

CITY OF SAN DIEGO

CONSENT TO ASSIGNMENT OF LEASE AGREEMENT

The City of San Diego ["City"], as Lessor under that certain Lease Agreement ["Master Lease"] with

Montgomery Field LLC, a California limited liability company

["Lessee" also referred to as "Assignor"], originally between the City and Montgomery Field One, a limited partnership, dated effective August 1, 1978, and filed in the office of the City Clerk as Document No. 763376. The Master Lease was assigned via foreclosure to Citicorp Real Estate, Inc., on December 5, 1991, which interest was subsequently assigned to Kearny Mesa Realty, Inc., on December 10, 1991, which interest was subsequently assigned to San Diego Hospital Association, a California nonprofit benefit corporation, on December 17, 1993, and consented to by the City, on December 14, 1993, which interest was subsequently assigned to Montgomery Field, LLC, a California limited liability company, on December 29, 1999, and consented to by the City on December 22, 1999. The City hereby consents to the assignment of the Master Lease to

Montgomery Field Associates, L.P. a California Limited Partnership

["Assignee"], in accordance with the terms and conditions as follows:

Assignee agrees to assume all rights and obligations of Lessee under the Master Lease and to perform all covenants, conditions and provisions of the Master Lease to be performed by Lessee on and after the date of the assignment.

Pursuant to Section III C. Inspection of Records of the Master Lease, the City's Audit Division will conduct a close-out audit upon Assignment of the Master Lease to determine the exact amounts of rent owed to City by Assignor through the effective date of the assignment to Assignee. The Assignor shall not be relieved of any obligation to pay any sums owed to City through the effective date of the assignment or any other sums subsequently disclosed by a verification of the accuracy of the escrow statement and distribution of proceeds by City. Assignee shall be jointly and severally liable for any such sums owed to City by Assignor. The failure by either Assignor or Assignee to pay to City the full amount owed shall constitute a default of the Master Lease; however, Assignor shall be relieved of any other liability owed to City occurring on or after the effective date of the assignment to Assignee.

Assignee agrees to maintain a policy of commercial general liability insurance providing coverage required under the Master Lease in the amount of not less than \$3 million per occurrence.

Except as provided above with respect to the release of the Assignor: i) The execution of this Consent by City does not amend the Master Lease or waive any of City's rights under the Master Lease; and ii) In the event of a conflict between the provisions of this Consent and the Master Lease, the terms of the Master Lease shall prevail.

This Consent does not constitute a consent to any subsequent subletting or assignment and does not relieve Assignee or any person claiming under or through Assignee of the obligation to obtain the consent of the City under Section IV.A.2, Assignment and Subletting, of the Lease to any future assignment or sublease.

In the event of any default of Assignee under the Lease, the City may proceed directly against Assignee, any guarantors, or anyone else liable under the Lease without first exhausting the City's remedies against any other person or entity liable under the Lease to the City.

Assignee agrees to provide the City with an irrevocable direct pay Letter of Credit [LOC], in the amount of \$100,000, in favor of the City, drawn on a bank or other financial institution approved in writing by the City, with terms that are consistent with the Master Lease and this Consent to Assignment of Lease Agreement. Assignee agrees to monitor the credit of Issuing Bank and, if the Issuing Bank's credit rating falls below the City's minimum credit requirements, the LOC shall be substituted by a new LOC acceptable to the City, or another form of deposit. Assignee agrees to pay all costs, if any, of securing the LOC. The LOC shall coincide with the term of the Master Lease and will otherwise end only upon a City approved future assignment of the Master Lease.

Immediately upon assignment of the Leasehold, Assignee shall deposit with City a cash deposit in the amount of One Hundred Thousand Dollars (\$100,000) [Cash Deposit], until an LOC is attained by Assignee and accepted by City. The City shall hold the Cash Deposit in a trust fund, but shall not pay interest on the funds. Upon City's acceptance of the LOC, the City shall return the original \$100,000 deposit to Assignee within fifteen working days. If Assignee does not attain an LOC, the City shall use the Cash Deposit to cure any defaults that Assignee fails to cure pursuant to the Master Lease and this Consent to Assignment.

The Cash Deposit or LOC, when obtained by Assignee, shall only be used by the City to cure any defaults pursuant to the Master Lease and this Consent to Assignment. The Cash Deposit or LOC shall be returned to Assignee at the end of the term of the Master Lease, or sooner upon written agreement of the parties. Assignee may replace the Cash Deposit or the LOC with a Personal Guaranty, provided that the Personal Guaranty is approved as to form and substance by the City Manager prior to acceptance.

This Consent to Assignment of Lease Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

This Consent is executed by City acting by and through the City Manager and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City Manager and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO
For The City Manager

Dated: _____

By: _____
Jack D, Farris, Deputy Director
Real Estate Assets Department

LESSEE/ASSIGNOR:

Montgomery Field LLC

Dated: 10/15/04

By: _____

"See attached acknowledgment"

Name: Marvin T. Levin

Title: Manager

ASSIGNEE:

Montgomery Field Associates, L.P.
A California Limited Partnership

By: Montgomery Park, Inc.
A California Corporation
Its General Partner

Dated: _____

By: _____
Joseph Daneshgar
President

I HEREBY APPROVE the form and legality of the foregoing
agreement this _____ day of _____, 2004.

CASEY GWINN, City Attorney

By _____
Elisa A. Cusato
Deputy City Attorney

EAC:dm

10/15/04

Or.Dept: READ

MMS#908

Consent to Assignment_08-01-78 Lease_Final_10-15-04

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Contra Costa

SS.

On October 15, 2004 before me,

Toji R. Sayo, Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

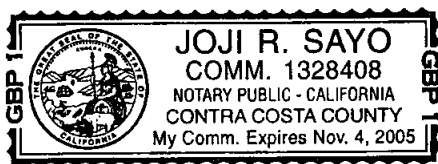
Marvin T. Levin

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Toji R. Sayo
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

This Consent is executed by City acting by and through the City Manager and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City Manager and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO
For The City Manager

Dated: _____

By: _____
Jack D, Farris, Deputy Director
Real Estate Assets Department

LESSEE/ASSIGNOR:

Montgomery Field LLC

Dated: _____

By: _____

Name: _____

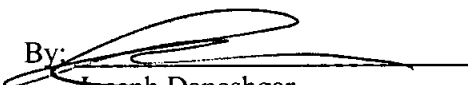
Title: _____

ASSIGNEE:

Montgomery Field Associates, L.P.
A California Limited Partnership

By: Montgomery Park, Inc.
A California Corporation
Its General Partner

Dated: 10-15-04

By: 
Joseph Daneshgar
President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

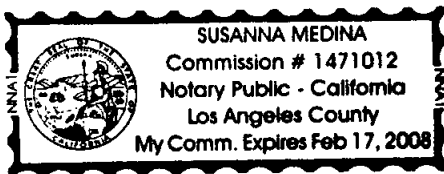
State of California

County of Los Angeles } ss.

On October 15th, 2004 before me, Susanna Medina, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Joseph Daneshgar
Name(s) of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Susanna Medina
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

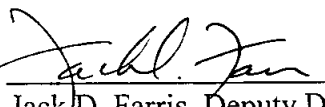


This Consent is executed by City acting by and through the City Manager and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City Manager and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO
For The City Manager

Dated: 10-18-04

By: 
Jack D. Farris, Deputy Director
Real Estate Assets Department

LESSEE/ASSIGNOR:

Montgomery Field LLC

Dated: _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

Montgomery Field Associates, L.P.
A California Limited Partnership

Dated: _____

By: _____

Montgomery Park, Inc.
A California Corporation
Its General Partner

Dated: _____

By: _____

Joseph Daneshgar
President

I HEREBY APPROVE the form and legality of the foregoing
agreement this 18th day of October, 2004.

CASEY GWINN, City Attorney

By Elisa A. Cusato
Elisa A. Cusato
Deputy City Attorney

EAC:dm

10/15/04

Or.Dept: READ

MMS#908

Consent to Assignment_08-01-78 Lease_Final_10-15-04

ESTOPPEL CERTIFICATE

To: CDC Mortgage Capital, Inc.
9 West 57th Street, 36th Floor
New York, New York 10019;
Attention: Real Estate Administration (Gary DiGiuseppe)

This Estoppel Certificate is made with reference to the following facts:

The City owns real property in the City of San Diego commonly known as Montgomery Field Airport. The City, a municipal corporation, as landlord ["Landlord"] and Montgomery Field One, a California limited partnership, as tenant ["Tenant"] entered into a Flat Rate Lease effective August 1, 1978, and recorded in the Office of the City Clerk as Document No. 763376, and Addendum [the "Lease"] covering that certain real property located on Montgomery Field and more specifically described in the Lease ["Property"].

The Lease was assigned via foreclosure to Citicorp Real Estate, Inc. on December 5, 1991, which interest was subsequently assigned to Kearny Mesa Realty, Inc. on December 10, 1991, which interest was subsequently assigned to San Diego Hospital Association, a California nonprofit benefit corporation, on December 17, 1993, and consented to by the City, on December 14, 1993, which interest was subsequently assigned to Montgomery Field, LLC, a California limited liability company, on December 29, 1999, and consented to by the City, on December 22, 1999.

Montgomery Field, LLC, a California limited liability company, has assigned all of its rights and interest in the Lease to Montgomery Field Associates, L.P., ["Assignee"], a California limited partnership. The City has consented to the assignment ["Assignment"] pursuant to a Consent to Assignment dated October 18, 2004, between City, as Landlord, and Tenant.

Assignee intends to mortgage its interest in the Lease to CDC Mortgage Capital, Inc. (together with its successor and assigns, "Lender").

The Landlord certifies as follows:

1. Lease. Landlord has leased to Tenant and Tenant has leased from Landlord, the Property on the terms set forth in the Lease and the attached Addendum. A true, correct, and complete copy of the Lease is attached to this Estoppel Certificate as Exhibit "A," and is incorporated into this Estoppel Certificate. There are no oral or other written amendments, modifications, or supplements to the Lease. The Lease is in full force and effect and is a complete statement of the agreement between Landlord and Tenant with respect to leasing of the Property. The Lease is in full force and effect, and the term of the Lease has commenced.

2. No Default. No Encumbrances. No Modifications. Landlord is not in default in the performance of any of the terms and provisions of the Lease and has not assigned, transferred, or hypothecated the Property or any interest in the Property. There are no mortgagees, beneficiaries under deeds of trust, or other holders of a security interest in the Property. The interests of Landlord, under the Lease have not been assigned. To Landlord's actual knowledge, without duty of inquiry or investigation, all amount due under the Lease have been paid by Tenant as and when due, there are no known defaults on the part of Tenant under the Lease, and no event or condition has occurred that, with the giving of notice or passage of time, or both, would constitute such a default by Landlord or Tenant. Landlord has not consented to the assignment of any interests of Tenant under the Lease and, to the actual knowledge of Landlord, Tenant has not assigned, transferred, or hypothecated the Lease or any interest in the Lease, except as set forth in Paragraph 1 of this Estoppel Certificate.

3. Lease Term. No Purchase Right. The term of the Lease began on August 1, 1978, and the expiration date of the Lease is July 31, 2033. Tenant has no right or option to renew or extend the term of the Lease, no right or option to lease other Property, and no preferential right to purchase all or any part of the Property. As of the date of this Estoppel Certificate, no rent is due from Tenant under the Lease. The rent currently payable by Tenant under the Lease is \$263,700 per annum, payable monthly in advance in the amount of \$21,975. Rent due under the Lease has been paid through October 31, 2004. The next rent adjustment date is August 1, 2007.

4. Leasehold Mortgage. Pursuant to Section IV.A.3. ["Right to Encumber"] of the Lease, Landlord consents to Assignee encumbering its leasehold interest in the Property for the purpose of securing the loan to be made by Lender to Assignee and Landlord agrees that Lender, and its successors and assigns, shall have all the rights provided to a leasehold mortgagee under the Lease. In the event of default, including Lessee's rejection of the Lease in bankruptcy, Landlord will accept Lender as its new tenant under the Lease with all the rights, privileges, and duties granted and imposed in the Lease (of replacement thereof).

5. Development Plan. Landlord acknowledges that, to date, Tenant has made significant improvements to the Property consistent with the Development Plan, approved by the City Manager, and filed in the Office of the City Clerk.

6. Use of Premises. Pursuant to Sections I.A. and IV.D.32. of the Lease, the Property is to be used only for the construction, operation and maintenance of a commercial and light industrial office complex and for such other related or incidental purposes as may first be approved in writing by the City Manager. No aviation uses are permitted without first obtaining the written permission of the City Manager.

7. Not an Amendment of the Lease. The execution of this Certificate by Landlord does not amend the Lease or waive any of Landlord's rights under the Lease. In the event of a conflict between the provisions of this Estoppel Certificate and the Lease, the terms of the Lease shall prevail.

8. Notices. Landlord acknowledges that Lender desires to obtain a copy of any notice that Landlord is obligated to give any Leasehold Mortgagee under the Lease at the time provided therein. Lender's address for notices to be given to Lender initially is as follows:

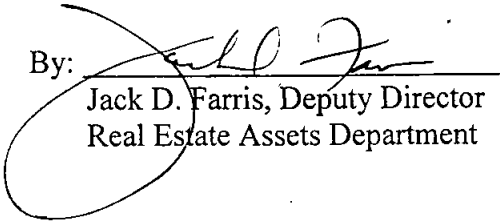
CDC Mortgage Capital Inc., its successors and assigns
9 West 57th Street, 36th Floor
New York, New York 10019
Attention: Real Estate Administration (Gary DiGiuseppe)

This Estoppel Certificate is given to CDC Mortgage Capital, Inc. with the understanding that it or its assignee shall rely on it in connection with making or holding a loan secured by a leasehold deed of trust encumbering Assignee's interests in the Property.

LANDLORD:

THE CITY OF SAN DIEGO

Dated: 10-15-04

By: 
Jack D. Farris, Deputy Director
Real Estate Assets Department

I HEREBY APPROVE the form and legality of the foregoing agreement
this 18th day of October, 2004.

CASEY GWINN, City Attorney

By: 
Elisa A. Cusato
Deputy City Attorney

EAC:dm
10/15/04
Or.Dept: READ
MMS#908
H:\CUSATO\Estoppel Montgomery Field_Final_10-13-04.doc

**CONSENT TO ASSIGNMENT OF LEASE AGREEMENTS
AND SECURITY DEPOSITS**

The City of San Diego (CITY), as LESSOR, entered into two long-term Lease Agreements, hereinafter named the Leases, with Montgomery Field One and Montgomery Field Two, which were filed in the office of the City Clerk on May 3, 1978, as Document No. 763376, and on July 31, 1979, as Document No. 766982. Both Leases were subsequently acquired by Kearny Mesa Realty, Inc. by Trustee's Sale. San Diego Hospital Association, a California nonprofit public benefit corporation (LESSEE/ASSIGNOR) thereafter acquired the Leases from Kearny Mesa Realty, Inc., by an Assignment and Assumption of Ground Leases dated December 17, 1993.

CITY hereby consents to an assignment of the Leases, and any security deposits in CITY's trust account for the Leases (hereinafter "Assignment and Assumption of the Leases and Security Deposits") belonging to LESSEE/ASSIGNOR, from LESSEE/ASSIGNOR to MONTGOMERY FIELD, LLC, a California Limited Liability Company (ASSIGNEE).

The CITY is merely approving the Assignment and Assumption of the Leases and Security Deposits; that all terms and conditions of the Leases shall control and supersede any inconsistency or contrary provisions in the purchase documents executed between LESSEE/ASSIGNOR and ASSIGNEE. The CITY is not bound by any term or condition of the purchase documents executed between LESSEE/ASSIGNOR and ASSIGNEE which in any way is contrary to law, or conflicts with or is additional to the provisions of the Leases, except as otherwise approved herein.

In the event ASSIGNOR and ASSIGNEE do not complete the Sale and Assignment and Assumption of Leases and Security Deposits per the Purchase Agreement by December 31, 1999, the CITY may at its sole discretion rescind this consent agreement by notifying ASSIGNOR and ASSIGNEE of the rescission any time prior to the completion date.

CITY OF SAN DIEGO

Dated 12-6-99

By Tracy L. Williams
Tracy L. Williams, AAE
Airport Deputy Director

Approved as to form on 12/22/99

CASEY GWINN, CITY ATTORNEY

By: Casey L. Gwinn
Deputy City Attorney

Recorded at the request of
Chicago Title

DOC# 1999-0841303

DEC 29, 1999 3:21 PM

JAN 21 1998

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO:

8868

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 42.00
WAY: 2

Montgomery Field LLC
1981 N. Broadway, Suite 415
Walnut Creek, CA 94596
Attn: Paul D. Menzies



1999-0841303

93038215-013

Above Space for Recorder's Use

ASSIGNMENT AND ASSUMPTION
OF GROUND LEASES

ASSIGNMENT AND ASSUMPTION OF GROUND LEASES, dated December 29, 1999, between SAN DIEGO HOSPITAL ASSOCIATION, a California nonprofit public benefit corporation ("Assignor"), and MONTGOMERY FIELD LLC, a California limited liability company ("Assignee").

ASSIGNMENT AND CONVEYANCE

For good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest as tenant in and to (i) that certain ground lease entitled "Flat Rate Lease" filed May 3, 1978, as Document No. 763376 in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field One, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field One Ground Lease"), and (ii) that certain Ground Lease entitled "Flat Rate Lease," filed July 31, 1979, as Document No. 766982, in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field Two, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field Two Ground Lease"). The Montgomery Field One Ground Lease and the Montgomery Field Two Ground Lease are referred to together herein as the "Ground Leases." Assignor also grants, transfers and conveys to Assignee all of its right, title and interest, if any, in and to all buildings and improvements located on the land covered by the Ground Leases. The Ground Leases cover that certain land located in San Diego, California, more particularly described in Schedule "1" attached hereto and made a part hereof. The Montgomery Field One Ground Lease was recorded March 20, 1979 in File/No. 79-115029 of Official Records of San Diego County, California. The Montgomery Field Two Ground Lease was recorded May 27, 1980, in File/No. 80-170706 of Official Records of San Diego, California ("Official Records").

ASSUMPTION

ASSIGNEE HEREBY ACCEPTS the foregoing assignment and assumes and agrees to perform all of the obligations of Assignor under the Ground Leases, accruing from and after the date hereof.

SUCCESSORS AND ASSIGNS

This Assignment and Assumption of Ground Leases shall be binding upon Assignor, Assignee and their respective successors and assigns.

ASSIGNEE FURTHER AGREES to defend and indemnify Assignor and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignor (collectively, "Assignor's Affiliates") against, and to hold Assignor and Assignor's Affiliates harmless from, any and all claims, demands, cause of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignor or any of Assignor's Affiliates in connection with or arising out of acts or omissions of Assignee or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that take place, from and after the date hereof relating to either of the Ground Leases during Assignee's ownership of the Ground Leases.

ASSIGNOR FURTHER AGREES to defend and indemnify Assignee and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignee (collectively, "Assignee's Affiliates") against, and to hold Assignee and Assignee's Affiliates harmless from, any and all claims, demands, cause of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignee or any of Assignee's Affiliates in connection with or arising out of acts or omissions of Assignor or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that took place during the period of Assignor's ownership of the Ground Leases.

Except for Assignor's representations, warranties, covenants and indemnities contained in that certain Purchase Agreement and Escrow Instructions Between San Diego Hospital Associate and Levin Menzies Kelly and Associates LLC, dated July 12, 1999 ("Purchase Agreement"), Assignor's fraud, and Assignor's indemnity described in the previous paragraph and in the Assignment of Leases executed between Assignor and Assignee as of the date hereof, Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's Affiliates, and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Ground Leases, but excluding any default, liabilities, claims and causes of action accruing prior to the date hereof under the terms and provisions of the Ground Leases.

Except as otherwise expressly provided in the Purchase Agreement or in this Assignment and Assumption of Ground Leases or the Assignment of Leases, this Assignment and Assumption of Ground Leases is made without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

COUNTERPART

This Assignment and Assumption of Ground Leases may be executed in any number of counterparts, each of which, when so executed and when delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Leases have been executed on the date and year first above written.

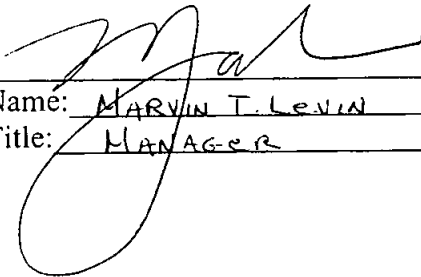
ASSIGNOR:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public benefit
corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

MONTGOMERY FIELD LLC, a California
limited liability company

By:  _____
Name: MARVIN T. LEVIN
Title: MANAGER

STATE OF _____)
)ss:
 COUNTY OF _____)

On _____, 19__, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

 Notary Public

STATE OF CALIFORNIA)
)ss:
 COUNTY OF Contra Costa)

On December 27, 1999, before me, Judith L. Daniels, Notary Public, personally appeared MARVIN T. LEVIN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

 Notary Public

Judith L. Daniels



SCHEDULE "1"

PARCEL A:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH 89° 22' 05" WEST, 37.00 FEET TO THE POINT CUSP WITH A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY FORMING A PORTION OF JOHN J. MONTGOMERY DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE AS FOLLOWS:

NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE NORTH 00° 37' 55" WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY IN THE SOUTHERLY LINE OF GIBBS DRIVE; THENCE ALONG SAID SOUTHERLY LINE TANGENT TO SAID CURVE SOUTH 89° 22' 05" WEST, 678.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 89° 22' 05" WEST, 550.57 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY FORMING A PORTION OF GLEN L. CURTIS DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE, LAST ABOVE REFERRED TO, AS FOLLOWS:

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE SOUTH 00° 37' 55" EAST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET TO THE POINT OF TANGENCY IN THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, TANGENT TO SAID CURVE NORTH 89° 22' 05" EAST, 550.57 FEET TO A LINE WHICH BEARS SOUTH 00° 37' 55" EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 00° 37' 55" WEST, 200.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL B:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH 89° 22' 05" WEST, 37.00 FEET TO A POINT OF CUSP WITH THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY WITH THE WESTERLY LINE OF THE EASTERLY 17.00 FEET OF SAID LOT 24; THENCE ALONG SAID WESTERLY LINE, NORTH 00° 37' 55" WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 89° 22' 05" WEST, 678.57 FEET; THENCE SOUTH 00° 37' 55" EAST 200.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 22' 05" EAST, 678.57 FEET TO THE TRUE POINT OF BEGINNING.

8873

RECORDING REQUESTED BY)
WHEN RECORDED MAIL TO:)
)
Montgomery Field LLC)
1981 N. Broadway, Suite 415)
Walnut Creek, CA 94596)
Attn: Pane D. Menzies)
)

Above Space for Recorder's Use

ASSIGNMENT AND ASSUMPTION
OF GROUND LEASES

ASSIGNMENT AND ASSUMPTION OF GROUND LEASES, dated December 29, 1999, between SAN DIEGO HOSPITAL ASSOCIATION, a California nonprofit public benefit corporation ("Assignor"), and MONTGOMERY FIELD LLC, a California limited liability company ("Assignee").

ASSIGNMENT AND CONVEYANCE

For good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest as tenant in and to (i) that certain ground lease entitled "Flat Rate Lease" filed May 3, 1978, as Document No. 763376 in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field One, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field One Ground Lease"), and (ii) that certain Ground Lease entitled "Flat Rate Lease," filed July 31, 1979, as Document No. 766982, in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field Two, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field Two Ground Lease"). The Montgomery Field One Ground Lease and the Montgomery Field Two Ground Lease are referred to together herein as the "Ground Leases." Assignor also grants, transfers and conveys to Assignee all of its right, title and interest, if any, in and to all buildings and improvements located on the land covered by the Ground Leases. The Ground Leases cover that certain land located in San Diego, California, more particularly described in Schedule "1" attached hereto and made a part hereof. The Montgomery Field One Ground Lease was recorded March 20, 1979 in File/No. 79-115029 of Official Records of San Diego County, California. The Montgomery Field Two Ground Lease was recorded May 27, 1980, in File/No. 80-170706 of Official Records of San Diego, California ("Official Records").

ASSUMPTION

ASSIGNEE HEREBY ACCEPTS the foregoing assignment and assumes and agrees to perform all of the obligations of Assignor under the Ground Leases, accruing from and after the date hereof.

SUCCESSORS AND ASSIGNS

This Assignment and Assumption of Ground Leases shall be binding upon Assignor, Assignee and their respective successors and assigns.

ASSIGNEE FURTHER AGREES to defend and indemnify Assignor and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignor (collectively, "Assignor's Affiliates") against, and to hold Assignor and Assignor's Affiliates harmless from, any and all claims, demands, cause of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignor or any of Assignor's Affiliates in connection with or arising out of acts or omissions of Assignee or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that take place, from and after the date hereof relating to either of the Ground Leases during Assignee's ownership of the Ground Leases.

ASSIGNOR FURTHER AGREES to defend and indemnify Assignee and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignee (collectively, "Assignee's Affiliates") against, and to hold Assignee and Assignee's Affiliates harmless from, any and all claims, demands, cause of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignee or any of Assignee's Affiliates in connection with or arising out of acts or omissions of Assignor or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that took place during the period of Assignor's ownership of the Ground Leases.

Except for Assignor's representations, warranties, covenants and indemnities contained in that certain Purchase Agreement and Escrow Instructions Between San Diego Hospital Associate and Levin Menzies Kelly and Associates LLC, dated July 12, 1999 ("Purchase Agreement"), Assignor's fraud, and Assignor's indemnity described in the previous paragraph and in the Assignment of Leases executed between Assignor and Assignee as of the date hereof, Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's Affiliates, and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Ground Leases, but excluding any default, liabilities, claims and causes of action accruing prior to the date hereof under the terms and provisions of the Ground Leases.

Except as otherwise expressly provided in the Purchase Agreement or in this Assignment and Assumption of Ground Leases or the Assignment of Leases, this Assignment and Assumption of Ground Leases is made without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

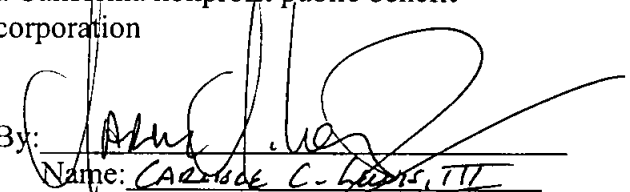
COUNTERPART

This Assignment and Assumption of Ground Leases may be executed in any number of counterparts, each of which, when so executed and when delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Leases have been executed on the date and year first above written.

ASSIGNOR:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public benefit
corporation

By: 

Name: CAROLYN C. LYONS, III

Title: SENIOR VICE PRESIDENT

ASSIGNEE:

MONTGOMERY FIELD LLC, a California
limited liability company

By: _____

Name: _____

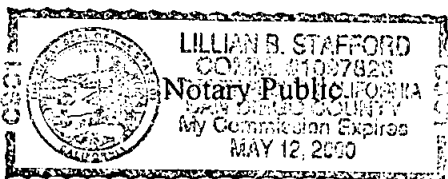
Title: _____

STATE OF California
COUNTY OF San Diego

)
)ss:
)

On 12/23, 1999, before me, Lillian B Stafford, personally appeared Carlisle C. Lewis III, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Lillian B Stafford

STATE OF _____

)
)ss:
)

COUNTY OF _____

On _____, 19____, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

SCHEDULE "1"

PARCEL A:

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Recorded at the request of
Chicago Title

THE ORIGINAL OF THIS DOCUMENT
WAS RECORDED ON DEC 29, 1999
DOCUMENT NUMBER 1999-0841306
GREGORY J. SMITH, COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
TIME: 3:21 PM

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO:
Fremont Investment & Loan
175 N. Riverview Drive
Anaheim, California 92808
Attention: Commercial Real Estate
Loan No. 950113756

93038215-413

Space above for Recorder's Use

CONFORM

LESSOR ESTOPPEL AND NONDISTURBANCE AGREEMENT

This Lessor Estoppel and Nondisturbance Agreement (the "Agreement") is entered into as of December 24, 1999 by and among FREMONT INVESTMENT & LOAN, a California industrial loan association ("Lender"), MONTGOMERY FIELD LLC, a California limited liability company ("Borrower"), and the CITY OF SAN DIEGO (the "City"), who agree as follows:

1. Recitals. This Agreement is made with reference to the following facts:

1.1. The Leases. The City owns the real property located in San Diego, California, described on the attached Exhibit "A" and commonly known as Lots 6 and 7 of Montgomery Field Business Park (the "Real Property"). The Lessee described in Section 1.2 below is the correct lessee from the City of the Real Property and all improvements located on the Real Property (collectively, along with all easements appurtenant thereto, the "Premises") pursuant to the following ground leases (collectively, the "Leases"):

(a) Flat Rate Lease executed by the City, as lessor, on July 27, 1978 and Montgomery Field One, a California Limited Partnership, as lessee, which was filed May 3, 1978 as Document No. 763376 in the Office of the City Clerk, San Diego, California and recorded March 20, 1979 as File No. 79-115029 in the Official Records of San Diego County, as to Parcel B as described in Exhibit "A", together with the Addendum described in the attached Exhibit "B" ("Ground Lease I"); and

(b) Flat Rate Lease executed by the City, as lessor, on July 27, 1979 and Montgomery Field Two, a California Limited Partnership, as lessee, filed July 31, 1979, as Document No. 766982, in the Office of the City Clerk, San Diego, California, and which was recorded May 27, 1980 as File No. 80-170706, in the Official Records of San Diego County, as to Parcel A as described in Exhibit "A", together with the Addendum described in the attached Exhibit "B" ("Ground Lease II").

Any references to "Sections" in this Agreement are references to the corresponding sections in the Leases.

1.2. The Loan. The interest of lessee under the Leases (the "Leasehold") has been assigned to San Diego Hospital Association, a California non-profit public benefit corporation ("Lessee"), and Lessee and the manager of the Borrower have entered into a Purchase Agreement and Escrow Instructions dated July 12, 1999 pursuant to which Borrower intends to purchase Lessee's interest in the Leases and the Premises. Lender intends to make a loan to Borrower in the original principal amount of Five Million Five Hundred Fifty Thousand Dollars (\$5,550,000.00) (the "Loan"), to be secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing (the "Deed of Trust") encumbering Borrower's interest in the Leases and the Premises. The Deed of Trust and the other documents evidencing and securing the Loan are collectively referred to herein as the "Loan Documents." Lender will not make the Loan without obtaining the consent, certifications, and covenants of the City in accordance with this Agreement.

2. Acknowledgment of the City. In a separate document the City has consented to the assignment of the Lessee's interest in the Leases to Borrower (the "Sale Assignment"). The City acknowledges the pledge, assignment, and hypothecation by Borrower of its Leasehold interest under the Leases and of its right, title and interest in and to the Premises including the assignment to Lender of Borrower's interest in and to the Leases and all subleases of the Premises or any portion or portions thereof, in connection with the Loan. The City also acknowledges that Lender satisfies the criteria of the second sentence of Section IV, A.3. of the Leases.

3. Estoppel. The City certifies to Lender and Borrower with respect to both of the Leases as follows:

3.1. Lease Amendments. Attached hereto as Exhibit "B" are copies of the Leases including all amendments and supplements thereto. Except as identified in Exhibit "B," there are no other amendments, supplements, modifications or changes to the Leases and the Leases, together with the amendments, supplements, modifications and changes attached to said Exhibit "B", constitutes the entire agreement between the City and Lessee with respect to the Premises, and they are enforceable against Lessee (and after the Sale Assignment, against Borrower) and the City in accordance with their terms. For the purposes of this Agreement, all references to Lessee or Borrower are deemed to mean Lessee and/or Borrower, as applicable.

3.2. No Transfer of City's Interest. The City is the lessor under the Leases with respect to the Premises and the City has not transferred its interest under the Leases.

3.3. Term of Leases. The Leases are in full force and effect and the term of Ground Lease I expires on July 31, 2033, and the term of Ground Lease II expires July 31, 2034, unless sooner terminated pursuant to the terms of the Leases.

3.4. No Default. To the best of the City's knowledge, no default, or any event or condition which, with the passing of time or the giving of notice, or both, would constitute a default on the part of the City or Lessee, exists under the Leases in the performance of the terms, covenants and conditions of the Leases required to be performed on the part of the City or Lessee.

3.5. Rent. To the best of the City's knowledge, Lessee has paid all rents, charges and amounts due to the City pursuant to and in accordance with the respective terms of the Leases as of the date hereof. The current annual rent under the Leases is as follows:

- (a) Ground Lease I: \$53,267.40, payable \$4,438.95 per month;
- (b) Ground Lease II: \$46,393.20, payable \$3,866.10 per month.

The next rent adjustments under the Leases are scheduled to occur on the following dates:

- (c) Ground Lease I: August 1, 2002; and
- (d) Ground Lease II: August 1, 2003.

In addition to the adjustments described above, rent under the Leases shall be adjusted on the following dates pursuant to the nine percent (9%) capitalization rate and adjustment procedures set forth in Section III.A.2. of the Leases:

- (e) Ground Lease I: August 1, 2003; and
- (f) Ground Lease II: August 1, 2004.

There are currently no unresolved or pending disputes between the City and Lessee with respect to any obligations under the Leases.

3.6. Uses in Compliance. The current uses of the Premises for office and retail purposes (including, without limitation, the number, size and location of the parking spaces currently located on the Premises as shown on the ALTA Survey provided to the City by the Borrower) comply with the requirements under Sections I A. and IV, D.30.d. of the Leases and all applicable zoning, land use and occupancy laws and regulations affecting the Premises.

3.7. Inspection of Records. If Lender becomes the lessee under either or both of the Leases, as addressed in Section IV A.3., then, at Lender's cost Lender shall cooperate with the City in making pertinent records relating to the Premises available for the City's inspection pursuant to Section III C, however, Lender shall not be required to maintain a place of business in the City of San Diego.

3.8. Development Plan. The City confirms that the Premises have been developed in accordance with the General Development Plan described in Section IV B.8., and that Lessee has complied with all requirements of Section IV B.8.

3.9. Improvements and Alterations. The City acknowledges that Borrower will be performing certain minor improvements as generally described in the Application for Consent to Ground Lease Assignment dated July 12, 1999. If additional improvements and alterations to the Premises are required during the term of the Loan, the approval of the City with respect to such improvements and alterations shall not be unreasonably withheld or delayed.

4. Substitute Lessee. With respect to Lender's review and approval of a substitute Lessee, as described in Section IV, C.25.b.(3), Lender shall have the right to impose certain conditions in connection with its consideration of and/or its granting of consent (which consent may be withheld in Lender's sole discretion) to the transfer of the Leasehold interest and the assumption of the Loan by the purchaser of the Leasehold interest. By way of example, Lender's current underwriting standards for borrowers of loans on projects similar to the Premises include, without limitation, the following requirements: (a) Lender shall have approved the creditworthiness of the proposed purchaser in light of Lender's then current underwriting criteria for similar properties and loans, the particular requirements of the Premises, and the managerial, financial and operational ability of the proposed purchaser; (b) Lender shall have received (i) a non-refundable assumption fee of one percent (1%) of the sum of the then outstanding principal balance of the Loan plus the amount of all undisbursed advances, if any, under the Note, and (ii) a non-refundable processing fee of Five Thousand Dollars (\$5,000); (c) Lender shall have received, at the expense of Borrower or the proposed purchaser, and approved, such environmental, building inspection and seismic reports as may be required by Lender; and (d) Lender shall have received reimbursement of all reasonable costs incurred by Lender, and all documents and title endorsements reasonably required by Lender, in connection with the request for such assumption. Any such assumption shall not, however, release Borrower or any other party from any liability under the Loan Documents without Lender's prior written consent, which may be withheld in Lender's sole discretion.

5. Need for Lender's Consent. The City acknowledges that, with the exception of termination of the Leases by the City for a default on the part of Borrower, during the term of the Loan, and pursuant to the Loan Documents, the Borrower may not surrender, cancel, modify or amend the Leases or the Leasehold estate created by the Leases without the prior written consent of Lender; provided, however, that any modification of the Leases which has no adverse or material effect on the rights of the Borrower or Lender thereunder and which does not modify or amend the rent or other sums payable by the Borrower thereunder, the term of the Leases, or the permitted uses of the Premises, shall not require the consent of the Lender.

6. Condemnation or Destruction. In the event of condemnation or destruction of all or any portion of the Premises, the rights of the Lender shall be subject to the terms and

conditions of the Leases between the City and Borrower. In the event of any conflict between the provisions of the Loan Documents and the Leases, the provisions of the Leases shall control over all provisions of the Loan Documents.

7. No Merger. Without the written consent of Lender, there shall be no merger of the leasehold estate created under the Leases with the fee estate in the Premises by reason of the fact that such Leasehold estate may be held directly or indirectly by or for the benefit of any person who owns the fee estate in all or part of the Premises.

8. Default by Borrower Under the Leases. For so long as Lender encumbers the leasehold estate of the Borrower under the Leases, if the City or Borrower asserts a claim that the other or the holder of the other's interest under the Leases has failed to perform an obligation under the terms of the Leases or is otherwise in default under the Leases in any respect, the party asserting said claim shall immediately deliver written notice thereof to Lender, by certified mail, and the City, if it is the party that made such assertion, may not exercise any rights that it might otherwise have on account of such failure or default until and unless such notice has been given, and the Lender shall have thirty (30) days from such receipt of said notice to cure the default(s) or, if any such default is not curable within thirty (30) days, to commence to cure the default(s) and diligently pursue such cure to completion. Provided the Lender is diligently pursuing curing the default, the thirty (30) day period may be extended for the Lender in order to provide the Lender additional time necessary to gain the legal right to enter the Premises and to cure any such outstanding default. Upon the receipt of any such notice of default, Lender may do any act or thing required of Borrower under the Leases, and any such act or thing done and performed by Lender shall be as effective to prevent a forfeiture of Borrower's rights under the Leases as if done by the Borrower itself.

9. Premature Termination. If either of the Leases is terminated prior to its stated expiration as a result of any actual or deemed rejection of such Lease under any provision of Title 11 of the U.S. Code or by extreme circumstances (such as war, riot, etc.) not presently anticipated, then the City will give written notice to Lender of such termination, together with a statement of any and all sums which would at that time be due under the Lease ("Termination Notice") and Lender shall have the option upon payment to City of all amounts owing reflected on said statement to obtain a new lease from the City upon the following terms and conditions unless the City is prohibited by applicable Laws or regulations (the "Applicable Laws") from entering into a new lease with the same terms and provisions as the Lease:

(a) Upon written request received ninety (90) days after service of the Termination Notice, the City shall enter into a new lease (the "New Lease") of the Premises with Lender or its designee (the "New Lessee") in accordance with subparagraph (b) below; provided, however that Lender's designee shall be a reputable, qualified and financially responsible designee in the reasonable opinion of the City in accordance with the City of San Diego Charter, Section 225.

(b) The New Lease shall be effective as of the date of termination of the Lease and shall be for the remainder of the term of the Lease at the same rent and other charges therein provided and otherwise upon the same agreements, terms, covenants and conditions contained therein, for the same relative priority in time and right as the Lease and having the benefit of and vesting in the New Lessee all of the same rights, title, interest, powers and privileges of Borrower thereunder. Concurrently with the execution of the New Lease, the City shall assign its interest in and to any then-existing subleases under which the sublessee has attained to and been recognized by the City.

If the City is prohibited by the Applicable Laws from entering into a new lease with the same terms and provisions as the Lease, then City shall enter into a new Lease with Lender that shall contain all of the terms and provisions of the Lease that are not prohibited by the Applicable Laws.

10. [Intentionally Omitted].

11. [Intentionally Omitted].

12. [Intentionally Omitted].

13. Subordination. The parties acknowledge that the Leases do not give the City or the Borrower the right to subordinate either of the Leases, or any modifications or amendments to the Leases entered into pursuant to this Agreement, to any mortgage or Deed of Trust that may be placed by the City on its fee interest in the Premises, and the City and Borrower further agree not to enter into any such subordination during the term of the Loan. This Section 13 does not prohibit or in any manner limit the City's ability and right to encumber its interest in the Real Property.

14. Lender's Liability Under the Lease. Lender or its nominee, or any purchaser, assignee or transferee, as the case may be, shall be liable to perform the obligations imposed on the Borrower under the Leases only for and during the period it is in ownership of the Leasehold estate created by the Leases.

15. Subleases. Upon any termination of the Leases pursuant to Section 9 above, or any situation in which the Borrower is in default, so long as Lender is acting to preserve the Leasehold estate pursuant to its rights under this Agreement and the Leases, City shall not disturb the possession of any sublessee of the Premises so long as such sublessee is not in default under its sublease.

16. Miscellaneous.

16.1. Further Assurances. Each party to this Agreement shall execute and deliver all instruments and documents and take all actions as may be reasonably required or appropriate to carry out the purposes of this Agreement.

16.2. Counterparts and Exhibits. This Agreement may be executed in counterparts, each of which is deemed an original and all of which together constitute one document. All exhibits attached to and referenced in this Agreement are incorporated into this Agreement.

16.3. Time of Essence. Time and strict and punctual performance are of the essence with respect to each provision of this Agreement.

16.4. Attorney's Fees. The prevailing party(ies) in any litigation, arbitration, mediation, bankruptcy, insolvency or other proceeding ("Proceeding") relating to the enforcement or interpretation of this Agreement may recover from the unsuccessful party(ies) all costs, expenses, and actual attorney's fees (including expert witness and other consultants' fees and costs) relating to or arising out of (a) the Proceeding (whether or not the Proceeding proceeds to judgment) and (b) any post-judgment or post-award proceeding including, without limitation, one to enforce or collect any judgment or award resulting from the Proceeding. All such judgments and awards shall contain a specific provision for the recovery of all such subsequently incurred costs, expenses, and actual attorney's fees.

16.5. Modification. This Agreement may be modified only by a contract in writing executed by all parties to this Agreement.

16.6. Prior Understandings. This Agreement and all documents specifically referred to and executed in connection with this Agreement (including the Leases): (a) contain the entire and final agreement of the parties to this Agreement with respect to the subject matter of this Agreement, and (b) supersede all negotiations, stipulations, understandings, agreements, representations and warranties, if any, with respect to such subject matter, which precede or accompany the execution of this Agreement. Except with respect to Sections 3.4 and 7 above, in the event there is a conflict in terms or conditions between this Agreement, the Deed of Trust, the Loan Documents, or other agreements or instruments regarding the assignment and the Leases, the terms and conditions of the Leases shall prevail.

16.7. Interpretation. Whenever the context so requires in this Agreement, all words used in the singular may include the plural (and vice versa) and the word "person" includes a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity. The terms "includes" and "including" do not imply any limitation. No remedy or election under this Agreement is exclusive, but rather, to the extent permitted by applicable law, each such remedy and election is cumulative with all other remedies at law or in equity. The paragraph headings in this Agreement: (a) are included only for convenience, (b) do not in any manner modify or limit any of the provisions of this Agreement, and (c) may not be used in the interpretation of this Agreement.

16.8. Partial Invalidity. Each provision of this Agreement is valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement (or the application of such provision to any person or circumstance) is or becomes invalid or unenforceable, the

remainder of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, are not affected by such invalidity or unenforceability.

16.9. Notices. Each notice and other communication required or permitted to be given under this Agreement ("Notice") must be in writing. Notice is duly given to another party upon: (a) hand delivery to the other party, (b) receipt by the other party when sent by facsimile to the address and number for such party set forth below (provided, however, that the Notice is not effective unless a duplicate copy of the facsimile Notice is promptly given by one of the other methods permitted under this paragraph), (c) three business days after the Notice has been deposited with the United States postal service as first class certified mail, return receipt requested, postage prepaid, and addressed to the party as set forth below, or (d) the next business day after the Notice has been deposited with a reputable overnight delivery service, postage prepaid, addressed to the party as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery-service-provider.

If to City: The City of San Diego
 Airports Division
 3750 John J. Montgomery Drive
 San Diego, California 92123

The City of San Diego
Real Estate Assets Department
Attn: Asset Management Section
1200 Third Avenue, Suite 1700
San Diego, CA 92101

If to Borrower: Montgomery Field LLC
 c/o Levin Menzies Kelly & Associates LLC
 1981 N. Broadway #415
 Walnut Creek, CA 94596

with a copy to: Crosby, Heafey, Roach & May
 1999 Harrison Street
 Oakland, California 94612
 Attn: Eun-Hee Chang, Esq.

If to Lender: Fremont Investment & Loan
 175 North Riverview Drive
 Anaheim, CA 92808
 Attention: Commercial Real Estate Department
 Loan No. 95173993

with a copy to:

Mayer, Brown & Platt
350 South Grand Avenue, Suite 2500
Los Angeles, CA 90071
Attention: Alec G. Nedelman, Esq.

Each party shall make a reasonable, good faith effort to ensure that it will accept or receive Notices to it that are given in accordance with this paragraph. A party may change its address for purposes of this paragraph by giving the other party(ies) written notice of a new address in the manner set forth above.

16.10. Waiver. Any waiver of a default or provision under this Agreement must be in writing. No such waiver constitutes a waiver of any other default or provision concerning the same or any other provision of this Agreement. A consent to or approval of an act does not waive or render unnecessary the consent to or approval of any other or subsequent act.

16.11. Drafting Ambiguities. Each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that ambiguities are to be resolved against the drafting party or in favor of the party receiving a particular benefit under an agreement may not be employed in the interpretation of this Agreement or any amendment to this Agreement.

16.12. Third Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies on any person or entity other than the parties to this Agreement and their respective successors-in-interest and permitted assignees, unless such rights are expressly granted in this Agreement to another person specifically identified as a "Third Party Beneficiary."

16.13. Copies of Additional Documents to be Furnished to City. In addition to any documentation required to be furnished to the City under the terms of the Leases, Borrower will furnish the City copies of any amendments to the Operating Agreement of Montgomery Field LLC, and annual certified balance sheets and income statements that may be required by Lender.

THE CITY:

THE CITY OF SAN DIEGO

By: *Maury D. Williams*
Deputy Director, Airports Divisions

Approved as to form and legality
this 22nd day of December, 1999
 , City Attorney

By: *Debra J. Baker*
Deputy City Attorney

LENDER:

FREMONT INVESTMENT & LOAN,
a California industrial loan association

By: _____
Its: _____

BORROWER:

MONTGOMERY FIELD LLC,
a California limited liability company

By: Levin Menzies Kelly & Associates LLC,
a California limited liability company,
its Manager

By: _____
_____, Manager

THE CITY:

THE CITY OF SAN DIEGO

By: _____

_____,
Deputy Director, Airports Divisions

Approved as to form and legality
this _____ day of December, 1999
_____, City Attorney

By: _____
Deputy City Attorney

LENDER:

FREMONT INVESTMENT & LOAN,
a California industrial loan association

By: *Kathy A. Rud*
Its: *Vice President*

BORROWER:

MONTGOMERY FIELD LLC,
a California limited liability company

By: Levin Menzies Kelly & Associates LLC,
a California limited liability company,
its Manager

By: _____
_____, Manager

THE CITY:

THE CITY OF SAN DIEGO

By: _____
_____,
Deputy Director, Airports Divisions

Approved as to form and legality
this _____ day of December, 1999
_____, City Attorney

By: _____
Deputy City Attorney

LENDER:

FREMONT INVESTMENT & LOAN,
a California industrial loan association

By: _____
Its: _____

BORROWER:

MONTGOMERY FIELD LLC,
a California limited liability company

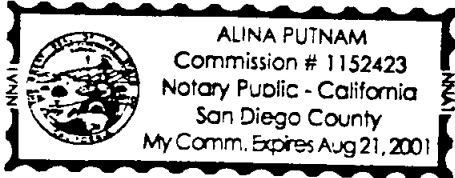
By: Levin Menzies Kelly & Associates LLC,
a California limited liability company,
its Manager

By: _____
PAUL S. MENZIES, Manager

STATE OF CALIFORNIA)
) SS.
COUNTY OF San Diego)

On 12/22/99, before me, Alina Putnam, a Notary Public,
personally appeared Tracy L. Williams, and _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person whose
name is subscribed to the within instrument and acknowledged to me that he/she executed the
same in his/her authorized capacity, and that by his/her signature on the instrument the
person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

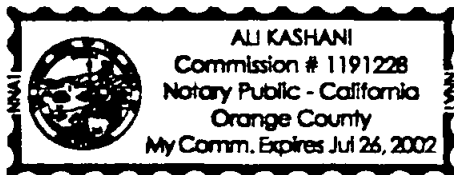


Alina Putnam
Notary Public

STATE OF CALIFORNIA)
) SS.
COUNTY OF Orange)

On 12/29/99, before me, Ali Kashani, a Notary Public,
personally appeared Kathy A. Reed, and _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person whose
name is subscribed to the within instrument and acknowledged to me that ~~he~~/she executed the
same in ~~his~~/her authorized capacity, and that by ~~his~~/her signature on the instrument the
person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Ali Kashani
Notary Public

STATE OF CALIFORNIA)
) SS.
COUNTY OF CONTRA COSTA)

On 12/22/99, before me, Judith L. Daniels a Notary Public,
personally appeared Paul D. Menzies, and _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person whose
name is subscribed to the within instrument and acknowledged to me that he/she executed the
same in his/her authorized capacity, and that by his/her signature on the instrument the
person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Judith L. Daniels
Notary Public

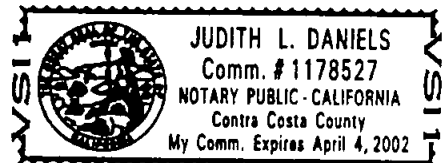


EXHIBIT "A"

LEGAL DESCRIPTION

GROUND LEASE II: PARCEL A:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ} 22' 05''$ WEST, 37.00 FEET TO THE POINT CUSP WITH A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY FORMING A PORTION OF JOHN J. MONTGOMERY DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE AS FOLLOWS:

NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ} 00' 00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE NORTH $00^{\circ} 37' 55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ} 00' 00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY IN THE SOUTHERLY LINE OF GIBBS DRIVE; THENCE ALONG SAID SOUTHERLY LINE TANGENT TO SAID CURVE SOUTH $89^{\circ} 22' 05''$ WEST, 678.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH $89^{\circ} 22' 05''$ WEST, 550.57 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY FORMING A PORTION OF GLEN L. CURTIS DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE, LAST ABOVE REFERRED TO, AS FOLLOWS:

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ} 00' 00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE SOUTH $00^{\circ} 37' 55''$ EAST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ} 00' 00''$ A DISTANCE OF 31.42 FEET TO THE POINT OF TANGENCY IN THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, TANGENT TO SAID CURVE NORTH $89^{\circ} 22' 05''$ EAST, 550.57 FEET TO A LINE WHICH BEARS SOUTH $00^{\circ} 37' 55''$ EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH $00^{\circ} 37' 55''$ WEST, 200.00 FEET TO THE TRUE POINT OF BEGINNING.

GROUND LEASE I: PARCEL B:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH 89° 22' 05" WEST, 37.00 FEET TO A POINT OF CUSP WITH THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY WITH THE WESTERLY LINE OF THE EASTERLY 17.00 FEET OF SAID LOT 24; THENCE ALONG SAID WESTERLY LINE, NORTH 00° 37' 55" WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00" A DISTANCE OF 31.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 89° 22' 05" WEST, 678.57 FEET; THENCE SOUTH 00° 37' 55" EAST 200.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 22' 05" EAST, 678.57 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

THE LEASES AND ADDENDA

(1) Ground Lease I:

Addendum attached to the Lease adding certain provisions to Section IV,
Paragraph C24.

(2) Ground Lease II:

Addendum attached to the Lease adding certain provisions to Section IV,
Paragraph C24.

THE ABOVE REFERENCED LEASES ARE BEING INTENTIONALLY OMITTED DUE TO ILLEGABILITY.

CITY OF SAN DIEGO
 CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENTS
 AND SECURITY DEPOSITS

The City of San Diego (CITY), as LESSOR, entered into long-term Lease Agreements, hereinafter named "the Leases", with Montgomery Field One and Montgomery Field Two, which were filed in the office of the City Clerk on May 3, 1978 as Document No. 763376 and on July 31, 1979 as Document No. 766982. Both leases were subsequently acquired by Kearny Mesa Realty, Inc. (LESSEE/ASSIGNOR) by Trustee's Sale.

CITY hereby consents to an assignment of the Leases from Kearny Mesa Realty, Inc. (LESSEE/ASSIGNOR) to San Diego Hospital Association (ASSIGNEE), in accordance with the terms and conditions set out in the Assignment and Assumption of Leases and Security Deposits, which are Exhibits "A" and "B" of the attached Sale-Purchase Agreement, dated November 16, 1993 with the following conditions:

The CITY is merely approving the Assignment and Assumption of the Leases and Security Deposits and all terms and conditions of the Leases shall control and supersede any inconsistency or contrary provisions in the attached Sale-Purchase Agreement. The CITY is not bound by any term or condition in the attached documents, which in any way conflicts with or is additional to the provisions of the Leases, except as otherwise approved herein.

In the event Assignor and Assignee do not complete the Sale and Assignment and Assumption of Leases and Security Deposits per the attached Sale-Purchase Agreement by February 1, 1994, City may at its sole discretion rescind this consent agreement by notifying ASSIGNOR and ASSIGNEE of the fact any time prior to the completion date.

THE CITY OF SAN DIEGO

Dated: Dec. 14/1993

By: [Signature]
 Property Director

Approved as to form this 14 day of December, 1993

JOHN W. WITT, CITY ATTORNEY

By: [Signature]
 Chief Deputy City Attorney

DOCUMENT NO. C-05221

FILED DEC 23 1993

OFFICE OF THE CITY CLERK
 SAN DIEGO, CALIFORNIA

Assignment Effective 12-17-93

City of San Diego
General Services/Airports Division

FINDING OF MASTER PLAN LAND USE CONFORMANCE

PROJECT: ASSUMPTION & ASSIGNMENT OF LEASES
Lots 6,7 MYF

() CIP
(X) LESSEE (ASSIGNOR) KEARNY MESA REALTY, INC.
ASSIGNEE - San Diego Hospital Association

1. PROJECT DESCRIPTION INCLUDING PROPOSED FUNCTION attach plot plan:
Existing: Three office buildings, retail center and parking
lots. (See attached letter for proposed uses.)

2. MASTER PLAN LAND USE DESIGNATION attach master plan:
Non-Aviation Commercial

Note: Brown Field non-aviation uses limited to those permitted
in the Otay Mesa Industrial Subdistrict

3. JUSTIFICATION OF CONFORMANCE FINDING

Exempt per CEQA Section 15301. Class I, Existing Facilities.
Existing and proposed uses are in compliance with the
Airport Master Plan.

(X) I find that the proposed use (in attached letter) is in
substantial conformance with the Montgomery Field
Master Plan as approved by City Council on July 10, 1984
(last amendment date).

() The _____ project does not conform
to the existing _____ Field Master Plan.
A Master Plan amendment will be required before the project
can be approved by the City.

Scott Rodriguez
Deputy Director, Airports Division

12/9/93
Date

CONCURRENCE

Lawrence C. Montgomery acting for
Deputy Director, DEP *Tom Stamm*

12/13/93
Date

SHARP

HEALTHCARE

Marc Sandstrom
Senior Vice President
Legal & Administrative Services

November 19, 1993

Diana L. Drake, Property Agent
City of San Diego
Airports Property Management
3750 John J. Montgomery Drive
San Diego, CA 92123

Dear Ms. Drake:

Sharp HealthCare intends to use the Montgomery Field complex in the following manner, consistent with existing uses:

- A. General Offices
- B. Maintain Retail Center
- C. Medical Uses:
 - Medical Offices
 - Clinic Space
 - Urgent Care
 - Therapy Modalities
 - Miscellaneous Medical Uses

If you have any questions, please feel free to contact me.

Sincerely,


Marc Sandstrom

MS/gml

SAN DIEGO HOSPITAL ASSOCIATION

☐ Sharp Memorial Hospital ☐ Sharp Cabrillo Hospital ☐ Community Hospital of Chula Vista ☐ Sharp Rees-Stealy
☐ Sharp Temecula Valley ☐ Sharp Senior Health Care ☐ Southern California HealthCare Services

RECORDING REQUESTED BY:
CITICORP REAL ESTATE AND TIME CO.

Recording Requested By
and When Recorded Mail To:

Citicorp Real Estate, Inc.
Attn: Mr. George Apostol
725 South Figueroa
Los Angeles, CA 90017

853403

[Handwritten signature]

953100-6

Space Above for Recorder's Use

ASSIGNMENT AND ASSUMPTION OF GROUND LEASES

ASSIGNMENT AND ASSUMPTION OF GROUND LEASES, dated December 17, 1993, between KEARNY MESA REALTY INC., a California corporation, having an office at c/o 599 Lexington Avenue, New York, New York 10043 ("Assignor"), and SAN DIEGO HOSPITAL ASSOCIATION, a California nonprofit public benefit corporation, having an office at 3131 Berger Street, San Diego, California 92123 ("Assignee").

ASSIGNMENT AND CONVEYANCE

For good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest, if any, as tenant in and to (i) that certain ground lease entitled "Flat Rate Lease" filed May 3, 1978, as Document No. 763376 in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field One, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field One Ground Lease"), and (ii) that certain Ground Lease entitled "Flat Rate Lease," filed July 31, 1979, as Document No. 766982, in the Office of the City Clerk, San Diego, California, with attached addendum, and entered into between Montgomery Field Two, a partnership, as lessee, and the City of San Diego, a municipal corporation, as lessor (the "Montgomery Field Two Ground Lease"). The Montgomery Field One Ground Lease and the Montgomery Field Two Ground Lease are referred to together herein as the "Ground Leases." Assignor also grants, transfers and conveys to Assignee all of its right, title and interest, if any, in and to all buildings and improvements located on the land covered by the Ground Leases. The Ground Leases cover that certain land located in San Diego, California, more particularly described in Schedule "1" attached hereto and made a part hereof. The Montgomery Field One Ground Lease was recorded March 20, 1979 in File/No. 79-115029 of Official Records of San Diego County, California. The Montgomery Field Two Ground Lease was recorded May 27, 1980, in File/No. 80-170706 of Official Records of San Diego, California.

ASSUMPTION

ASSIGNEE HEREBY ACCEPTS the foregoing assignment and assumes and agrees to perform all of the obligations of Assignor under the Ground Leases, accruing from and after the date hereof.

SUCCESSORS AND ASSIGNS

This Assignment and Assumption of Ground Leases shall be binding upon Assignor, Assignee and their respective successors and assigns.

ASSIGNEE FURTHER AGREES to defend and indemnify Assignor and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignor (collectively, "Assignor's Affiliates") against, and to hold Assignor and Assignor's Affiliates harmless from, any and all claims, demands, causes of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignor or any of Assignor's Affiliates in connection with or arising out of acts or omissions of Assignee or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that take place, from and after the date hereof relating to either of the Ground Leases.

Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's Affiliates, and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Ground Leases, but excluding any defaults or liabilities accruing prior to the date hereof under the terms and provisions of the Ground Leases.

Except as otherwise expressly provided in that certain Sale-Purchase Agreement between Assignor and Assignee dated November 16, 1993, this Assignment and Assumption of Ground Leases is made

without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Leases have been executed on the date and year first above written.

ASSIGNOR:

KEARNY MESA REALTY INC.,
a California corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public
benefit corporation

By:  _____
Name: Marc Sandstrom
Title: Sr. Vice President

without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Leases have been executed on the date and year first above written.

ASSIGNOR:

KEARNY MESA REALTY INC.,
a California corporation

By: David J. Fergusson
Name: David J. Fergusson
Title: Vice President

ASSIGNEE:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public
benefit corporation

By: _____
Name: _____
Title: _____

STATE OF california }
COUNTY OF Los Angeles } ss.

On December 3, 1993, before me, the undersigned Notary Public, personally appeared DAVID J. FEINGOLD

✓ personally known to me

or

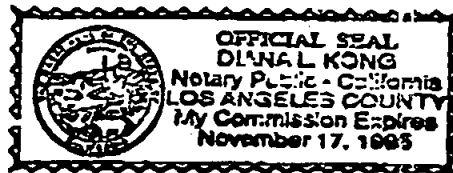
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Diana L Kong

(S E A L)



STATE OF CALIFORNIACOUNTY OF SAN DIEGO

} ss.

On December 15, 1993, before me, the undersigned Notary
Public, personally appeared Marc Sandstrom

XX personally known to me

~~XXX~~

~~XXXXXXXXXXXX proved to me on the basis of satisfactory evidence~~

to be the person~~(s)~~ whose name~~(s)~~ is~~(s)~~ subscribed to the within
instrument, and acknowledged to me that he~~(s)~~ executed the
same in his~~(s)~~ authorized capacity~~(s)~~, and that by
his~~(s)~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the
entity upon behalf of which the person~~(s)~~ acted, executed the
instrument.

WITNESS my hand and official seal.

Gail M. Lovejoy

(S E A L)



SCHEDULE 1

Legal Description

Parcel 1:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to a point of cusp with the arc of a 20.00 foot radius curve, concave Northwesterly and being the True Point of beginning; thence Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency with the Westerly line of the Easterly 17.00 feet of said lot 24; thence along said Westerly line, North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Southwesterly; thence Northwesterly along the arc of said curve, through a central angle of 90°00'00" a distance of 31.42 feet; thence tangent to said curve, South 89°22'05" West, 678.57 feet; thence South 00°37'55" East 200.00 feet to the Southerly line of said Lot 24; thence along said Southerly line, North 89°22'05" East, 678.57 feet to the True Point of beginning.

Parcel 2:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to the point cusp with a tangent 20.00 foot radius curve, concave Northwesterly forming a portion of John J. Montgomery Drive; thence along the boundary of said drive as follows:

Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet; tangent to said curve North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve concave Southwesterly; and Northwesterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency in the Southerly line of Gibbs Drive; thence along said Southerly line tangent to said curve South 89°22'05" West, 678.57 feet to the True Point of Beginning; thence continuing along said Southerly line South 89°22'05" West, 550.57 feet to the beginning of a tangent 20.00 foot radius curve, concave Southeasterly forming a portion of Glen L. Curtis Drive; thence along the boundary of said drive, last above referred to, as follows:

Southwesterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet; tangent to said curve South 00°37'55" East, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Northeasterly; and Southeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to the point of tangency in the Southerly line of said Lot 24; thence along said Southerly line, tangent to said curve North 89°22'05" East, 550.57 feet to a line which beats South 00°37'55" East from the true Point of beginning; thence North 00°37'55" West, 200.00 feet to the True Point of Beginning.

EXHIBIT ~~B~~

**ASSIGNMENT AND ASSUMPTION
OF LEASES AND SECURITY DEPOSITS**

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS, dated December 17, 1993, between KEARNY MESA REALTY INC., a California corporation, having an office at c/o 599 Lexington Avenue, New York, New York 10043 ("Assignor"), and SAN DIEGO HOSPITAL ASSOCIATION, a California nonprofit public benefit corporation, having an office at 3131 Berger Street, San Diego, California 92123 ("Assignee").

W I T N E S S E T H:

WHEREAS, Assignor has this day sold and conveyed to assignee Assignor's leasehold interest in the real property more particularly described in Schedule "1" annexed hereto and made a part hereof (the "Premises").

ASSIGNMENT

NOW, THEREFORE, for good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest, if any, as landlord in and to (i) all leases, licenses and other occupancy agreements affecting the Premises and all guarantees thereof set forth on Schedule "2" annexed hereto and made a part hereof (collectively, the "Leases"), and (ii) all Tenant security deposits made with respect to the Leases, which deposits are shown on Schedule "2" annexed hereto and made a part hereof (collectively, the "Security Deposits").

ASSUMPTION

ASSIGNEE HEREBY ACCEPTS the foregoing assignment, acknowledges receipt of the Security Deposits, assumes and agrees to perform all of the obligations of Assignor under the Leases, accruing from and after the date hereof; and agrees to hold or apply all of the Security Deposits in accordance with the terms of the Leases under which the Security Deposits were made.

SUCCESSORS AND ASSIGNS

This Assignment and Assumption of Leases and Security Deposits shall be binding upon Assignor, Assignee and their respective successors and assigns.

ASSIGNEE FURTHER AGREES to defend and indemnify Assignor and any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other person or entity affiliated with Assignor (collectively, "Assignor's

Affiliates") against, and to hold Assignor and Assignor's Affiliates harmless from, any and all claims, demands, causes of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignor or any of Assignor's Affiliates in connection with or arising out of acts or omissions of Assignee or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that the place, from and after the date hereof relating to the Leases and Security Deposits.

Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's Affiliates, and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Leases and Security Deposits.

This Assignment and Assumption of Leases and Security Deposits is made without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

IN WITNESS WHEREOF, this Assignment and Assumption of Leases and Security Deposits has been executed on the date and year first above written.

ASSIGNOR:

KEARNY MESA REALTY INC.,
a California corporation

By: David J. Feingold
Name: David J. Feingold
Title: Vice President

ASSIGNEE:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public
benefit corporation

By: _____
Name: _____
Title: _____

Affiliates") against, and to hold Assignor and Assignor's Affiliates harmless from, any and all claims, demands, causes of action, losses, damages, liabilities, and costs and expenses (including, without limitation, attorney's fees and disbursements), whether foreseen or unforeseen, asserted against or incurred by Assignor or any of Assignor's Affiliates in connection with or arising out of acts or omissions of Assignee or its directors, officers, employees, affiliates, partners, brokers, agents, contractors, consultants and/or representatives, or other matters or occurrences that the place, from and after the date hereof relating to the Leases and Security Deposits.

Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's Affiliates, and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Leases and Security Deposits.

This Assignment and Assumption of Leases and Security Deposits is made without any covenant, warranty or representation by, or recourse against, Assignor or Assignor's Affiliates of any kind whatsoever.

IN WITNESS WHEREOF, this Assignment and Assumption of Leases and Security Deposits has been executed on the date and year first above written.

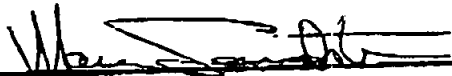
ASSIGNOR:

KEARNY MESA REALTY INC.,
a California corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

SAN DIEGO HOSPITAL ASSOCIATION,
a California nonprofit public
benefit corporation

By:  _____
Name: Marc Sandstrom
Title: Sr. Vice President

Schedule 1

Legal Description

Parcel 1:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to a point of cusp with the arc of a 20.00 foot radius curve, concave Northwesterly and being the True Point of beginning; thence Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency with the Westerly line of the Easterly 17.00 feet of said lot 24; thence along said Westerly line, North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Southwesterly; thence Northwesterly along the arc of said curve, through a central angle of 90°00'00" a distance of 31.42 feet; thence tangent to said curve, South 89°22'05" West, 678.57 feet; thence South 00°37'55" East 200.00 feet to the Southerly line of said Lot 24; thence along said Southerly line, North 89°22'05" East, 678.57 feet to the True Point of beginning.

Parcel 2:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to the point cusp with a tangent 20.00 foot radius curve, concave Northwesterly forming a portion of John J. Montgomery Drive; thence along the boundary of said drive as follows:

Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet; tangent to said curve North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve concave Southwesterly; and Northwesterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency in the Southerly line of Gibbs Drive; thence along said Southerly line tangent to said curve South 89°22'05" West, 678.57 feet to the True Point of Beginning; thence continuing along said Southerly line South 89°22'05" West, 550.57 feet to the beginning of a tangent 20.00 foot radius curve, concave Southeasterly forming a portion of Glen L. Curtis Drive; thence along the boundary of said drive, last above referred to, as follows:

Southwesterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet; tangent to said curve South 00°37'55" East, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Northeasterly; and Southeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to the point of tangency in the Southerly line of said Lot 24; thence along said Southerly line, tangent to said curve North 89°22'05" East, 550.57 feet to a line which beats South 00°37'55" East from the true Point of beginning; thence North 00°37'55" West, 200.00 feet to the True Point of Beginning.

Schedule 2

<u>TENANT</u>	<u>ADDRESS</u>	<u>SECURITY DEPOSIT</u>
<u>Building 1</u>		
8665 Gibbs Drive	8665	None
United States of America dba Federal Aviation Administration	Suite 100	
PSI World, Inc. dba PSI	8665 Suite 110	5,520.00
Pacific Coast Collections, Inc. dba Same	8665 Suite 150	3,519.75
Pacific Coast Collections, Inc. dba Same	8665 Suite 200	None
<u>Building 2</u>		
8690 Aero Drive	8690 Aero	984.30
Mary Golden Discount Sales, Inc. dba Same	Suite 102	
Tengu Restaurants, Inc. dba Tengu Restaurant	8690 Aero Suite 105, 106, 111	2,829.45
Dung Khuat	8690 Aero Suite 112	927.73
Pizza Hut of San Diego, Inc. dba Pizza Hut #705118	8690 Aero Suite 114	None
Lyle & Thelma Starkweather dba Aero Postal Services	8690 Aero Suite 115	1,146.60
Action Data, Inc. dba Same	8690 Aero Suite 116	1,163.50
Dolores Villarreal dba Special Travel Services	8690 Aero Suites 103 and 104	581.75
Meng Bun Tao and Michelle Lor dba Christy's Donuts	8690 Aero Suite 118	787.60
John IK & Linda Y. Kim dba B & B Deli	8690 Aero Suite 120	2,591.84
Somchat & Kuttalee Chauvapan dba Clown Market	8690 Aero Suite 130	1,728.00

<u>TENANT</u>	<u>ADDRESS</u>	<u>SECURITY DEPOSIT</u>
<u>Building 3</u>		
8575 Gibbs Drive	8575	11,705.52
Orthopaedic & Arthroscopic Sports Injury Specialists Medical Group, Inc. dba OASIS	Suite 110	
Environmental Security Shutters dba Same	8575 Suite 112	None
Mantech International Corporation dba Technology Management Corporation	8575 Suite 200	2,728.50
<u>Building 4</u>		
8525 Gibbs Drive	8525	None
County of San Diego dba Department of Public Defenders	Suite 105	
United States of America dba Federal Aviation Administration	8525 Suite 110	None
Tandem Computers, Inc. dba Tandem Computers	8525 Suite 200	None
County of San Diego dba Alternate Public Defender	8525 Suite 202	None
Eden's Broadcasting, Inc. dba Q-106 Radio	8525 Suite 204	9,441.90
County of San Diego dba Alternate Public Defender	8525 Suite 208	None
County of San Diego dba Department of Public Defenders	8525 Suite 300	None
Systems Engineering & Management dba Same	8525 Suite 304/6	2,940.00

Recording Requested by:

Commonwealth Land Title Company

When Recorded Mail to:

Commonwealth Land Title Company
455 Market Street
Suite 210
San Francisco, CA 94105
Attn: Foreclosure Department

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE -----
Trustee's Sale Number 70784-DD

NOTICE OF TRUSTEE'S SALE

NOTICE

**YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED June 29, 1987.
UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE
SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE
OF THE PROCEEDING AGAINST YOU, YOU SHOULD CONTACT A LAWYER.**

On December 5, 1991, at 10:00 a.m., Commonwealth Land Title Company, a California corporation, as Trustee under that certain Deed of Trust and Assignment of Rents (the "Deed of Trust"), executed by Montgomery Field, Ltd., a California limited partnership, (the "Trustor"), recorded June 29, 1987 as Instrument Number 87-362116 of Official Records in the office of the County Recorder of San Diego County, California, the Deed of Trust was modified by that certain Amendment to Deed of Trust and Assignment of Rents dated October 31, 1988, and recorded June 2, 1989 as Instrument Number 89-293995 of Official Records in the office of the County Recorder of said County and State, as pursuant to that Notice of Default and Election to Sell thereunder recorded December 20, 1990 as Instrument Number 90-676610 of Official Records in the office of the County Recorder of said County and State, will under and pursuant to said Deed of Trust sell at public auction for cash (payable at the time of sale in lawful money of the United States) to the highest bidder at the South entrance to the County Courthouse, 220 West Broadway, San Diego, California, all that right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County and State described as:

The legal description of the property being sold at this sale is described in Exhibits "A" and "B" which are attached hereto and are made a part hereof by this reference.

The Street address or other common designation, if any, of the real property described above is purported to be:

8525, 8565, 8575, 8665 Gibbs Drive, San Diego, California
8690 Aero Drive, San Diego, California

The undersigned Trustee disclaims any liability for any incorrectness of the street address or other common designation, if any, shown herein.

Name and address of the beneficiary at whose request the sale is being

conducted: Citicorp Real Estate, Inc.; c/o Steefel, Levitt & Weiss; Attn: Clayton B. Gantz; One Embarcadero Center, San Francisco, California 94111; (415) 788-0900

Directions to the property may be obtained pursuant to a written request submitted to the beneficiary within ten (10) days from the first publication of this notice.

Said sale will be made, but without covenant or warranty, express or implied, regarding title, possession or encumbrances, to pay the remaining unpaid balance of the obligations secured by said Deed of Trust, with interest thereon, together with fees and costs incurred, as provided in the instruments evidencing the obligations secured by said Deed of Trust, advances under the terms of said Deed of Trust, fees, charges and expenses of the Trustee and of the trust created by said Deed of Trust. The total amount of the unpaid balance of the obligations secured by the property to be sold and reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Trustee's sale is estimated to be \$13,037,707.13, provided, however, beneficiary's bid at said sale may include all or part of said amount. Prepayment premiums, accrued interest and advances, if any, will increase this figure prior to sale.

The beneficiary under said Deed of Trust heretofore executed and delivered to the undersigned a written Notice of Default and Election to Sell. The undersigned caused said Notice of Default and Election to Sell to be recorded in the county where the real property is located.

Publish: November 15, 1991
November 22, 1991
November 29, 1991

Commonwealth Land Title Company, trustee
455 Market Street
Suite 210
San Francisco, CA 94105
(415) 495-2500

Dated: November 8, 1991

By: Janice Angelot
Janice Angelot, Authorized Signature

EXHIBIT "A"

Leasehold: The leasehold interest in the property described below is held by Montgomery Field, Ltd., a California limited partnership, which was formerly known as Montgomery Field One, a limited partnership. The leasehold interest was created by (a) that certain lease dated July 27, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded March 20, 1979, as File No. 79-115029, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 1; and (b) that certain lease dated June 5, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded May 27, 1980, as File No. 80-170706, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 2.

Fee: At the time that the above-referenced leasehold estate was acquired by Montgomery Field, Ltd., the fee interest in the following real property was held by the City of San Diego.

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ}22'05''$ WEST, 37.00 FEET TO A POINT OF CUSP WITH THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY WITH THE WESTERLY LINE OF THE EASTERLY 17.00 FEET OF SAID LOT 24; THENCE ALONG SAID WESTERLY LINE, NORTH $00^{\circ}37'55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH $89^{\circ}22'05''$ WEST, 678.57 FEET; THENCE SOUTH $00^{\circ}37'55''$ EAST, 200.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, NORTH $89^{\circ}22'05''$ EAST, 678.57 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ}22'05''$ WEST, 37.00 FEET TO THE POINT CUSP WITH A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, FORMING A PORTION OF JOHN J. MONTGOMERY DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE AS FOLLOWS:

NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE NORTH $00^{\circ}37'55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY IN THE SOUTHERLY LINE OF GIBBS DRIVE; THENCE ALONG SAID SOUTHERLY LINE TANGENT TO SAID CURVE SOUTH $89^{\circ}22'05''$ WEST, 678.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH $89^{\circ}22'05''$ WEST, 550.57 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY FORMING A PORTION OF GLEN L. CURTIS DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE, LAST ABOVE REFERRED TO, AS FOLLOWS:

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE SOUTH $00^{\circ}37'55''$ EAST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO THE POINT OF TANGENCY IN THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, TANGENT TO SAID CURVE NORTH $89^{\circ}22'05''$ EAST, 550.57 FEET TO A LINE WHICH BEARS SOUTH $00^{\circ}37'55''$ EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH $00^{\circ}37'55''$ WEST, 200.00 FEET TO THE TRUE POINT OF BEGINNING.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Steefel, Levitt & Weiss
One Embarcadero Center
Suite 2900
San Francisco, California 94111
Attention: Clayton B. Gantz, Esq.

ASSIGNMENT

Dated as of December 10, 1991

CITICORP REAL ESTATE, INC., a Delaware corporation (the "Assignor"), and KEARNY MESA REALTY INC., a California (the "Assignee"), hereby agree as follows:

The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, all of the Assignor's rights under (i) that certain Loan Agreement (the "Loan Agreement") dated June 29, 1987 made by and between Assignor and Montgomery Field, Ltd., a California general partnership (the "Borrower"), (ii) that certain Note made by Montgomery Field, Ltd., a California general partnership (the "Borrower"), dated June 29, 1987 in the original principal amount of \$11,100,000, as amended by that certain Amendment to Note dated as of October 31, 1988 increasing the original principal amount to \$11,700,000, (as amended, replaced or otherwise modified, the "Note"), (iii) that certain Deed of Trust and Assignments of Rents dated June 29, 1987, executed by Borrower, as Trustor, recorded on June 29, 1987 in the Official Records, San Diego County, California as Instrument No. 87-362116 as amended by that certain Amendment to Deed of Trust and Assignments of Rents dated October 31, 1988, executed by Borrower and Assignor, recorded on June 2, 1989 in the Official Records, San Diego County, California as Instrument No. 89-293995, (iv) that certain Assignment of Rents and Leases dated June 29, 1987, executed by Borrower and recorded on June 29, 1987 in the Official Records, San Diego County, California as Instrument No. 87-362117 as amended by that certain Amendment to Assignments of Rents and Leases dated October 31, 1988, executed by Borrower and Assignor, recorded on June 2, 1989 in the Official Records, San Diego County, California as Instrument No. 89-293996, and (v) all other documents, instruments and agreements executed and/or delivered by Borrower to evidence, secure or guarantee any of Borrower's obligations under the Loan Agreement, the Note, the Deed of Trust or any other document executed in connection

therewith.

This Assignment shall be effective as of 9:00 AM (Pacific Standard Time) on December 10, 1991. This Assignment may be executed by one or more of the parties hereto in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first set forth above.

ASSIGNOR

CITICORP REAL ESTATE, INC., a
Delaware corporation

By: 
Vice President

ASSIGNEE:

KEARNY MESA REALTY INC., a
California corporation

By: 
Vice President

STATE OF California

COUNTY OF

SAN FRANCISCO

SS.

On December 6, 91, before me, a Notary Public in and for the State of California, personally appeared Philip E. Lombardi; VP, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he or she executed the same in his/her authorized capacity(ies), and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Willie Gibson
Notary Public, State of California

1826.A97187



One Sansome St., 28th Floor, San Francisco, CA 94104

STATE OF California

COUNTY OF

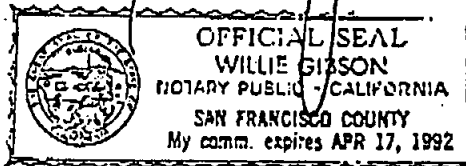
SAN FRANCISCO

)
)
)
ss.

on December 6, 1991, before me, a Notary Public in and
Barcel Crampton, JP, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he or she executed the same in his/her
authorized capacity(ies), and that by his/her signature on the
instrument the person, or the entity upon behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal

Willie Gibson
Notary Public, State of California



One Sansome St., 29th Floor, San Francisco, CA 94104

RECEIVED

JAN 23 1991

PROPERTY DEPT.

Recorded 12-20-90
Instrument #90-676610
San Diego County Records

By: David A. Brown
David A. Brown
Commonwealth Land Title Co.

Recording Requested by:

Citicorp Real Estate, Inc.

When Recorded Mail To:
Commonwealth Land Title
Insurance Company
455 Market Street
Suite 210
San Francisco, California 94105

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE -----
Trustee's Sale Number 70784-D1

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IMPORTANT NOTICE

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$ 699,774.62 as of December 19, 1990, and will increase until your account becomes current. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay the amount stated above.

However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the Notice of Sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

Citicorp Real Estate, Inc.
c/o Steefel, Levitt & Weiss
Attn: Clayton B. Gantz
One Embarcadero Center
San Francisco, California 94111
(415) 788-0900

If you have any questions, you should contact a lawyer or the government agency which may have insured your loan.

Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE IS HEREBY GIVEN:

That Commonwealth Land Title Company, a California corporation (the "Trustee"), is duly appointed successor Trustee under that certain Deed of Trust and Assignment of Rents (the "Trust Deed") executed by Montgomery Field, Ltd., a California limited partnership (the "Trustor"), to secure certain obligations in favor of Citicorp Real Estate, Inc., a Delaware subsidiary of a national banking association, as beneficiary (the "Beneficiary"), dated June 29, 1987, and recorded June 29, 1987 as Instrument Number 87-362116 of Official Records in the office of the County Recorder of San Diego County, California, and that

The Trust Deed was modified by that certain Amendment to Deed of Trust and Assignment of Rents dated October 31, 1988, and recorded June 2, 1989 as Instrument Number 89-293995 of Official Records in the office of the County Recorder of said County and State (the "Amendment"), and that the Trust Deed and the Amendment are collectively referred to herein from time to time as the "Deed of Trust", and that

The Deed of Trust encumbers certain property more particularly described therein (the "Trust Property"), and that

The Deed of Trust secures the payment of and the performance of certain obligations including, but not limited to, the obligations set forth in (1) that certain Note dated June 29, 1987 with a face amount of \$11,100,000.00 (the "Promissory Note"), and (2) that certain Amendment to Note dated October 31, 1988 (the "Amendment"), and that the Amendment evidenced an increase in the principal balance of the Promissory Note to \$11,700,000.00, and that

The Promissory Note and the Amendment are collectively referred to herein from time to time as the "Note", and that

A breach of, and default in, the obligations for which the Deed of Trust is security has occurred in that the Trustor (and/or its successor in interest with respect to the Trust Property) has:

(1) failed to pay the sums more particularly described in Exhibit A attached hereto and made a part hereof;

(2) failed, or shall hereafter fail, to pay all other and subsequent interest and/or principal together with late charges and any and all other obligations and indebtedness as may become due pursuant to or under the Note and/or the Deed of Trust and not performed and/or paid including, without limitation, reimbursement to the Beneficiary and/or the Trustee of any of the following fees, costs and expenses heretofore or hereafter incurred, suffered or paid by the Beneficiary and/or the Trustee in connection with the Note, the Deed of

Trust, the Trustor (and/or its successor in interest with respect to the Trust Property) or the Trust Property:

- (a) attorney's fees and costs including, without limitation, those incurred in connection with foreclosure of the Deed of Trust, appointment of a receiver with respect to the Trust Property, litigation over the amount, validity, enforcement or priority of the Note, the Deed of Trust, or commencement of an action or proceeding for relief from any bankruptcy court or other judicial or administrative stay, order or injunction, and all other such matters;
- (b) real and/or personal property taxes, or payments under or with respect to prior or junior liens or encumbrances, insurance premiums and all other such matters;
- (c) protection, preservation, repairs, restoration or completion of the Trust Property, and all other such matters;
- (d) compliance with any applicable laws, regulations or orders, and all other such matters;
- (e) Trustee's fees, trustee's sale guarantee premiums, and other foreclosure costs, and all other such matters; and that

It is the intention of the Beneficiary to include herein all delinquent sums or obligations now or hereafter secured by and under the Deed of Trust, whether presently known or unknown, and whether or not specifically set forth herein, and that

Beneficiary hereby elects to conduct a unified foreclosure sale pursuant to the provisions of California Commercial Code Section 9501(4)(a)(ii) and to include in the nonjudicial foreclosure of the estate described in this Notice of Default and Election to Sell all of the personal property and fixtures described in the Deed of Trust. Beneficiary reserves the right to revoke its election as to some or all of said personal property and/or fixtures, or to add additional personal property and/or fixtures to the election herein expressed, at Beneficiary's sole election, from time to time and at any time until the consummation of the trustee's sale to be conducted pursuant to the Deed of Trust and this Notice of Default and Election to Sell, and that

By reason of the above defaults, the Beneficiary has declared all sums secured by the Deed of Trust immediately due and payable and has elected and does hereby elect to cause the Trust Property to be sold to satisfy the obligations secured thereby.

Dated: October 19, 1990

Commonwealth Land Title Company, Trustee

By: David A. Brown
David A. Brown

Exhibit A to Notice of Default and Election to Sell Under Deed
of Trust

TS Number 70784

Breakdown of Defaulted Sums

1a. failed to pay the installment due September 1, 1990, and all subsequent installments, which installments total, in the aggregate amount, \$500,377.47;

1b. failed to the late charge due after September 1, 1990, and all subsequent late charges, which late charges total, in the aggregate amount, \$17,441.72;

1c. failed to pay Default Rate interest, as defined in the Note, in the amount of \$181,955.43 as of December 19, 1990;

Page 1

Recording Requested by:

Commonwealth Land Title Company

When Recorded Mail to:

Commonwealth Land Title Company
455 Market Street
Suite 210
San Francisco, CA 94105
Attn: Foreclosure Department

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE -----
Trustee's Sale Number 70784-DD

NOTICE OF TRUSTEE'S SALE

NOTICE

**YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED June 29, 1987.
UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE
SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE
OF THE PROCEEDING AGAINST YOU, YOU SHOULD CONTACT A LAWYER.**

On December 5, 1991, at 10:00 a.m., Commonwealth Land Title Company, a California corporation, as Trustee under that certain Deed of Trust and Assignment of Rents (the "Deed of Trust"), executed by Montgomery Field, Ltd., a California limited partnership, (the "Trustor"), recorded June 29, 1987 as Instrument Number 87-362116 of Official Records in the office of the County Recorder of San Diego County, California, the Deed of Trust was modified by that certain Amendment to Deed of Trust and Assignment of Rents dated October 31, 1988, and recorded June 2, 1989 as Instrument Number 89-293995 of Official Records in the office of the County Recorder of said County and State, as pursuant to that Notice of Default and Election to Sell thereunder recorded December 20, 1990 as Instrument Number 90-676610 of Official Records in the office of the County Recorder of said County and State, will under and pursuant to said Deed of Trust sell at public auction for cash (payable at the time of sale in lawful money of the United States) to the highest bidder at the South entrance to the County Courthouse, 220 West Broadway, San Diego, California, all that right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County and State described as:

The legal description of the property being sold at this sale is described in Exhibits "A" and "B" which are attached hereto and are made a part hereof by this reference.

The Street address or other common designation, if any, of the real property described above is purported to be:

8525, 8565, 8575, 8665 Gibbs Drive, San Diego, California
8690 Aero Drive, San Diego, California

The undersigned Trustee disclaims any liability for any incorrectness of the street address or other common designation, if any, shown herein.

Name and address of the beneficiary at whose request the sale is being

conducted: Citicorp Real Estate, Inc.; c/o Steefel, Levitt & Weiss; Attn:
Clayton B. Gantz; One Embarcadero Center, San Francisco, California 94111;
(415) 788-0900

Directions to the property may be obtained pursuant to a written request
submitted to the beneficiary within ten (10) days from the first
publication of this notice.

Said sale will be made, but without covenant or warranty, express or
implied, regarding title, possession or encumbrances, to pay the remaining
unpaid balance of the obligations secured by said Deed of Trust, with
interest thereon, together with fees and costs incurred, as provided in
the instruments evidencing the obligations secured by said Deed of Trust,
advances under the terms of said Deed of Trust, fees, charges and expenses
of the Trustee and of the trust created by said Deed of Trust. The total
amount of the unpaid balance of the obligations secured by the property to
be sold and reasonable estimated costs, expenses and advances at the time
of the initial publication of the Notice of Trustee's sale is estimated to
be \$13,037,707.13, provided, however, beneficiary's bid at said sale may
include all or part of said amount. Prepayment premiums, accrued interest
and advances, if any, will increase this figure prior to sale.

The beneficiary under said Deed of Trust heretofore executed and delivered
to the undersigned a written Notice of Default and Election to Sell. The
undersigned caused said Notice of Default and Election to Sell to be
recorded in the county where the real property is located.

Publish: November 15, 1991
November 22, 1991
November 29, 1991

Commonwealth Land Title Company, trustee
455 Market Street
Suite 210
San Francisco, CA 94105
(415) 495-2500

Dated: November 8, 1991

By: Janice Angelot
Janice Angelot, Authorized Signature

EXHIBIT "A"

Leasehold: The leasehold interest in the property described below is held by Montgomery Field, Ltd., a California limited partnership, which was formerly known as Montgomery Field One, a limited partnership. The leasehold interest was created by (a) that certain lease dated July 27, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded March 20, 1979, as File No. 79-115029, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 1; and (b) that certain lease dated June 5, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded May 27, 1980, as File No. 80-170706, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 2.

Fee: At the time that the above-referenced leasehold estate was acquired by Montgomery Field, Ltd., the fee interest in the following real property was held by the City of San Diego.

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH 89°22'05" WEST, 37.00 FEET TO A POINT OF CUSP WITH THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY WITH THE WESTERLY LINE OF THE EASTERLY 17.00 FEET OF SAID LOT 24; THENCE ALONG SAID WESTERLY LINE, NORTH 00°37'55" WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00" A DISTANCE OF 31.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 89°22'05" WEST, 678.57 FEET; THENCE SOUTH 00°37'55" EAST, 200.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89°22'05" EAST, 678.57 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ}22'05''$ WEST, 37.00 FEET TO THE POINT CUSP WITH A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, FORMING A PORTION OF JOHN J. MONTGOMERY DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE AS FOLLOWS:

NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE NORTH $00^{\circ}37'55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY IN THE SOUTHERLY LINE OF GIBBS DRIVE; THENCE ALONG SAID SOUTHERLY LINE TANGENT TO SAID CURVE SOUTH $89^{\circ}22'05''$ WEST, 678.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH $89^{\circ}22'05''$ WEST, 550.57 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY FORMING A PORTION OF GLEN L. CURTIS DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE, LAST ABOVE REFERRED TO, AS FOLLOWS:

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE SOUTH $00^{\circ}37'55''$ EAST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO THE POINT OF TANGENCY IN THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, TANGENT TO SAID CURVE NORTH $89^{\circ}22'05''$ EAST, 550.57 FEET TO A LINE WHICH BEARS SOUTH $00^{\circ}37'55''$ EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH $00^{\circ}37'55''$ WEST, 200.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

Together with the rents, issues and profits derived from the real property described in Exhibit A to this Notice of Trustee's Sale (the "Real Property").

All right, title and interest in and to all streets, roads and public places, opened or proposed, adjoining the Real Property, and all appurtenances and rights of way, public or private, now or hereafter created or used in connection with the Real Property.

All improvements (the "Improvements") of every kind and description now or hereafter erected or placed upon or made to the Real Property.

All materials, supplies, fixtures, fittings, appliances, apparatus, equipment, machinery, furnishings, furniture, carpets, drapes, inventory, chattels and other articles of personal property of every description, and replacements of any thereof, now or at any time hereafter owned by Trustor and affixed to or attached to or used in construction upon or used in any other way in connection with or located upon, under or within the Real Property and Improvements [such items as are affixed to and deemed a part of the Real Property or Improvements being hereinafter collectively referred to as the "Fixtures" (such portion of the Fixtures as can be removed without damage thereto or structural damage to the Improvements being hereinafter referred to as the "Removable Fixtures"), the remainder of the foregoing property being the "Personal Property"].

All reversions, remainders, rents, issues, profits and other benefits arising or issuing from, and all leases of, all or any portion of said Real Property, Improvements, Personal Property and Fixtures.

All awards, damages, payments and other compensation (including but not limited to insurance proceeds) received by or payable to Trustor, and all claims of Trustor therefor and rights of Trustor thereto, which may result (i) from any taking of, or damage to, the Real Property, the Improvements, the Personal Property or the Fixtures, or any part thereof or interest therein by reason of any public improvement or condemnation proceeding or in any similar manner (ii) from any damage, injury or destruction in any manner caused to the Real Property, Improvements,

Personal Property of Fixtures, or (iii) from any change of grade or vacation of any street abutting the Real Property. All of the foregoing are to be deemed to be part of the real estate, such that all right, title and interest of of the Trustor thereto shall pass absolutely to the purchaser at any trustee's sale or foreclosure sale.

All certificates of occupancy, other governmental permits, and all water stock appurtenant to the Real Property or any portion thereof.

All of Trustor's right, title and interest in and to all insurance policies required to be maintained under the terms of the Deed of Trust or any other instruments or documents delivered by Trustor in connection with the Deed of Trust, or otherwise carried by Trustor covering the Real Property, the Improvements, the Personal Property or the Fixtures, together with all unearned premiums paid thereon and all other benefits received or to be received therefrom.

All refunds of taxes, assessments, levies and other charges, whether governmental or non-governmental, and including but not limited to water and sewer rents and assessments on appurtenant water stock (collectively, the "Tax Refunds").

All of Trustor's (or Trustor's successors' and assigns') right, title and interest now owned or hereafter acquired in and to the following (collectively the "Collateral"):

(A) that certain Assignment of Rents and Leases dated as of June 29, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation and recorded on June 29, 1987 as Instrument No. 87-362117 of Official Records in the office of the County Recorder of San Diego County, California, including, but not limited to any and all lease(s), subleases, licenses, franchises and other agreements connected with the Real Property, the Improvements, the Personal Property or the Fixtures (said lease(s), subleases licenses, franchises and other agreements connected with uses, occupancy or maintenance together with any and all guarantees, modifications, extensions and renewals thereof being hereinafter collectively referred to as the "Leases");

(B) that certain Security Agreement dated June 29, 1987 by and between Trustor and Citicorp Real Estate,

Inc., a Delaware corporation, including, but not limited to all of the following which shall constitute Collateral before as well as after delivery to the Real Property, regardless of location prior to such delivery:

(i) all presently owned or hereafter acquired construction equipment, construction supplies, carpets, drapes, air conditioning, heating, refrigerating, lighting, plumbing, and ventilating equipment and machines, appliances, other operating machinery and equipment, fixtures, furniture, furnishings and appurtenances of any description, which now are or may hereafter pertain to or be located or used with, in or on the Real Property, and all additions and accessions thereto and replacements therefor;

(ii) all personal property of any description, now owned or hereafter to be acquired by or on behalf of Trustor and used or intended for use in or located on the Real Property or any part thereof, and all additions and accessions thereto and replacements therefor;

(iii) all accounts, contract rights, general intangibles, warehouse receipts and other documents, instruments, and other rights to the payment of money or performance of services, now existing or hereafter arising, in any way relating to the acquisition or sale of the Real Property, or any part thereof, or the construction, sale, lease or other disposition of any improvements thereon, including without limitation construction and architects' contracts, plans and specifications; permits, licenses and approvals, engineering, consulting and management contracts, purchase agreements and deposits, and leases and lease deposits; and

(iv) all proceeds of the foregoing collateral, including whatever is receivable or received when collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums; with respect to any insurance relating thereto;

(C) That certain Financing Statement Form UCC-1 filed July 14, 1987 as File No. 87171430, California Secretary of State's office;

(D) That certain Financing Statement Form UCC-1 recorded June 29, 1987 as Instrument No. 87-362118, of Official Records in the office of the County Recorder of San Diego County, California;

(E) That certain Assignment of Ceiling Rate Agreement dated as of July 1, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation;

(F) that certain Pledge Agreement (Property Operating Account) dated as of May 24, 1991 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation, including, but not limited to, all of Trustor's right, title and interest now owned or hereafter acquired in and to all sums now or hereafter in that certain deposit account no. 453233972 in the name of Trustor at Security Pacific National Bank, Mission Valley Branch, 591 Camino de la Reina, San Diego, California 92108 and all proceeds and products thereof, whether any or all of the foregoing shall be in the form of cash, cash equivalents, notes, chattel paper, stocks, bonds, instruments, agreements, documents, any form of debt, property of any nature, negotiable certificates of deposit or non-negotiable certificates of deposit; and

(G) that certain UCC-1 Financing Statement filed October 23, 1991 as File No. 91227913, California Secretary of State's office.

CITY OF SAN DIEGO
CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENTS
AND SECURITY DEPOSITS

The City of San Diego (CITY), as LESSOR, entered into long-term Lease Agreements, hereinafter named "the Leases", with Montgomery Field One and Montgomery Field Two, which were filed in the office of the City Clerk on May 3, 1978 as Document No. 763376 and on July 31, 1979 as Document No. 766982. Both leases were subsequently acquired by Kearny Mesa Realty, Inc. (LESSEE/ASSIGNOR) by Trustee's Sale.

CITY hereby consents to an assignment of the Leases from Kearny Mesa Realty, Inc. (LESSEE/ASSIGNOR) to San Diego Hospital Association (ASSIGNEE), in accordance with the terms and conditions set out in the Assignment and Assumption of Leases and Security Deposits, which are Exhibits "A" and "B" of the attached Sale-Purchase Agreement, dated November 16, 1993 with the following conditions:

The CITY is merely approving the Assignment and Assumption of the Leases and Security Deposits and all terms and conditions of the Leases shall control and supersede any inconsistency or contrary provisions in the attached Sale-Purchase Agreement. The CITY is not bound by any term or condition in the attached documents, which in any way conflicts with or is additional to the provisions of the Leases, except as otherwise approved herein.

In the event Assignor and Assignee do not complete the Sale and Assignment and Assumption of Leases and Security Deposits per the attached Sale-Purchase Agreement by February 1, 1994, City may at its sole discretion rescind this consent agreement by notifying ASSIGNOR and ASSIGNEE of the fact any time prior to the completion date.

THE CITY OF SAN DIEGO

Dated: Dec. 14/1993

By: [Signature]
Property Director

Approved as to form this 14 day of December, 1993

JOHN W. WITT, CITY ATTORNEY

By: [Signature]
Chief Deputy City Attorney

Assignment Effective 12-17-93

City of San Diego
General Services/Airports Division

FINDING OF MASTER PLAN LAND USE CONFORMANCE

PROJECT: ASSUMPTION & ASSIGNMENT OF LEASES
Lots 6,7 MYF

() CIP
(X) LESSEE (ASSIGNOR) KEARNY MESA REALTY, INC.
ASSIGNEE - San Diego Hospital Association

1. PROJECT DESCRIPTION INCLUDING PROPOSED FUNCTION attach plot plan:

Existing: Three office buildings, retail center and parking
lots. (See attached letter for proposed uses.)

2. MASTER PLAN LAND USE DESIGNATION attach master plan:

Non-Aviation Commercial

Note: Brown Field non-aviation uses limited to those permitted
in the Otay Mesa Industrial Subdistrict

3. JUSTIFICATION OF CONFORMANCE FINDING

Exempt per CEQA Section 15301. Class I, Existing Facilities.
Existing and proposed uses are in compliance with the
Airport Master Plan.

(X) I find that the proposed use (in attached letter) is in
substantial conformance with the Montgomery Field
Master Plan as approved by City Council on July 10, 1984
(last amendment date).

() The _____ project does not conform
to the existing _____ Field Master Plan.
A Master Plan amendment will be required before the project
can be approved by the City.

[Signature]
Deputy Director, Airports Division

12/9/93
Date

CONCURRENCE

[Signature]
Deputy Director, DEP

12/13/93
Date

Recording Requested by:

Commonwealth Land Title Company

When Recorded Mail to:

Commonwealth Land Title Company
455 Market Street
Suite 210
San Francisco, CA 94105
Attn: Foreclosure Department

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE -----
Trustee's Sale Number 70784-DD

NOTICE OF TRUSTEE'S SALE

NOTICE

**YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED June 29, 1987.
UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE
SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE
OF THE PROCEEDING AGAINST YOU, YOU SHOULD CONTACT A LAWYER.**

On December 5, 1991, at 10:00 a.m., Commonwealth Land Title Company, a California corporation, as Trustee under that certain Deed of Trust and Assignment of Rents (the "Deed of Trust"), executed by Montgomery Field, Ltd., a California limited partnership, (the "Trustor"), recorded June 29, 1987 as Instrument Number 87-362116 of Official Records in the office of the County Recorder of San Diego County, California, the Deed of Trust was modified by that certain Amendment to Deed of Trust and Assignment of Rents dated October 31, 1988, and recorded June 2, 1989 as Instrument Number 89-293995 of Official Records in the office of the County Recorder of said County and State, as pursuant to that Notice of Default and Election to Sell thereunder recorded December 20, 1990 as Instrument Number 90-676610 of Official Records in the office of the County Recorder of said County and State, will under and pursuant to said Deed of Trust sell at public auction for cash (payable at the time of sale in lawful money of the United States) to the highest bidder at the South entrance to the County Courthouse, 220 West Broadway, San Diego, California, all that right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County and State described as:

The legal description of the property being sold at this sale is described in Exhibits "A" and "B" which are attached hereto and are made a part hereof by this reference.

The Street address or other common designation, if any, of the real property described above is purported to be:

8525, 8565, 8575, 8665 Gibbs Drive, San Diego, California
8690 Aero Drive, San Diego, California

The undersigned Trustee disclaims any liability for any incorrectness of the street address or other common designation, if any, shown herein.

Name and address of the beneficiary at whose request the sale is being

conducted: Citicorp Real Estate, Inc.; c/o Steefel, Levitt & Weiss; Attn: Clayton B. Gantz; One Embarcadero Center, San Francisco, California 94111; (415) 788-0900

Directions to the property may be obtained pursuant to a written request submitted to the beneficiary within ten (10) days from the first publication of this notice.

Said sale will be made, but without covenant or warranty, express or implied, regarding title, possession or encumbrances, to pay the remaining unpaid balance of the obligations secured by said Deed of Trust, with interest thereon, together with fees and costs incurred, as provided in the instruments evidencing the obligations secured by said Deed of Trust, advances under the terms of said Deed of Trust, fees, charges and expenses of the Trustee and of the trust created by said Deed of Trust. The total amount of the unpaid balance of the obligations secured by the property to be sold and reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Trustee's sale is estimated to be \$13,037,707.13, provided, however, beneficiary's bid at said sale may include all or part of said amount. Prepayment premiums, accrued interest and advances, if any, will increase this figure prior to sale.

The beneficiary under said Deed of Trust heretofore executed and delivered to the undersigned a written Notice of Default and Election to Sell. The undersigned caused said Notice of Default and Election to Sell to be recorded in the county where the real property is located.

Publish: November 15, 1991
November 22, 1991
November 29, 1991

Commonwealth Land Title Company, trustee
455 Market Street
Suite 210
San Francisco, CA 94105
(415) 495-2500

Dated: November 8, 1991

By: Janice Angelot
Janice Angelot, Authorized Signature

EXHIBIT "A"

Leasehold: The leasehold interest in the property described below is held by Montgomery Field, Ltd., a California limited partnership, which was formerly known as Montgomery Field One, a limited partnership. The leasehold interest was created by (a) that certain lease dated July 27, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded March 20, 1979, as File No. 79-115029, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 1; and (b) that certain lease dated June 5, 1978, executed by The City of San Diego, as Lessor, and Montgomery Field One, a limited partnership, as Lessee, and recorded May 27, 1980, as File No. 80-170706, in the Official Records of San Diego County, for the term of 55 years, upon and subject to all of the provisions therein contained, as to Parcel 2.

Fee: At the time that the above-referenced leasehold estate was acquired by Montgomery Field, Ltd., the fee interest in the following real property was held by the City of San Diego.

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ}22'05''$ WEST, 37.00 FEET TO A POINT OF CUSP WITH THE ARC OF A 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY AND BEING THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY WITH THE WESTERLY LINE OF THE EASTERLY 17.00 FEET OF SAID LOT 24; THENCE ALONG SAID WESTERLY LINE, NORTH $00^{\circ}37'55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH $89^{\circ}22'05''$ WEST, 678.57 FEET; THENCE SOUTH $00^{\circ}37'55''$ EAST, 200.00 FEET TO THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, NORTH $89^{\circ}22'05''$ EAST, 678.57 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 24 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 11, 1891, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 24; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ}22'05''$ WEST, 37.00 FEET TO THE POINT CUSP WITH A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, FORMING A PORTION OF JOHN J. MONTGOMERY DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE AS FOLLOWS:

NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE NORTH $00^{\circ}37'55''$ WEST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; AND NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO A POINT OF TANGENCY IN THE SOUTHERLY LINE OF GIBBS DRIVE; THENCE ALONG SAID SOUTHERLY LINE TANGENT TO SAID CURVE SOUTH $89^{\circ}22'05''$ WEST, 678.57 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH $89^{\circ}22'05''$ WEST, 550.57 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY FORMING A PORTION OF GLEN L. CURTIS DRIVE; THENCE ALONG THE BOUNDARY OF SAID DRIVE, LAST ABOVE REFERRED TO, AS FOLLOWS:

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET; TANGENT TO SAID CURVE SOUTH $00^{\circ}37'55''$ EAST, 160.00 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; AND SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$ A DISTANCE OF 31.42 FEET TO THE POINT OF TANGENCY IN THE SOUTHERLY LINE OF SAID LOT 24; THENCE ALONG SAID SOUTHERLY LINE, TANGENT TO SAID CURVE NORTH $89^{\circ}22'05''$ EAST, 550.57 FEET TO A LINE WHICH BEARS SOUTH $00^{\circ}37'55''$ EAST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH $00^{\circ}37'55''$ WEST, 200.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

Together with the rents, issues and profits derived from the real property described in Exhibit A to this Notice of Trustee's Sale (the "Real Property").

All right, title and interest in and to all streets, roads and public places, opened or proposed, adjoining the Real Property, and all appurtenances and rights of way, public or private, now or hereafter created or used in connection with the Real Property.

All improvements (the "Improvements") of every kind and description now or hereafter erected or placed upon or made to the Real Property.

All materials, supplies, fixtures, fittings, appliances, apparatus, equipment, machinery, furnishings, furniture, carpets, drapes, inventory, chattels and other articles of personal property of every description, and replacements of any thereof, now or at any time hereafter owned by Trustor and affixed to or attached to or used in construction upon or used in any other way in connection with or located upon, under or within the Real Property and Improvements [such items as are affixed to and deemed a part of the Real Property or Improvements being hereinafter collectively referred to as the "Fixtures" (such portion of the Fixtures as can be removed without damage thereto or structural damage to the Improvements being hereinafter referred to as the "Removable Fixtures"), the remainder of the foregoing property being the "Personal Property"].

All reversions, remainders, rents, issues, profits and other benefits arising or issuing from, and all leases of, all or any portion of said Real Property, Improvements, Personal Property and Fixtures.

All awards, damages, payments and other compensation (including but not limited to insurance proceeds) received by or payable to Trustor, and all claims of Trustor therefor and rights of Trustor thereto, which may result (i) from any taking of, or damage to, the Real Property, the Improvements, the Personal Property or the Fixtures, or any part thereof or interest therein by reason of any public improvement or condemnation proceeding or in any similar manner (ii) from any damage, injury or destruction in any manner caused to the Real Property, Improvements,

Personal Property of Fixtures, or (iii) from any change of grade or vacation of any street abutting the Real Property. All of the foregoing are to be deemed to be part of the real estate, such that all right, title and interest of the Trustor thereto shall pass absolutely to the purchaser at any trustee's sale or foreclosure sale.

All certificates of occupancy, other governmental permits, and all water stock appurtenant to the Real Property or any portion thereof.

All of Trustor's right, title and interest in and to all insurance policies required to be maintained under the terms of the Deed of Trust or any other instruments or documents delivered by Trustor in connection with the Deed of Trust, or otherwise carried by Trustor covering the Real Property, the Improvements, the Personal Property or the Fixtures, together with all unearned premiums paid thereon and all other benefits received or to be received therefrom.

All refunds of taxes, assessments, levies and other charges, whether governmental or non-governmental, and including but not limited to water and sewer rents and assessments on appurtenant water stock (collectively, the "Tax Refunds").

All of Trustor's (or Trustor's successors' and assigns') right, title and interest now owned or hereafter acquired in and to the following (collectively the "Collateral"):

(A) that certain Assignment of Rents and Leases dated as of June 29, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation and recorded on June 29, 1987 as Instrument No. 87-362117 of Official Records in the office of the County Recorder of San Diego County, California, including, but not limited to any and all lease(s), subleases, licenses, franchises and other agreements connected with the Real Property, the Improvements, the Personal Property or the Fixtures (said lease(s), subleases, licenses, franchises and other agreements connected with uses, occupancy or maintenance together with any and all guarantees, modifications, extensions and renewals thereof being hereinafter collectively referred to as the "Leases");

(B) that certain Security Agreement dated June 29, 1987 by and between Trustor and Citicorp Real Estate,

Inc., a Delaware corporation, including, but not limited to all of the following which shall constitute Collateral before as well as after delivery to the Real Property, regardless of location prior to such delivery:

(i) all presently owned or hereafter acquired construction equipment, construction supplies, carpets, drapes, air conditioning, heating, refrigerating, lighting, plumbing, and ventilating equipment and machines, appliances, other operating machinery and equipment, fixtures, furniture, furnishings and appurtenances of any description, which now are or may hereafter pertain to or be located or used with, in or on the Real Property, and all additions and accessions thereto and replacements therefor;

(ii) all personal property of any description, now owned or hereafter to be acquired by or on behalf of Trustor and used or intended for use in or located on the Real Property or any part thereof, and all additions and accessions thereto and replacements therefor;

(iii) all accounts, contract rights, general intangibles, warehouse receipts and other documents, instruments, and other rights to the payment of money or performance of services, now existing or hereafter arising, in any way relating to the acquisition or sale of the Real Property, or any part thereof, or the construction, sale, lease or other disposition of any improvements thereon, including without limitation construction and architects' contracts, plans and specifications; permits, licenses and approvals, engineering, consulting and management contracts, purchase agreements and deposits, and leases and lease deposits; and

(iv) all proceeds of the foregoing collateral, including whatever is receivable or received when collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto;

(C) That certain Financing Statement Form UCC-1 filed July 14, 1987 as File No. 87171430, California Secretary of State's office;

(D) That certain Financing Statement Form UCC-1 recorded June 29, 1987 as Instrument No. 87-362118, of Official Records in the office of the County Recorder of San Diego County, California;

(E) That certain Assignment of Ceiling Rate Agreement dated as of July 1, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation;

(F) that certain Pledge Agreement (Property Operating Account) dated as of May 24, 1991 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation, including, but not limited to, all of Trustor's right, title and interest now owned or hereafter acquired in and to all sums now or hereafter in that certain deposit account no. 453233972 in the name of Trustor at Security Pacific National Bank, Mission Valley Branch, 591 Camino de la Reina, San Diego, California 92108 and all proceeds and products thereof, whether any or all of the foregoing shall be in the form of cash, cash equivalents, notes, chattel paper, stocks, bonds, instruments, agreements, documents, any form of debt, property of any nature, negotiable certificates of deposit or non-negotiable certificates of deposit; and

(G) that certain UCC-1 Financing Statement filed October 23, 1991 as File No. 91227913, California Secretary of State's office.

Schedule 1

Description of Land

Parcel 1:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to a point of cusp with the arc of a 20.00 foot radius curve, concave Northwesterly and being the True Point of beginning; thence Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency with the Westerly line of the Easterly 17.00 feet of said lot 24; thence along said Westerly line, North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Southwesterly; thence Northwesterly along the arc of said curve, through a central angle of 90°00'00" a distance of 31.42 feet; thence tangent to said curve, South 89°22'05" West, 678.57 feet; thence South 00°37'55" East 200.00 feet to the Southerly line of said Lot 24; thence along said Southerly line, North 89°22'05" East, 678.57 feet to the True Point of beginning.

Parcel 2:

That portion of Lot 24 of New Riverside, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 679, filed in the Office of the County Recorder of San Diego County, August 11, 1891, described as follows:

Commencing at the Southeast corner of said Lot 24; thence along the Southerly line of said Lot 24, South 89°22'05" West, 37.00 feet to the point cusp with a tangent 20.00 foot radius curve, concave Northwesterly forming a portion of John J. Montgomery Drive; thence along the boundary of said drive as follows:

Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet; tangent to said curve North 00°37'55" West, 160.00 feet to the beginning of a tangent 20.00 foot radius curve concave Southwesterly; and Northwesterly along the arc of said curve through a central angle of 90°00'00" a distance of 31.42 feet to a point of tangency in the Southerly line of Gibbs Drive; thence along said Southerly line tangent to said curve South 89°22'05" West, 678.57 feet to the True Point of Beginning; thence continuing along said Southerly line South 89°22'05" West, 550.57 feet to the beginning of a tangent 20.00 foot radius curve, concave Southeasterly forming a portion of Glen L. Curtis Drive; thence along the boundary of said drive, last above referred to, as follows:

Southwesterly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet; tangent to said curve South $00^{\circ}37'55''$ East, 160.00 feet to the beginning of a tangent 20.00 foot radius curve, concave Northeasterly; and Southeasterly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet to the point of tangency in the Southerly line of said Lot 24; thence along said Southerly line, tangent to said curve North $89^{\circ}22'05''$ East, 550.57 feet to a line which beats South $00^{\circ}37'55''$ East from the true Point of beginning; thence North $00^{\circ}37'55''$ West, 200.00 feet to the True Point of Beginning.

EXHIBIT "B"

Together with the rents, issues and profits derived from the real property described in Exhibit A to this Notice of Trustee's Sale (the "Real Property").

All right, title and interest in and to all streets, roads and public places, opened or proposed, adjoining the Real Property, and all appurtenances and rights of way, public or private, now or hereafter created or used in connection with the Real Property.

All improvements (the "Improvements") of every kind and description now or hereafter erected or placed upon or made to the Real Property.

All materials, supplies, fixtures, fittings, appliances, apparatus, equipment, machinery, furnishings, furniture, carpets, drapes, inventory, chattels and other articles of personal property of every description, and replacements of any thereof, now or at any time hereafter owned by Trustor and affixed to or attached to or used in construction upon or used in any other way in connection with or located upon, under or within the Real Property and Improvements [such items as are affixed to and deemed a part of the Real Property or Improvements being hereinafter collectively referred to as the "Fixtures" (such portion of the Fixtures as can be removed without damage thereto or structural damage to the Improvements being hereinafter referred to as the "Removable Fixtures"), the remainder of the foregoing property being the "Personal Property"].

All reversions, remainders, rents, issues, profits and other benefits arising or issuing from, and all leases of, all or any portion of said Real Property, Improvements, Personal Property and Fixtures.

All awards, damages, payments and other compensation (including but not limited to insurance proceeds) received by or payable to Trustor, and all claims of Trustor therefor and rights of Trustor thereto, which may result (i) from any taking of, or damage to, the Real Property, the Improvements, the Personal Property or the Fixtures, or any part thereof or interest therein by reason of any public improvement or condemnation proceeding or in any similar manner (ii) from any damage, injury or destruction in any manner caused to the Real Property, Improvements,

Personal Property of Fixtures, or (iii) from any change of grade or vacation of any street abutting the Real Property. All of the foregoing are to be deemed to be part of the real estate, such that all right, title and interest of of the Trustor thereto shall pass absolutely to the purchaser at any trustee's sale or foreclosure sale.

All certificates of occupancy, other governmental permits, and all water stock appurtenant to the Real Property or any portion thereof.

All of Trustor's right, title and interest in and to all insurance policies required to be maintained under the terms of the Deed of Trust or any other instruments or documents delivered by Trustor in connection with the Deed of Trust, or otherwise carried by Trustor covering the Real Property, the Improvements, the Personal Property or the Fixtures, together with all unearned premiums paid thereon and all other benefits received or to be received therefrom.

All refunds of taxes, assessments, levies and other charges, whether governmental or non-governmental, and including but not limited to water and sewer rents and assessments on appurtenant water stock (collectively, the "Tax Refunds").

All of Trustor's (or Trustor's successors' and assigns') right, title and interest now owned or hereafter acquired in and to the following (collectively the "Collateral"):

(A) that certain Assignment of Rents and Leases dated as of June 29, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation and recorded on June 29, 1987 as Instrument No. 87-362117 of Official Records in the office of the County Recorder of San Diego County, California, including, but not limited to any and all lease(s), subleases, licenses, franchises and other agreements connected with the Real Property, the Improvements, the Personal Property or the Fixtures (said lease(s), subleases licenses, franchises and other agreements connected with uses, occupancy or maintenance together with any and all guarantees, modifications, extensions and renewals thereof being hereinafter collectively referred to as the "Leases");

(B) that certain Security Agreement dated June 29, 1987 by and between Trustor and Citicorp Real Estate,

Inc., a Delaware corporation, including, but not limited to all of the following which shall constitute Collateral before as well as after delivery to the Real Property, regardless of location prior to such delivery:

(i) all presently owned or hereafter acquired construction equipment, construction supplies, carpets, drapes, air conditioning, heating, refrigerating, lighting, plumbing, and ventilating equipment and machines, appliances, other operating machinery and equipment, fixtures, furniture, furnishings and appurtenances of any description, which now are or may hereafter pertain to or be located or used with, in or on the Real Property, and all additions and accessions thereto and replacements therefor;

(ii) all personal property of any description, now owned or hereafter to be acquired by or on behalf of Trustor and used or intended for use in or located on the Real Property or any part thereof, and all additions and accessions thereto and replacements therefor;

(iii) all accounts, contract rights, general intangibles, warehouse receipts and other documents, instruments, and other rights to the payment of money or performance of services, now existing or hereafter arising, in any way relating to the acquisition or sale of the Real Property, or any part thereof, or the construction, sale, lease or other disposition of any improvements thereon, including without limitation construction and architects' contracts, plans and specifications; permits, licenses and approvals, engineering, consulting and management contracts, purchase agreements and deposits, and leases and lease deposits; and

(iv) all proceeds of the foregoing collateral, including whatever is receivable or received when collateral or proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto;

(C) That certain Financing Statement Form UCC-1 filed July 14, 1987 as File No. 87171430, California Secretary of State's office;

(D) That certain Financing Statement Form UCC-1 recorded June 29, 1987 as Instrument No. 87-362118, of Official Records in the office of the County Recorder of San Diego County, California;

(E) That certain Assignment of Ceiling Rate Agreement dated as of July 1, 1987 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation;

(F) that certain Pledge Agreement (Property Operating Account) dated as of May 24, 1991 by and between Trustor and Citicorp Real Estate, Inc., a Delaware corporation, including, but not limited to, all of Trustor's right, title and interest now owned or hereafter acquired in and to all sums now or hereafter in that certain deposit account no. 453233972 in the name of Trustor at Security Pacific National Bank, Mission Valley Branch, 591 Camino de la Reina, San Diego, California 92108 and all proceeds and products thereof, whether any or all of the foregoing shall be in the form of cash, cash equivalents, notes, chattel paper, stocks, bonds, instruments, agreements, documents, any form of debt, property of any nature, negotiable certificates of deposit or non-negotiable certificates of deposit; and

(G) that certain UCC-1 Financing Statement filed October 23, 1991 as File No. 91227913, California Secretary of State's office.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Steefel, Levitt & Weiss
One Embarcadero Center
Suite 2900
San Francisco, California 94111
Attention: Clayton B. Gantz, Esq.

ASSIGNMENT

Dated as of December 10, 1991

CITICORP REAL ESTATE, INC., a Delaware corporation (the "Assignor"), and KEARNY MESA REALTY INC., a California (the "Assignee"), hereby agree as follows:

The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, all of the Assignor's rights under (i) that certain Loan Agreement (the "Loan Agreement") dated June 29, 1987 made by and between Assignor and Montgomery Field, Ltd., a California general partnership (the "Borrower"), (ii) that certain Note made by Montgomery Field, Ltd., a California general partnership (the "Borrower"), dated June 29, 1987 in the original principal amount of \$11,100,000, as amended by that certain Amendment to Note dated as of October 31, 1988 increasing the original principal amount to \$11,700,000, (as amended, replaced or otherwise modified, the "Note"), (iii) that certain Deed of Trust and Assignments of Rents dated June 29, 1987, executed by Borrower, as Trustor, recorded on June 29, 1987 in the Official Records, San Diego County, California as Instrument No. 87-362116 as amended by that certain Amendment to Deed of Trust and Assignments of Rents dated October 31, 1988, executed by Borrower and Assignor, recorded on June 2, 1989 in the Official Records, San Diego County, California as Instrument No. 89-293995, (iv) that certain Assignment of Rents and Leases dated June 29, 1987, executed by Borrower and recorded on June 29, 1987 in the Official Records, San Diego County, California as Instrument No. 87-362117 as amended by that certain Amendment to Assignments of Rents and Leases dated October 31, 1988, executed by Borrower and Assignor, recorded on June 2, 1989 in the Official Records, San Diego County, California as Instrument No. 89-293996, and (v) all other documents, instruments and agreements executed and/or delivered by Borrower to evidence, secure or guarantee any of Borrower's obligations under the Loan Agreement, the Note, the Deed of Trust or any other document executed in connection

This Assignment shall be effective as of 9:00 AM (Pacific Standard Time) on December 10, 1991. This Assignment may be executed by one or more of the parties hereto in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement.

2

STATE OF California

COUNTY OF

SAN FRANCISCO

SS.

On December 6, 91, before me, a Notary Public in and for the State of California, personally appeared Philip E. Lombardi; VP, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he or she executed the same in his/her authorized capacity(ies), and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Willie Gibson
Notary Public, State of California

1826.A97187



One Sansome St., 28th Floor, San Francisco, CA 94104

STATE OF California

COUNTY OF

SAN FRANCISCO

SS.

On December 6, 1991, before me, a Notary Public in and
David Chauling, Jr., personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he or she executed the same in his/her
authorized capacity(ies), and that by his/her signature on the
instrument the person, or the entity upon behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal

Willie Gibson
Notary Public, State of California



One Sansome St., 28th Floor, San Francisco, CA 94104

RECEIVED

JAN 23 1991

PROPERTY DEPT.

Recording Requested by:

Citicorp Real Estate, Inc.

Recorded: 12-20-90
Instrument #90-676610
San Diego County Records

By: David A. Brown
David A. Brown
Commonwealth Land Title Co.

When Recorded Mail To:
Commonwealth Land Title
Insurance Company
455 Market Street
Suite 210
San Francisco, California 94105

----- SPACE ABOVE THIS LINE FOR RECORDER'S USE --
Trustee's Sale Number 70784-D1

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

IMPORTANT NOTICE

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$ 699,774.62 as of December 19, 1990, and will increase until your account becomes current. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay the amount stated above.

However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the Notice of Sale is posted (which may not be earlier than the end of the three-month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor.

To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

Citicorp Real Estate, Inc.
c/o Steefel, Levitt & Weiss
Attn: Clayton B. Gantz
One Embarcadero Center
San Francisco, California 94111
(415) 788-0900

If you have any questions, you should contact a lawyer or the government agency which may have insured your loan.

Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.

NOTICE IS HEREBY GIVEN:

That Commonwealth Land Title Company, a California corporation (the "Trustee"), is duly appointed successor Trustee under that certain Deed of Trust and Assignment of Rents (the "Trust Deed") executed by Montgomery Field, Ltd., a California limited partnership (the "Trustor"), to secure certain obligations in favor of Citicorp Real Estate, Inc., a Delaware subsidiary of a national banking association, as beneficiary (the "Beneficiary"), dated June 29, 1987, and recorded June 29, 1987 as Instrument Number 87-362116 of Official Records in the office of the County Recorder of San Diego County, California, and that

The Trust Deed was modified by that certain Amendment to Deed of Trust and Assignment of Rents dated October 31, 1988, and recorded June 2, 1989 as Instrument Number 89-293995 of Official Records in the office of the County Recorder of said County and State (the "Amendment"), and that the Trust Deed and the Amendment are collectively referred to herein from time to time as the "Deed of Trust", and that

The Deed of Trust encumbers certain property more particularly described therein (the "Trust Property"), and that

The Deed of Trust secures the payment of and the performance of certain obligations including, but not limited to, the obligations set forth in (1) that certain Note dated June 29, 1987 with a face amount of \$11,100,000.00 (the "Promissory Note"), and (2) that certain Amendment to Note dated October 31, 1988 (the "Amendment"), and that the Amendment evidenced an increase in the principal balance of the Promissory Note to \$11,700,000.00, and that

The Promissory Note and the Amendment are collectively referred to herein from time to time as the "Note", and that

A breach of, and default in, the obligations for which the Deed of Trust is security has occurred in that the Trustor (and/or its successor in interest with respect to the Trust Property) has:

(1) failed to pay the sums more particularly described in Exhibit A attached hereto and made a part hereof;

(2) failed, or shall hereafter fail, to pay all other and subsequent interest and/or principal together with late charges and any and all other obligations and indebtedness as may become due pursuant to or under the Note and/or the Deed of Trust and not performed and/or paid including, without limitation, reimbursement to the Beneficiary and/or the Trustee of any of the following fees, costs and expenses heretofore or hereafter incurred, suffered or paid by the Beneficiary and/or the Trustee in connection with the Note, the Deed of

Trust, the Trustor (and/or its successor in interest with respect to the Trust Property) or the Trust Property:

- (a) attorney's fees and costs including, without limitation, those incurred in connection with foreclosure of the Deed of Trust, appointment of a receiver with respect to the Trust Property, litigation over the amount, validity, enforcement or priority of the Note, the Deed of Trust, or commencement of an action or proceeding for relief from any bankruptcy court or other judicial or administrative stay, order or injunction, and all other such matters;
- (b) real and/or personal property taxes, or payments under or with respect to prior or junior liens or encumbrances, insurance premiums and all other such matters;
- (c) protection, preservation, repairs, restoration or completion of the Trust Property, and all other such matters;
- (d) compliance with any applicable laws, regulations or orders, and all other such matters;
- (e) Trustee's fees, trustee's sale guarantee premiums, and other foreclosure costs, and all other such matters; and that

It is the intention of the Beneficiary to include herein all delinquent sums or obligations now or hereafter secured by and under the Deed of Trust, whether presently known or unknown, and whether or not specifically set forth herein, and that

Beneficiary hereby elects to conduct a unified foreclosure sale pursuant to the provisions of California Commercial Code Section 9501(4)(a)(ii) and to include in the nonjudicial foreclosure of the estate described in this Notice of Default and Election to Sell all of the personal property and fixtures described in the Deed of Trust. Beneficiary reserves the right to revoke its election as to some or all of said personal property and/or fixtures, or to add additional personal property and/or fixtures to the election herein expressed, at Beneficiary's sole election, from time to time and at any time until the consummation of the trustee's sale to be conducted pursuant to the Deed of Trust and this Notice of Default and Election to Sell, and that

By reason of the above defaults, the Beneficiary has declared all sums secured by the Deed of Trust immediately due and payable and has elected and does hereby elect to cause the Trust Property to be sold to satisfy the obligations secured thereby.

Dated: October 19, 1990

Commonwealth Land Title Company, Trustee

By: David A. Brown
David A. Brown

Exhibit A to Notice of Default and Election to Sell Under Deed
of Trust

TS Number 70784

Breakdown of Defaulted Sums

1a. failed to pay the installment due September 1, 1990, and all subsequent installments, which installments total, in the aggregate amount, \$500,377.47;

1b. failed to the late charge due after September 1, 1990, and all subsequent late charges, which late charges total, in the aggregate amount, \$17,441.72;

1c. failed to pay Default Rate interest, as defined in the Note, in the amount of \$181,955.43 as of December 19, 1990;