE LIMIT LIABILITY. LESSEE agrees to submit a policy of said insurance to the CITY on or before the effective date of this agreement indicating full coverage of the contractual liability imposed by this agreement and stipulating that the insurance company shall not terminate, cancel or limit said policy in any manner without at least thirty days prior written notice thereof to CITY. If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then LESSEE agrees that the minimum limits hereinabove designated shall be changed accordingly upon request by the City Manager. LESSEE agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which the LESSEE may be held responsible for the payment of damages to persons or property resulting from LESSEE'S activities, the activities of its sublessees or the activities of any person or persons for which LESSEE is otherwise responsible.

LESSEE also agrees to procure and maintain during the entire term of this lease, a fire policy, extended coverage and vandalism insurance on all permanent property of an insurable nature located upon the leased premises. Said policy shall name the CITY as an additional insured and shall be written by an insurance company satisfactory to CITY licensed to transact business in the State of California and shall be in an amount sufficient to cover at least 80% of the replacement costs of said property. LESSEE agrees to submit a certificate of said policy to the CITY on or before the effective date of this lease. Said policy shall contain a condition that it is not to be terminated or cancelled without at least thirty (30) days prior written notice to CITY by the insurance company. LESSEE agrees to pay the premium for such insurance and shall require that any insurance proceeds resulting from a loss under said policy are payable jointly to CITY and LESSEE and said proceeds shall constitute a trust fund to be reinvested in rebuilding or repairing the damaged property or said proceeds may be disposed of as specified in Section XIX, Waste, Damage or Destruction, hereof; provided, however, that within the period during which there is in existence a mortgage or deed of trust upon the leasehold, then and for that period all policies of fire insurance, extended coverage and vandalism or beneficiary, the named insured, and CITY, and shall be disposed of jointly by the parties for the following purposes:

- a. As a trust fund to be retained by said mortgage or beneficiary and applied in reduction of the debt secured by such mortgage or deed of trust with the excess remaining after full payment of said debt to be paid over to LESSEE and CITY to pay for reconstruction, repair, or replacement of the damaged or destroyed improvements in progress payments as the work is performed. The balance of said proceeds shall be paid to LESSEE.

Provided, further however, nothing herein shall prevent LESSEE, at its option and with the approval of said mortgagee or beneficiary, from filing a faithful performance bond in favor of said mortgagee or beneficiary and CITY in an amount equivalent to said insurance proceeds in lieu of surrendering said insurance proceeds to said mortgagee or beneficiary and CITY.

- b. In the event that this lease is terminated by mutual agreement and said improvements are not reconstructed, repaired, or replaced, the insurance proceeds shall be jointly retained by CITY and said mortgagee or beneficiary to the extent necessary to first discharge the debt secured by said mortgage or deed of trust and then to restore the premises in a neat and clean condition. Said mortgagee or beneficiary shall hold the balance of said proceeds for CITY and LESSEE as their interests may appear.

LESSEE agrees to increase the limits of liability when, in the opinion of CITY, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits. LESSEE agrees, at his sole expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of reasonable fire and public liability insurance covering said premises, buildings and appurtenances.

- VI. That ARTICLE XXIV, CONTROL BY LESSEE is hereby deleted in its entirety and the following substituted therefor:

ARTICLE XXIV

CONTROL BY LESSEE

The limited partnership named herein as LESSEE shall actively administer and supervise the business operations of the leased premises and shall appoint a manager acceptable to the City Manager of CITY to administer and supervise the business operations of the leased premises. Such acceptance by the City Manager shall not be unreasonably withheld.

- VII. That ARTICLE XXX, SCHEDULE OF OPERATIONS is amended by adding the following; Provided however, that during the period, October 1 through May 15 the maximum period shall be 90 days rather than 30 days.

- VIII. That ARTICLE XXXI, CANCELLATION, is hereby deleted in its entirety.

- IX. That the following ARTICLE XXXXIV, AFFIRMATIVE ACTION, is hereby added in sequence to said Lease Agreement:

ARTICLE XXXXIV

AFFIRMATIVE ACTION

- LESSEE shall take affirmative action to improve employment opportunities of minorities and women by implementing the Affirmative Action Program for Lessees, a copy of which is on file in the Office of the City Clerk as Document No. 746205 and by this reference incorporated herein. Minorities are defined as Mexican-American, Black, Filipino, American Indian and Asian/Oriental. The goal of this Affirmative Action Program shall be the attainment of the employment approximately equal to the total level of minority and women employment as established by the City for its Affirmative Action Program each year.
- X. This Amendment shall be effective upon the date of execution hereof by CITY.
- XI. Nothing herein is intended to alter or amend any other covenant or condition of said Lease Agreement.

LESSOR:

THE CITY OF SAN DIEGO

Date JUN 15 1977

BY

[Signature]
City Manager

LESSEE:

ASSOCIATED MOBILE ESTATES,
a California limited partnership

Date May 10, 1977

BY

[Signature]
General Partner

APPROVED hereby as to form and legality this 15 day
of June 19 77.

JOHN W. WITT, City Attorney

BY

[Signature]
Deputy

Passed and adopted by the Council of The City of San Diego
on June 8, 1977, by the following vote:

YEAS: Johnson, O'Connor, Hubbard, Williams, Morrow, Gade, Haro.

NAYS: None.

ABSENT: Strobl, Wilson.

AUTHENTICATED BY:

PETE WILSON,
Mayor of The City of San Diego, California.

EDWARD NIELSEN,
City Clerk of The City of San Diego, California.

(SEAL)

By KATHLEEN MARTINEZ, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. 218566
passed and adopted by the Council of The City of San Diego,
California, on June 8, 1977.

EDWARD NIELSEN,
City Clerk of The City of San Diego, California.

(SEAL)

By Kathleen Martinez, Deputy.

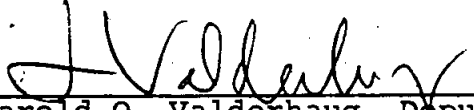
RESOLUTION No. 218566 (R. 77-2309)

Adopted on JUN 8 1977

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a Third Amendment to Lease Agreement with ASSOCIATED MOBILE ESTATES, a California Limited Partnership, as Lessee, amending said Lease Agreement in the manner set forth in the form of Third Amendment to Lease Agreement on file in the office of the City Clerk as Document No. 759627.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:sml
6-7-77
Or.Dept.:Property
Job:12996

FILED JAN 28 1969

FIRST AMENDMENT TO LEASE AGREEMENTOFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

THIS FIRST AMENDMENT TO LEASE AGREEMENT is executed by and between THE CITY OF SAN DIEGO, a municipal corporation (CITY) and TRI-SQUARE CONSTRUCTION CO., INC., a California corporation (LESSEE):

RECITALS

A. On November 8, 1967, the parties hereto entered into that certain Lease Agreement filed as Document No. 723339 in the Office of the City Clerk; and

B. The parties hereto now desire to amend said Lease Agreement in the manner herein set forth;

NOW, THEREFORE, CITY and LESSEE hereby agree:

I. That ARTICLE I, DEMISE, of the aforesaid Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

"ARTICLE I

DEMISE

CITY hereby leases to LESSEE and LESSEE hereby leases from CITY that certain real property together with all appurtenances thereto described as PARCELS 1, 2 and 3 in EXHIBIT D attached hereto which Exhibit is hereby made a part of this Agreement. Said real property is hereinafter referred to as the "PREMISES".

II. That Subsection 2 of SECTION B of ARTICLE IV, RENT, of the aforesaid Lease Agreement is hereby deleted in its entirety and the following substituted therefor:

"2. Whenever the total amount of the aforesaid percentage rental paid by LESSEE to CITY in any one year of said term is less than the amount of the following minimum annual rental (hereinafter called "Minimum Annual Rent") for that year, as hereinafter set forth, LESSEE

PROPERTY DEPARTMENT

731191

DOCUMENT NO.

MAR 13 1970

FILED
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT is executed by and between
THE CITY OF SAN DIEGO, a municipal corporation (CITY), and MISSION
BAY CAMPLAND, INC., a Delaware corporation (LESSEE):

A. Heretofore, CITY entered into that certain lease agreement dated
November 8, 1967 and filed as Document No. 723339 in the Office of the
City Clerk, which lease agreement was assigned to LESSEE herein on
June 13, 1968 by assignment filed as Document No. 727225 in the Office
of the City Clerk and which agreement was amended by that certain First
Amendment to Lease Agreement executed on January 23, 1969 and filed as
Document No. 726824 in the Office of the City Clerk;

B. The parties hereto now desire to further amend said lease agreement
in the manner herein set forth;

NOW, THEREFORE, CITY and LESSEE hereby agree:

I. That ARTICLE XXIV, CONTROL BY LESSEE, is hereby deleted in its entirety
and the following substituted therefor:

"ARTICLE XXIV — *see 3rd amend.*
CONTROL BY LESSEE

The corporation named herein as LESSEE shall remain owned and
controlled by both Yale O. Willis and PENINSULAR LIFE INSURANCE
COMPANY, a Florida corporation (PENINSULAR) to the extent of at
least 51% of the issued and unencumbered stock thereof, and said
Yale O. Willis shall actively administer and supervise the business
operations of the leased premises. In the event that said Yale O.
Willis shall become incapacitated, then PENINSULAR shall maintain
said 51% ownership and control of the corporation named herein as
LESSEE and said PENINSULAR shall appoint a manager acceptable to
the City Manager of CITY to administer and supervise the business
operations of the leased premises. Any sale or transfer of stock
or divestment of interest in said lease corporation by either

Yale O. Willis or PENINSULAR to the extent that both of them would not control at least 51% thereof shall constitute an assignment of interest under this lease agreement and shall be treated in accordance with the provisions of ARTICLE X, ASSIGNMENT, hereof; provided, however, that the stock of said Yale O. Willis may be assigned to his spouse or his direct lineal heirs upon prior notice thereof to CITY. Provided, further, that the stock of PENINSULAR may be assigned (i) as further collateral to secure the payment of any loan permitted under this lease and (ii) to any wholly owned subsidiary of PENINSULAR; no assignment permitted by the foregoing proviso shall relieve PENINSULAR of its obligations under this lease agreement."

II. That the following ARTICLE XXXXIII, LEGAL PROCEEDINGS, is hereby added in sequence to said lease agreement:

"ARTICLE XXXXIII
LEGAL PROCEEDINGS

Should it become necessary for CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, LESSEE agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees. The parties agree that the law of the State of California shall be used in interpreting this lease agreement and will govern all disputes under this lease agreement and will determine all rights thereunder. At the option of either party, venue of any action involving this lease agreement may be in, or changed to the County of San Diego or the Southern District of California. Personal service either within or without the State of California shall be sufficient to give personal jurisdiction to any court in which an action is filed for litigation of rights under this lease agreement."

III. This amendment shall be effective upon the date of execution hereof by CITY.

IV. Nothing herein is intended to alter or amend any other covenant or condition of said lease agreement.

THE CITY OF SAN DIEGO

Date March 10, 1970

By Mena L. Wilhelms
Asst. City Manager

MISSION BAY CAMPLAND, INC.

By Galvin Kelly
President

APPROVED hereby as to form and legality this 4th day
of March, 1970.

JOHN W. WITT, City Attorney

By Clyton Reed
Deputy

OPTION AGREEMENT

THIS OPTION AGREEMENT, made this 8 day of April, 1975, by and between MISSION BAY, INC., a Delaware corporation (the "Seller"), and DE ANZA HARBOR, INC., a California corporation (the "Buyer").

RECITALS

1. The Seller is presently the lessee under a lease on approximately forty (40) acres of land in the City of San Diego, California, in accordance with a Lease Agreement dated November 8, 1967, between the City of San Diego, as Lessor (the "City"), and Tri-Square Construction Co., Inc. as Lessee. Said lease has been assigned, by mesne assignments to the Seller. Such lease, together with amendments thereto and various consents and assignments, is herein referred to as the "Lease".

2. The land covered by the Lease is improved with a public camping facility commonly called "Mission Bay Campland" and the land and such improvements are herein referred to as the "Project".

3. The Buyer owns, among other things, a sublease on seventy (70) acres of real property lying adjacent to the Project, on which it operates a mobile home and travel trailer park commonly known as "De Anza Trailer Harbor".

4. The Buyer desires an option to purchase the Seller's leasehold interest in the Project, together with all of the assets of the Seller as more particularly described hereinafter.

DOCUMENT NO. 759623
FILED JUN 15 1977
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

NOW, THEREFORE, in consideration of Buyer entering into the Management Agreement entered into contemporaneously herewith and agreeing to temporarily suspend its right to complain to the City as set forth in paragraph 10 of the agreement and in consideration of the following mutual covenants, conditions and agreements contained herein, the parties hereto agree as follows:

1. INCORPORATION OF RECITALS.

The foregoing recitals are incorporated herein and made a part hereof by this reference as though set forth in full.

2. GRANT OF OPTION.

The Seller hereby gives and grants to the Buyer an option (the "Option") to purchase the Project and Seller's interest in the Lease, a copy of which lease is attached hereto and marked Exhibit "A" and made a part hereof and incorporated herewith as if set forth in full herein, together with each, every, any and/or all of the assets of Mission Bay, Inc., including, but not limited to, all streets, gutters, curbs, sidewalks, underground utilities, buildings, machinery, equipment, furniture, furnishings, fixtures, pipes, conduits, utility systems, slips, vehicles, ramps, vending machines, carpets, drapes, washing machines, dryers, pots, pans, dishes, silverware, kitchen equipment, restaurant equipment and facilities, trade fixtures, refrigerators, stoves, plans, specifications, soil reports, geologic reports, environmental reports, appraisals, engineering reports, studies or drawings, and any interests Seller may have in the name "Campland", all photographs, books, records, all office machines and equipment and inventory, stationery of all kinds, desks, typewriters, adding machines,

calculators, financial statements, ledgers and studies, a claim (the validity or enforceability of which is not guaranteed or warranted by the Seller) against the City of San Diego for reimbursement or rent credit of approximately \$200,000.00 spent on off-site and on-site improvements, together with any other rent credits, if any, all inventory of the restaurant and grocery store or public camping facility as of the close of escrow and all other inventory, equipment and personal property. All of the foregoing are herein referred to as the "Property".

3. TERM AND EXERCISE. The Option shall expire on April 7, 1978, unless the Seller^{Owner} shall terminate the Management Agreement this day executed by and between the parties, in which event this Option shall remain in full force and effect for a period of eight months after the expiration date of termination of the Management Agreement pursuant to paragraph 8 of that Agreement. The Option may be exercised at any time prior to its expiration by the Buyer's delivering to the Seller a written notice stating that the Buyer has elected to exercise the Option, which notice shall fix a date (not more than thirty (30) days after the date of such notice) for the opening of the transaction in accordance herewith and shall specify whether the purchase price shall be paid in accordance with subparagraph 4 (a) or subparagraph 4 (b) hereof. Such notice shall be deemed sufficient if sent by certified mail to the Seller at Peninsular Life Insurance Company, 645 Riverside Avenue, Jacksonville, Florida.

4. PURCHASE PRICE. In the event this Option is exercised, the Buyer shall pay to the Seller a purchase price determined and payable either in accordance with subparagraph (a) below

or in accordance with subparagraph (b) below as determined by the Buyer:

(a) Cash Purchase. The total purchase price for the Property shall be Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00) cash payable at the Closing.

(b) Term Purchase. The total purchase price for the Property shall be \$3,000,000.00, payable as follows:

(i) The sum of Five Hundred Thousand Dollars (\$500,000.00) shall be deposited in escrow in cash by the Buyer prior to close of the escrow provided for hereinbelow.

(ii) The balance of the purchase price in the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) shall be evidenced by a negotiable promissory note (the "Note") executed by the Buyer and De Anza Mobile Estates, a California limited partnership (the "Co-Maker"). The Note shall be on the following terms:

(A) The unpaid principal balance in the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) shall bear interest at the rate of eight per cent (8%) per annum on the unpaid principal balance and shall be payable in equal monthly installments of principal and interest in the sum of \$ 19,295.41 or more on the first day of each calendar month commencing on the first day of the

12
13

month following the close of the escrow, and shall continue on the first day of each successive calendar month for twenty-five (25) years or until the entire principal balance has been paid in full; provided, however, that the Buyer shall have the right at any time during the term of the Note to prepay the entire principal or any part thereof without penalty of any kind.

(B) The Note shall be dated as of the close of escrow described herein.

(C) Other than as described herein, the Note shall be in the basic form and contain all of the provisions of that certain promissory note attached hereto, designated Exhibit "B" and incorporated herein by this reference as though set forth in full.

(D) The Note shall be secured by a deed of trust covering the Property which shall be in substantially the form set forth in that certain purchase money deed of trust attached hereto and designated Exhibit "C".

(E) The Note shall also be secured by a Security Agreement on the personal property purchased hereunder. Said Security Agreement shall be in a form acceptable to both parties.

(F) As a material part of the consideration for the purchase of the Property and at the time of the purchase of the Property, the Buyer agrees to

consent to the amendment of its sublease with the City on the property known as De Anza Trailer Harbor by omitting that portion of paragraph "Twenty-Seventh" which pertains to the City's agreement not to lease any of its property in Mission Bay for "trailer park purposes" within one (1) mile of De Anza Trailer Harbor, and as provided further in paragraph (b) (i) hereof. The Buyer and the Co-Maker hereby agree to execute at that time any and all documents required by the City and by the Seller to accomplish the objective of this paragraph. The Buyer further agrees, upon close of escrow, to cause to be delivered to the Seller a duly executed consent to amend the Lease in a form to be provided by the City and approved by the Buyer, the City and the Seller.

5. CONDITION OF TITLE TO REAL PROPERTY. The Seller hereby represents and warrants to the Buyer, which representations and warranties are hereby deemed to be material, shall survive this agreement and closing and but for which the Buyer herein would not have entered into this agreement. If Buyer discovers that any of the warranties and representations prove to be incorrect, it shall give Seller notice within fifteen (15) days after such discovery, and the parties shall thereafter be governed by the terms of paragraph 9 (a) ~~14~~ hereof. The warranties and representations are as follows:



(a) The Lease, amendments thereto, consents and assignments thereof were duly authorized and entered into.

(b) All consents of the City required by the Lease from the commencement of the Lease to the date of the close of the escrow described herein either have or will, prior to the close of escrow, have been obtained.

(c) The City Council of San Diego duly approved and passed all resolutions necessary in connection with all such transactions.

(d) There are no other amendments, subleases, assignments, concessions, licenses, transfers, contracts, instruments of hypothecation, liens or other agreements encumbering or otherwise pertaining to the property sold herein excepting only the liens retained by the Seller of the personal property on the inventories, fixtures or equipment or on the Seller's restaurant and grocery store.

(e) The Lease and all amendments were duly and lawfully entered into by both the City and the Lessee.

(f) The City had and has the right and the authority to lease the demised premises for the term and for each and all of the uses and purposes described in the Lease.

(g) The uses to which the Property has been put by the Seller and its predecessors in interest from the commencement of the term of the Lease to the close of the escrow described hereinbelow have been and are proper and within the uses allowed in the Lease.

(h) The Lease is and will, upon the close of escrow, be in full force and effect, be valid and subsisting and no portion nor provision of the Lease shall be in default, either partially or wholly.

(i) The Seller is the lawful owner of the Lease and the Property and has the sole and exclusive right to transfer and assign the same subject only to the consent of the City.

(j) The demised premises will, upon close of escrow, be subject, solely, to the following covenants, conditions, easements, liens or encumbrances:

(i) The Lease.

(ii) The new first deed of trust on said leasehold securing the Note in the sum of \$2,500,000.00 as provided in paragraph 4 (b) (ii) (D) above, if applicable.

~~(iii) Any other exceptions to the policy of title insurance insuring title in the leasehold in the Buyer which the Buyer approves in writing prior to the close of the escrow described herein.~~

12

(iv) The security interest of Peninsular Life Insurance Company in the personal property.

6. CONDITIONS PRECEDENT. The following are conditions precedent to the duty of the Seller to sell and the Buyer to purchase the Property; and the parties agree that in the event said conditions precedent do not occur or are not performed

within one hundred eighty (180) days of the date of the opening of the escrow or until the issues which are hereinafter referred to in this paragraph are acted on by the City Council of the City of San Diego, whichever is later, either party may terminate this agreement after giving written notice to the other party of its intent unless said unfulfilled condition occurs or is performed or is waived by the party for whose benefit the condition was made within twenty (20) days from the mailing of said notice (all parties hereto shall expend diligent effort to accomplish the desired result):

(a) The City, together with all other necessary governmental agencies having jurisdiction thereof, approves in writing, in forms approved by the Buyer and the Seller, the assignment of the Lease from the Seller to the Buyer, as well as the financing, instrument of hypothecation and all other aspects of the sale;

(b) The City acknowledges that the Lease is in full force and effect, is not in any manner or provision in default, it had the right and authority to enter into the Lease for the purposes described therein and the City will consent to the Seller's ^{re} taking possession of the leasehold and succeeding to all rights of the Buyer, as Lessee of the demised premises, in the event of default by the Buyer in the Note, deed of trust, security agreement, the Lease or any other provision of this agreement.

12
13

(c) The City, together with any other necessary governmental agencies, agrees and approves in writing the following:

(i) In the event that the escrow closes and this sale is consummated, that Article III of the Lease which provides: "Lessee shall not permit travel trailers, defined as towed items in which to live, to occupy the premises", shall be cancelled and a provision shall be added allowing rental to travel trailers.

(ii) In the event that the escrow closes and this sale is consummated, the Buyer agrees that its lease with the City for the De Anza Mobile home park shall be amended to provide for the cancellation of that portion of paragraph "Twenty-seventh" of said lease which provides: "The Lessor further agrees that so long as this Lease is in effect, the Lessor will not develop nor lease to any other lessee any area within one mile distant from the leased premises for trailer park purposes."

(d) The Buyer qualify with all of the Seller's reasonable and usual requirements as a borrower.

7. CLAIM AGAINST CITY. The Seller owns a claim against the City for reimbursement of expenses incurred by it or its predecessor in interest in connection with costs of the off-site or on-site development work in excess of those anticipated at the time the Lease was entered into. The Seller agrees, at

the Buyer's option, to offer to cancel and waive said claim against the City as part of the consideration necessary to obtain the City's consent to the conditions described herein if said waiver and consent become necessary. Should it not become necessary, the Seller agrees to transfer and assign said claim to the Buyer as part of the Property purchased hereunder and at no further cost or expense to the Buyer. In addition, the Seller agrees to supply to the Buyer all information, papers, reports, invoices, plans or other information supporting said claim and to cooperate with the Buyer in connection with its pursuit thereof. The Seller makes no representation or warranty respecting the validity or enforceability of such claim.

8. BOOKS AND RECORDS. Deleted.

9. ESCROW. Forthwith upon the exercise of this Option, an escrow shall be opened by the execution of escrow instructions at any escrow company mutually agreeable. Said escrow instructions shall refer to and be subject to the terms of this Option which shall be superior and control all of the provisions of said escrow instructions; and in the event any question arises or any conflict develops between the provisions of the escrow instructions and the provisions of this Option, then it is understood and agreed that the escrow instructions shall be deemed modified by the terms hereof and the terms hereof shall be deemed to be the true intent and meaning of the parties hereto. However, in the event the said escrow instructions and provisions do not conflict with any of the provisions of this Option, said added provisions or instructions shall be deemed

additional provisions of this Option. Said escrow instructions shall contain all provisions necessary to effectuate the terms and provisions of this Option; however, the escrow officer may use this Option or any portion thereof to be its instructions in connection with anything necessary to effectuate the terms and provisions hereof, including, but not limited to, the following:

(a) Record Search: (1) The escrow officer (hereinafter sometimes referred to as "Escrow") shall order a preliminary title report which shall be submitted to the Buyer and subject to the approval of the Buyer within fifteen (15) days of the receipt thereof, If there are any liens or encumbrances of any kind or type whatsoever existing on or against the personal or real property being sold hereunder which arise out of facts occurring prior to the date hereof and which have been placed on the real or personal property by persons other than Seller hereunder, the Buyer shall have the right on fifteen (15) days notice to cancel this escrow and terminate this Agreement and all obligations thereunder, except that Seller shall pay all escrow costs.

(2) If there are any liens or encumbrances of any kind or type whatsoever existing on or against the personal or real property being sold hereunder which have been placed on the property voluntarily by Seller at any time or which arise out of facts occurring subsequent to the date hereof and

which have been placed on the real or personal property by persons other than Seller hereunder, the following shall apply: *

(ii) If Buyer notifies Seller that Buyer disapproves any matter set out in the title report as required by paragraph 9 (a) hereof, or if there is a breach of Seller's warranties set out in paragraph 5 discovered by Buyer before close of escrow, Seller shall diligently attempt to correct these matters at its own expense within twenty (20) days

* THERE ARE JUDGMENTS EXISTING AS AGAINST MISSION BAY CASPLAND INC AND MISSION BAY INC. IF THESE JUDGMENTS BECOME LIENS OR ENCUMBRANCES IN THE TITLE REPORT BUYERS ONLY RECOVER SHALL BE AS PROVIDED IN PARAGRAPH 9(a)(c) HEREOF

after Buyer's notice of the objection. If all those matters are not corrected within that time, Buyer has the election within twenty (20) days after Seller's time for correction has expired of:

(A) Terminating the agreement without liability on its part and Seller shall pay all escrow costs;

(B) Completing the purchase in which event the purchase price shall be reduced by an amount equal to the reduction in market value resulting from the uncorrected matter;

(C) Removing the defect in which event the purchase price shall be reduced by an amount equal to its cost of correcting those matter.

If Buyer makes no election, its silence shall be deemed an election of option (A).

If Buyer elects option (B), the reduction in market value caused by a lien or encumbrance securing a liquidated dollar amount shall be deemed to be the unpaid principal balance of that amount plus accrued interest not charged to Seller in escrow. Other reduction in market value, if not mutually agreed on by Buyer and Seller, shall be arbitrated under the rules of the American Arbitration Association. Seller shall bear the cost of arbitration. The reduction in price shall first be applied to the down payment and second to the purchase money note.

If Buyer elects option (C), the closing shall be extended for no more than sixty (60) days. If Buyer does not remove the defect within that time, each shall be entitled to exercise option (A) or option (B) within that time. If it ^{BUYER} does not remove the defect within that time and fails to elect either of the other two options, its silence shall be deemed an election of option (A).

If the agreement is terminated by Buyer's election or failure to elect under this paragraph, all funds or other things deposited by it shall be returned to it immediately on demand, and Seller shall pay all title company and escrow charges.

(b) Policy of Title Insurance: The Seller shall, at its sole cost and expense, provide the Buyer with a standard coverage policy of title insurance satisfactory in form to the Seller insuring the existence in good standing and ownership of the Lease in De Anza Harbor, Inc., free and clear of all covenants, conditions, restrictions, easements, rights of way, liens and encumbrances of any kind or type whatsoever excepting only those exceptions which are standard in policies of title insurance issued in the area in which the demised premises are located and those set forth in paragraph 5.

(c) Prorations: Escrow shall make all prorations provided for herein as of the close of escrow.

(d) Escrow Charges: Escrow charges shall be divided equally between the parties hereto.

(e) Close of Escrow: The escrow provided for herein shall close on or before one hundred eighty (180) days or at the time set forth in paragraph 6 hereof, whichever is later.

(f) Proration of Taxes: Escrow shall prorate all taxes as of the close of escrow.

(g) Proration of Rents: Escrow shall prorate all rents receivable by the Seller from space rental or payable by the Seller to the City as of the close of escrow.

(h) Deposits: Escrow shall credit the Seller with all prepaid deposits with utility companies assigned by the Seller to the Buyer.

(i) Insurance: The Seller shall keep in force the present insurance on the premises to the close of escrow.

(j) Prepaid Rent or Deposits: Escrow shall credit the Buyer with any rent or other items prepaid by any tenants and received by the Seller for periods after the close of escrow.

(k) Bulk Sales Act: Escrow shall comply with all statutes respecting the Bulk Sales Act and publish, or cause to be published, those notices provided therein.

(l) Cash Adjustments: The parties agree that the Note shall be adjusted in accordance with the prorations provided for under the terms of this Agreement and the Escrow is authorized to make such prorations.

(m) If after the escrow is opened the improvements or any personal property located thereon owned by Seller is damaged by fire or other casualty before the delivery of the Deed, the Buyer may require Sellers to restore the improvements and the closing date and the date of delivery of possession hereinabove provided shall be extended accordingly or, if the damage is at all substantial, the contract, at the option of the Buyer, shall be null and void, and the aforesaid deposit, if any, shall be returned to the Buyer. If Buyer elects to purchase the property unrestored, it shall be entitled to the benefits of any insurance proceeds payable to owner for the damage to the property.

The Buyer is not to be considered the insurer of the property being purchased until receipt of the ~~Deed of Conveyance~~. ^{ASSIGNMENT OF LEASE} *JD*

The Buyer is not to be considered the insurer of the Property being purchased until receipt of the ~~Deed of Conveyance~~. ^{ASSIGNMENT OF LEASE} *JD*
If the damages are substantial, the Seller shall have the option either to restore the Property or cancel this Agreement.

10. SUCCESSORS AND ASSIGNS. This Option and any extension or modification thereof shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

11. EXECUTION OF DOCUMENTS. All parties hereto agree to execute all documents reasonably necessary, appropriate or convenient to effectuate the purpose and intent of this Option.

12. NOTICES. Except as expressly provided in this Option, all notices required to be given, either under the terms of this Option or by operation of law in connection with this Option or the Note or instruments of hypothecation described herein, shall be deemed given if delivered personally or if deposited in any duly authorized United States mail depository addressed to the following or hereafter authorized representatives for the parties hereto:

Buyer:

De Anza Harbor, Inc.
2727 De Anza Road
San Diego, California

and

Herbert M. Gelfand
9171 Wilshire Boulevard, Suite 610
Beverly Hills, California 90210.

Seller:

Mission Bay, Inc.
645 Riverside Avenue
Jacksonville, Florida

and

John H. Wilbur
c/o Milam & Wilbur
1700 Barnett Bank Building
Jacksonville, Florida.

13. ASSIGNMENT. Buyer may assign all of its rights hereunder to Associated Mobile Estates or De Anza Mobile Estates, both of which are California limited partnerships or any other business organization similarly related to Buyer, BOTH OF WHICH PARTNERSHIPS

ARE GOING TO BE BOUGHT BY THE TERMS HEREOF

14. MODIFICATIONS AND AMENDMENTS. Except as specifically described herein, neither this Agreement nor any portion thereof may be modified or amended except with the written agreement of all of the parties hereto.

15. FAILURE TO ENFORCE. The failure to enforce the violation of any term or provision hereof shall not be deemed a waiver of said term or provision, and each party herein reserves unto itself the right to enforce every violation or breach thereof.

16. RESOLUTIONS. Buyer and Seller agree to cause appropriate resolutions to be adopted by the Board of Directors of Seller and Buyer providing that said corporations be bound by the provisions of this Agreement and that a copy of said Agreement be attached to said resolutions.

17. WAIVER OF CONDITIONS. Either party hereto may waive any condition to this Agreement which is for its benefit.

18. REPRESENTATIONS OF BUYER.

Buyer represents and warrants to Seller as follows:

(a) Buyer is a corporation duly organized under the laws of the State of California, is in good standing and has the legal authority to carry on its business as it is now being conducted.

(b) Buyer has good right and lawful authority to enter into this Agreement and to perform and carry out the terms and conditions hereof and, prior to the closing, all necessary action shall have been taken by the Buyer authorizing the execution by Buyer of this Agreement and any and all documents, agreements, contracts or instruments called for hereunder.

(c) The purchase of the leasehold interest and the personal property described in this Agreement by Buyer will not violate any provisions of the corporate authority or any other agreement, commitment, document or other instrument to which Buyer is a party or by which it is bound. This Agreement constitutes and the closing documents shall constitute the valid and binding obligation and agreement of Buyer enforceable against it in accordance with their terms.

(d) Buyer has furnished to Seller financial statements of Associated Mobile Estates and De Anza Mobile Estates, both California limited partnerships, consisting of the limited partnerships' statement of assets and liabilities as of December 31, 1974, and related statements of equity, cash flow and statements of revenues and expenses as of December 31, 1974. Buyer represents and warrants that said statements are accurate and complete and each fairly represents the financial condition of the limited partnerships at its date and the results of operations for the period covered thereby and such financial statements and related schedules have been prepared in conformity with generally accepted accounting principles consistently applied and as described in the accountant's letter preceding the statement. Each financial statement reflects all of the liabilities and obligations, direct or indirect, contingent or otherwise, of the limited partnerships as of December 31, 1974, and all changes in the financial condition of Buyer since December 31, 1974, have occurred in consequence of the usual and ordinary

business, have not materially adversely affected the financial condition of the Buyer and have been recorded in the books of account of Buyer in accordance with generally accepted accounting principles consistently applied.

20. TIME. Time is of the essence of this Agreement.

21. LAW APPLICABLE. The parties agree that the law of the State of California shall be the applicable law under which the provisions hereof are adjudicated or interpreted.

22. ACCOUNTS PAYABLE. Seller shall be responsible for the payment of all obligations for material or services incurred prior to close of escrow. Seller agrees to indemnify and hold Buyer harmless of and from any such accounts payable prior to the close of escrow.

23. BROKERS' COMMISSION. The parties represent to each other that no brokers have been responsible for bringing about this transaction and that no brokerage commissions are due, and Seller agrees that it will indemnify and hold Buyer harmless from all claims made by brokers who contend that they were employed by Seller. Buyer agrees to indemnify and hold Seller harmless from all claims for commissions by brokers who contend they were employed by Buyer.

24. DATE OF NOTE. The escrow officer is authorized and instructed to date the promissory note and instruments of hypothecation on the date of close of escrow.

25. CONFIDENTIALITY.

26. EXECUTION OF DOCUMENTS. The parties hereto agree to execute any and all documents or writings reasonably necessary or convenient to effectuate the intent and purposes of this Agreement, including, but not limited to, a financing statement to be executed by Buyer in connection with compliance with the Uniform Commercial Code of the State of California concerning security agreements.

27. The Management Agreement between the Buyer and the Seller executed concurrently herewith has been duly and validly authorized and executed and constitutes the valid and binding obligation and agreement of the Buyer enforceable against it in accordance with its terms.

28. If the Seller receives a bona fide offer to purchase the Property, it shall notify the Buyer in writing of the identity of the proposed purchaser or transferee, the price and other terms and conditions of sale and shall give the Buyer the first right to buy the Property, either at the same price, terms and conditions as Seller is willing to accept from such third party or at the Buyer's option at the purchase price and the terms set forth herein. If Buyer does not elect ^{IN WRITING} within thirty (30) days to so purchase or fails to consummate the purchase, either under the terms of this Agreement or the proposed agreement, whichever is applicable, the Seller may within the period specified in such bona fide offer, sell or transfer the property to the proposed purchaser on the basis ^{CRIMINALLY} ~~OFFERED BY THE THIRD PARTY~~ afforded to the Seller. The decision as to whether the

prospective purchasers or transferees offer is bona fide shall be made in good faith by Seller. If the Seller does not dispose of the Property on the terms set forth in the notification, the Property shall thereupon be subject to the terms and conditions of this Option.

In the event that for any reason whatsoever it becomes apparent that Mission Bay, Inc. is not in a position to carry out the terms of this Agreement, it is understood and agreed and undertaken by Peninsular Life Insurance Company that it will carry out all of the terms and conditions of this Agreement as if it were originally named in place and in stead of Mission Bay, Inc. Paragraph 5 ~~(i)~~ (i) on page 8 hereof is hereby referred to and it is modified by the sentence immediately preceding this one. ^{AND B.C. ON PAGE 7 FILE}



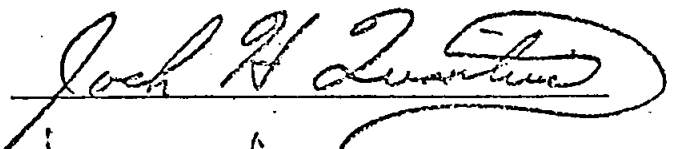
If Buyer actually buys the project on terms from Seller and the restriction described in paragraph 6 hereof is ended as set forth therein, and Seller recovers the property thereafter, the restriction will not become reinstated and the consent of Buyer to the amendment of the Lease will remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day first above written.

SELLER:

MISSION BAY, INC.

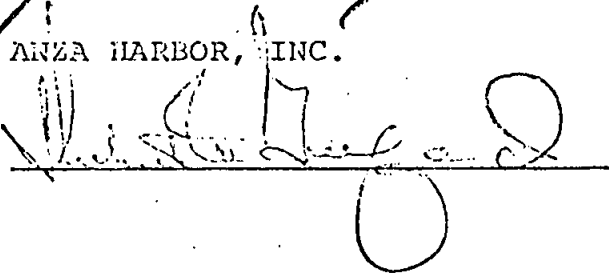
By



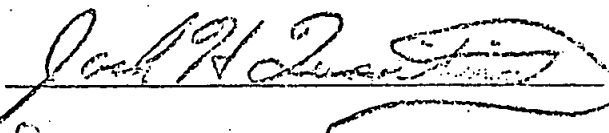
BUYER:

DE ANZA HARBOR, INC.

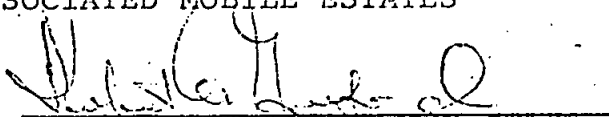
By



PENINSULAR LIFE INSURANCE COMPANY

By 

ASSOCIATED MOBILE ESTATES

By 

DE ANZA MOBILE ESTATES

By 

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On April 8, 1975, before me, the under-
signed, a Notary Public in and for said State, personally
appeared JACK H. QUARITIUS, known to me to be the President ~~of~~ ^{of}
of the corporation that executed the within Instrument, known
to me to be the person who executed the within Instrument on
behalf of the corporation therein named, and acknowledged to
me that such corporation executed the within instrument pur-
suant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

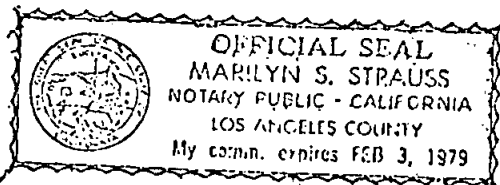


Marilyn S. Strauss
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On April 8, 1975, before me, the under-
signed, a Notary Public in and for said State, personally
appeared HERBERT M. GELFAND, known to me to be the President
of the corporation that executed the within Instrument, known
to me to be the person who executed the within Instrument on
behalf of the corporation therein named, and acknowledged to
me that such corporation executed the within instrument pur-
suant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Marilyn S. Strauss
Notary Public in and for said
County and State