



Real Estate Assets Department
SDC003

Document Type

LEGAL DOCUMENTS



Sub - Category

ASSIGNMENTS



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) entered into with Stephen B. Drogin, dated September 21, 1971, and filed in the Office of the City Clerk as Document 737414, consented to the assignment of the Master Lease to Julie Anne Drogin, in accordance with the terms and conditions of the Assignment of Lease dated July 29, 1982. City subsequently consented to the second assignment of the Master Lease from Julie Anne Drogin to Alexander Court Trust, in accordance with the terms and conditions of the Assignment of Lease dated September 10, 1996.

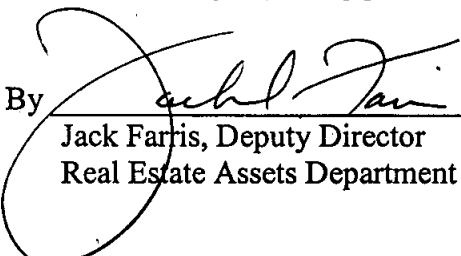
City hereby consents to the third assignment of the Master Lease from Alexander Court Trust to Alexander Court Properties, L.P., in accordance with the terms and conditions of the attached Assignment of Lease dated November 21, 2003. City is merely approving Alexander Court Properties, L.P., as the assignee, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the attached Assignment of Lease. City is not bound by any term or condition of said Assignment of Lease which in any way conflicts with or is additional to the provisions of the Master Lease.

Date

2/2/04

THE CITY OF SAN DIEGO

By


Jack Farris, Deputy Director
Real Estate Assets Department

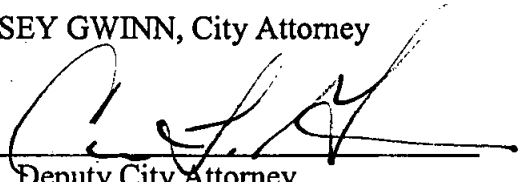
APPROVED AS TO FORM AND LEGALITY

CASEY GWINN, City Attorney

Date

2/17/04

By


Deputy City Attorney

PTC/cdj

Attachment

ASSIGNMENT OF LEASE

THIS AGREEMENT is made as of the twenty-first day of November, 2003, by and between Julie Anne Wagner, formerly Julie Anne Drogin, and Gary Robert Wagner, Trustees, U.D.T. dated September 10, 1996, the Alexander Court Trust, hereinafter called "Third Lessee" or "Assignor" and Alexander Court Properties, L.P., a California Limited Partnership, hereinafter called "Fourth Lessee" or "Assignee".

Recitals

1. THE CITY OF SAN DIEGO, as Lessor and Stephen B. Drogin, as Lessee, executed a Lease Agreement on September 21, 1971, and subsequently recorded the Lease Agreement on November 11, 1971, File/Page No. 269906, in the Office of the County Recorder of San Diego County, California. By the terms of the Lease Agreement, the real property described in Exhibit "A", attached hereto and incorporated herein, was leased to Stephen B. Drogin for a term of 55 years, commencing September 21, 1971;

2. Stephen B. Drogin, as Lessee, and Julie Anne Drogin, as Second Lessee, executed an Assignment of Lease ("Initial Assignment"), which Initial Assignment was consented to by the City of San Diego on January 23, 1983, and subsequently filed for record as Document No. 768625 on January 26, 1983 in the Office of the City Clerk, San Diego, California. By the terms of the Initial Assignment, the Lease Agreement for the real property described in Exhibit "A" was transferred from Lessee to the Second Lessee.

3. Julie Anne Drogin, as Second Lessee, and Julie Anne Drogin and Gary Robert Wagner, Trustees U.D.T. September 10, 1996, the Alexander Court Trust, as Third Lessee, executed an Assignment of Lease ("Second Assignment"), which Second Assignment was consented to by the City of San Diego on February 27, 1997. By the terms of the Second Assignment, the Lease Agreement for the real property described in Exhibit "A" was transferred from the Second Lessee to the Third Lessee.

4. Assignor (the Third Lessee) now desires to assign the Lease Agreement to the Assignee (the Fourth Lessee), and the Assignee desires to accept the assignment of the Lease Agreement.

Assignment

5. For value received, Assignor hereby assigns and transfers to Assignee all of its rights, titles and interests in and to the Lease Agreement hereinafter described and Assignee hereby agrees to and does accept the assignment and expressly assumes and agrees to keep, perform and fulfill all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor, as Lessee thereunder, including the making of all payments due to or payable on behalf of Lessor under said Lease Agreement when due and payable, and to hold Assignor harmless from all liabilities thereunder.

EXECUTED at St. Helena, California, as of the day and year first above written.

ASSIGNOR:

Alexander Court Trust U.D.T. dated September 10, 1996

By: Julie Anne Wagner
Julie Anne Wagner, formerly Julie Anne
Drogin, Trustee

By: Gary Robert Wagner
Gary Robert Wagner, Trustee

ASSIGNEE:

Alexander Court Properties, L.P., a California Limited
Partnership

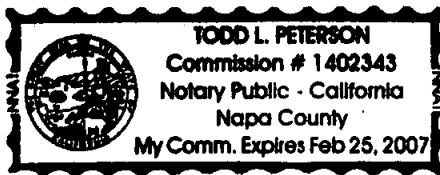
By: Julie Anne Wagner
Julie Anne Wagner, a General Partner

By: Gary Robert Wagner
Gary Robert Wagner, a General Partner

STATE OF CALIFORNIA)
) SS.
COUNTY OF NAPA)

On December 11, 2003, before me, Todd L. Peterson,
a Notary Public in and for said state, personally appeared Gary Robert Wagner and Julie Anne
Wagner, 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.



Todd L. Peterson
Notary Public in and for said State

All-Purpose Acknowledgement

State of California
 County of San Diego
 On 9/14/2003 before me, STEPHEN L. GEITZ, Notary Public,
A, personally appeared
CAROL A. CHODO

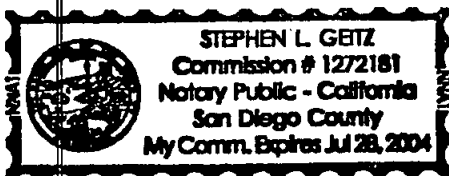
CAPACITY CLAIMED BY
SIGNER

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER(S) _____
 TITLES(S) _____
- ☐ PARTNER(S)
- ☐ LIMITED
☐ GENERAL
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/
 CONSERVATOR
- ☐ OTHER: _____

☒ personally known to me -OR-

~~I 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~~
~~persons acted, executed the~~
~~instrument.~~

SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR
 ENTITY(IES)



Witness my hand and official
 seal.

Stephen L. Geitz

SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE
 MUST BE ATTACHED
 TO THE DOCUMENT
 DESCRIBED AT RIGHT:

Title or Type of Document Landlord's Consent

Number of Pages 6 Date of Document N/A

Signer(s) Other than Named Above N/A

All-Purpose Acknowledgement

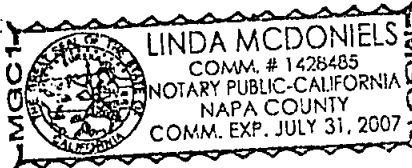
State of California

County of Napa

On 9/9/07 before me, the undersigned, personally appeared Julie Ann Drogos & Gary Robert Wagner

☐ 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 persons acted, executed the instrument.



Witness my hand and official seal.

[Signature]
SIGNATURE OF NOTARY

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER(S) _____
TITLES(S) _____
- ☐ PARTNER(S)
- ☐ LIMITED
☐ GENERAL
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/ CONSERVATOR
- ☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR
ENTITY(IES)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT RIGHT:

Title or Type of Document _____

Number of Pages _____ Date of Document _____

Signer(s) Other than Named Above _____

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) entered into with Stephen B. Drogin (LESSEE), dated September 21, 1971 and filed in the Office of the City Clerk as Document 737414; consented to the assignment of the Master Lease to Julie Anne Drogin (ASSIGNEE) in accordance with the terms and conditions set out in the Assignment of Lease Agreement entered into by lessee and said Assignee, dated July 29, 1982.

JULIE ANN DROGIN (ASSIGNOR) has now consented to the assignment of Master Lease to ALEXANDER COURT TRUST (ASSIGNEE) in accordance with the terms and conditions set out in the attached Assignment of Lease Agreement (Declaration of Alexander Court Trust) entered into by ASSIGNOR and said ASSIGNEE, dated September 10, 1996 and in accordance with additional conditions stated below.

Said Assignment of lease agreement shall be subordinate to the Master Lease in all respects. The City is merely approving ALEXANDER COURT TRUST as the ASSIGNEE and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the assignment documents (Declaration of Alexander Court Trust). The CITY is not bound by any term or condition in this assignment which in any way conflicts with or is additional to the provisions of the Master Lease.

THE CITY OF SAN DIEGO

Date Feb. 27, 1997

By Jane E. Vickers
Jane E. Vickers, Acting Deputy Director
Real Estate Assets Department

APPROVED AS TO FORM
AND LEGALITY

CASEY GWINN, City Attorney

Date March 6, 1997

By [Signature]
Deputy City Attorney

JEV:CMR:csn
02/19/97

Attachment

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this tenth day of September, 1996 by and between Julie Anne Drogin, an individual, hereinafter called "Assignor," and Julie Anne Drogin and Gary Robert Wagner, Trustees, U.D.T. dated September 10, 1996, the Alexander Court Trust, hereinafter called "Assignee."

Recitals

1. THE CITY OF SAN DIEGO, as Lessor, and Stephen B. Drogin, as Lessee, executed a Lease Agreement on September 21, 1971, and subsequently recorded the Lease Agreement on November 11, 1971, File/Page No. 269906, in the Office of the County Recorder of San Diego County, California. By the terms of the Lease Agreement, the real property described in Exhibit "A", attached hereto and incorporated herein, was leased to Assignor as Lessee for a term of fifty-five (55) years, commencing on September 21, 1971.

2. Stephen B. Drogin, as Lessee, and Julie Anne Drogin, as Assignor, executed an Assignment of Lease ("Initial Assignment"), which Initial Assignment was consented to by the City of San Diego on January 23, 1983, and subsequently filed for record as Document No. 768625 on January 26, 1983 in the Office of the City Clerk, San Diego, California. By the terms of the Initial Assignment, the Lease Agreement for the real property described in Exhibit "A", attached hereto and incorporated herein, was transferred from Lessee to Assignor.

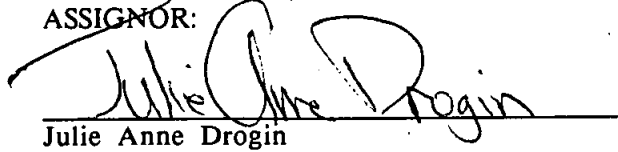
3. Assignor now desires to assign the Lease Agreement to Assignee, and Assignee desires to accept the assignment thereof.

Assignment

4. For value received, Assignee hereby assigns and transfers to Assignee all of her right, title and interest in and to the Lease Agreement hereinbefore described and Assignee hereby agrees to and does accept the assignment and expressly assumes and agrees to keep, perform and fulfill all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by Assignor as Lessee thereunder, including the making of all payments due to or payable on behalf of Lessor under said Lease Agreement when due and payable, and to hold Assignor harmless from all liabilities thereunder.

EXECUTED at San Diego, California, on the day and year first above written.

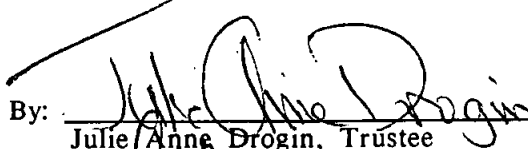
ASSIGNOR:


Julie Anne Drogin

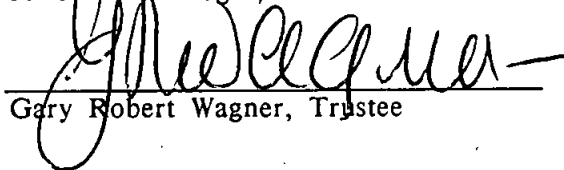
ASSIGNEE:

Alexander Court Trust, U.D.T. dated September 10, 1996

By:


Julie Anne Drogin, Trustee

By:


Gary Robert Wagner, Trustee

DECLARATION OF ALEXANDER COURT TRUST

Julie Anne Drogin and Gary Robert Wagner referred to in this instrument as "Trustee," hereby declare that Julie Anne Drogin and Gary Robert Wagner referred to in this instrument as the "Creators," have transferred and delivered to the Trustee without consideration the property described in Schedule A attached hereto. The term "Creator One" as used herein, and the term "Creator Two" as used herein, shall refer respectively to Julie Anne Drogin and Gary Robert Wagner.

Property subject to this instrument listed in Schedule A is referred to as the "Trust Estate" and shall be held, administered, and distributed in accordance with this instrument.

ARTICLE I RIGHTS RESERVED BY CREATORS

1. During the joint lifetimes of the Creators, this trust may be revoked in whole or in part with respect to separate property by an instrument in writing signed by the Creator who contributed that property to the trust, delivered to the Trustee. On revocation with respect to separate property, the Trustee shall promptly deliver to the contributing Creator all of the designated portion of that property. If this instrument is revoked with respect to all or a major portion of the assets subject to the instrument, the Trustee shall be entitled to retain sufficient assets reasonable to secure payment of liabilities lawfully incurred by the Trustee in the administration of the trust, including Trustee's fees that have been earned, unless the Creators shall indemnify the Trustee against loss or expense.

2. The Creators may at any time during their joint lifetimes amend any of the terms of this instrument by an instrument in writing signed by both Creators and delivered to the Trustee. No amendment shall substantially increase the duties or liabilities of the Trustee or change the Trustee's compensation without the Trustee's consent, nor shall the Trustee be obligated to act under such an amendment unless the Trustee accepts it. If a Trustee is removed, the Creators shall pay to the Trustee any sums due and shall indemnify the Trustee against liability lawfully incurred by the Trustee in the administration of the trusts.

3. On the death of the first Creator to die, the surviving Creator shall have the power to amend, revoke, or terminate Trust A, but the surviving Creator shall not have the power to amend, revoke, or terminate Trust B. On revocation or termination of Trust A, all its assets shall be delivered to the surviving Creator. Upon the death of Gary Robert Wagner, Gary Robert Wagner's Trust may not be amended, revoked, or terminated, but if Julie Anne Drogin should survive Gary Robert Wagner, then Julie Anne Drogin's Trust may be amended, revoked, or terminated by Julie Anne Drogin. Upon the death of Julie Anne Drogin, Julie Anne Drogin's Trust may not be amended, revoked, or terminated, but if Gary Robert Wagner should survive Julie Anne Drogin, then Gary Robert Wagner's Trust may be amended, revoked, or terminated by Gary Robert Wagner. On the death of the surviving Creator, none of the trusts may be amended, revoked, or terminated.

4. The powers of the Creators to revoke or amend this instrument are personal to them and shall not be exercisable in their behalf by any guardian, conservator, or other person, except that revocation or amendment may be authorized, after notice to the Trustee, by the court that appointed the guardian or conservator, or may be made by an individual appointed by a Creator to act as an attorney-in-fact for that Creator if, and only if, the power of attorney (general or limited) executed by that Creator specifically states that the attorney-in-fact may amend or revoke this trust. Upon the death of both the Creators, the entire trust shall be irrevocable and not subject to alteration or amendment.

ARTICLE II
DISTRIBUTION OF INCOME AND PRINCIPAL

1. During the joint lifetime of the Creators, the Trustee shall pay to, or shall apply for the benefit of each Creator, the entire income of the portion of the Trust Estate consisting of the separate property of that Creator, in monthly or other convenient installments but in any event at least once annually, together with any part of the portion of the principal of the Trust Estate consisting of the separate property of that Creator requested to be distributed by that Creator. In addition, if the net income distributed to a Creator shall be insufficient in the discretion of the Trustee to provide for the proper support, care, comfort, welfare, health, and education, in accordance with the accustomed manner of living of such Creator, the Trustee may pay to, or apply for the benefit of, that Creator as much of the separate property of that Creator in the Trust Estate to provide for the proper support, care, comfort, welfare, health, and education, in accordance with the accustomed manner of living of such Creator.

2. Upon the death of the first of the Creators to die, the Trustee shall divide the Trust Estate into two (2) separate and distinct trusts, hereinafter referred to respectively as "Trust A" and "Trust B".

Trust A shall consist of: (i) the surviving Creator's separate property, and (ii) all other property of the surviving Creator added to this trust.

Trust B shall consist of: (i) the deceased Creator's separate property, and (ii) all other property of the deceased Creator added to this trust.

The selection of assets in making distributions or allocations between Trusts A and B shall not be subject to question by any beneficiary.

All gift or estate taxes including interest and penalties thereon which shall be payable by reason of the death of such deceased Creator and which shall be chargeable to the Trust Estate or property being added to it, together with the last illness and funeral expenses of the deceased Creator, and with the attorneys' fees and other costs incurred in the administration of the deceased Creator's probate estate, shall be paid out of the principal of Trust B.

Payment of any of deceased Creator's debts shall be charged against each trust in accordance with California law in effect at the date of the deceased Creator's death.

On the death of the surviving Creator and subject to any power of appointment exercised by the survivor, the Trustee may in the Trustee's discretion pay out of the principal of Trust A or, if it has been exhausted, out of Trust B, the surviving Creator's debts, last illness and funeral expenses, attorneys' fees, other costs incurred in administering the surviving Creator's probate estate, and estate and gift taxes, including interest and penalties arising on the death of the surviving Creator.

Death taxes paid by the Trustee shall not be charged against or collected from any beneficiary of the Trust Estate or any transferee of property outside of the Trust Estate.

During the surviving Creator's lifetime, the surviving Creator shall have the power to require the Trustee to make all or part of the principal of Trust A productive or to convert promptly any unproductive part into productive property. This power shall be exercised by the surviving Creator in a written instrument delivered to the Trustee.

If Creator One should predecease Creator Two, then "Julie Anne Drogin's Trust" shall refer to all of the Trust Estate in Trust B, and "Gary Robert Wagner's Trust" shall refer to all of the Trust Estate in Trust A.

If Creator Two should predecease Creator One, then "Gary Robert Wagner's Trust" shall refer to all of the Trust Estate in Trust B, and "Julie Anne Drogin's Trust" shall refer to all of the Trust Estate in Trust A.

Trust A shall be held, managed and distributed as follows:

A. The Trustee shall pay to the surviving Creator the entire net income of Trust A for and during the surviving Creator's lifetime, in monthly or other convenient installments but in any event at least once annually.

B. In addition to the payments of income to which such surviving Creator is entitled under this trust, the surviving Creator shall have the power exercisable by an instrument in writing during the surviving Creator's lifetime to withdraw from time to time any portion of the principal and undistributed net income of Trust A for the surviving Creator's own use and benefit.

C. If the net income of Trusts A and B together with the other income and resources of the surviving Creator of which the Trustee has actual knowledge, shall be insufficient in the discretion of the Trustee to provide for the reasonable support, care, health and education of such beneficiary, the Trustee may pay to such beneficiary or apply for the surviving Creator's benefit so much of the principal up to and including the whole of Trust A as the Trustee may deem advisable.

D. Upon the death of the surviving Creator, the Trustee shall distribute the balance then remaining, if any, of Trust A (including both principal and any accrued or undistributed income) to such one or more persons and entities including the surviving Creator's own estate and on such terms and conditions, either outright or in trust, as the surviving Creator shall appoint by a Will, a Codicil or any other separate instrument filed with the Trustee, which specifically refers to and exercises the power of appointment granted herein (whether such Will, Codicil or instrument is executed before or after the death of the deceased Creator). Any of Trust A not effectively appointed in this manner shall be added to the Trust Estate and distributed pursuant to Article II, Paragraph 3 or 4, whichever is applicable; but the Trustee in that event may, in its discretion, first pay out of the principal of Trust A not so appointed the last illness and funeral expenses and other obligations incurred for the support of such surviving Creator, and any gift or estate taxes including interest and penalties thereon attributable to Trust A by reason of such death.

Trust B shall be held, managed and distributed as follows:

A. The Trustee shall pay to the surviving Creator the entire net income of Trust B for and during the surviving Creator's lifetime, in monthly or other convenient installments but in any event at least once annually.

B. If the net income of Trusts A and B together with the other income and resources of the surviving Creator of which the Trustee has actual knowledge, shall be insufficient in the discretion of the Trustee to provide for the reasonable support, care, health and education of such beneficiary, the Trustee may pay to such beneficiary or apply for the surviving Creator's benefit so much of the principal up to and including the whole of Trust B as the Trustee may deem advisable; provided, however, no such payment shall be made from Trust B until the principal of Trust A has been exhausted.

C. Upon the death of the surviving Creator, the Trustee shall add the balance then remaining, if any, of Trust B (including both principal and any accrued or undistributed income) to the Trust Estate and it shall be distributed pursuant to Article II, Paragraph 3 or 4, whichever is applicable.

3. Upon the deaths of both Creators, the Trust Estate of Julie Anne Drogin's Trust shall be held, managed and distributed as follows:

A. The Trustee shall distribute the Trust Estate of Julie Anne Drogin's Trust in equal shares to Michael Patrick Drogin and Laura Anne Lee upon the principle of representation, except that any portion thereof distributable to a beneficiary under the age of twenty-five (25) years shall be held in trust as a separate trust for such beneficiary by the Trustee of this trust, with all of the powers and discretions had with respect to this trust generally:

(1) Net income and principal of the trust shall be applied for the benefit of, or paid to, such beneficiary as the Trustee in its absolute discretion deems necessary for the proper support, care, maintenance and education of any or all of such beneficiaries and to the extent net income is not paid to, or applied for the benefit of such beneficiaries it shall be added to the principal of the trust for such beneficiary. In making any of the disbursements mentioned herein, the Trustee shall take into consideration, to the extent it deems advisable, any other income or resources of such

beneficiary known to the Trustee. The Trustee may pay to such beneficiary or apply for the benefit of such beneficiary so much of the principal up to and including the whole of the respective trust as the Trustee may deem advisable. The "education" of a beneficiary shall include high school, college, university or post-graduate studies as a full time student or as a candidate for a degree from such education. Julie Anne Drogin advises that she believes that where practical, a complete education is of more importance than having funds available at a later date, and therefore, the Trustee has been requested to exercise its discretion in a very liberal manner insofar as the education of a beneficiary is concerned, including undergraduate, graduate and post-graduate studies and academic and/or vocational nature when pursued to advantage by that beneficiary at an accredited institution of its choice. Julie Anne Drogin requests the Trustee to be liberal and generous in their distribution of the income and principal of the Trust Estate, and to provide for the food, clothing, health, recreation, education and housing needs of a beneficiary and for the reasonable and necessary additional costs which may have to be borne by the legal guardian of a beneficiary in order to properly care and provide for them.

(2) Upon the death of a beneficiary for whom a trust is then held, such trust shall be distributed equally to the then living lawful issue of such deceased beneficiary upon the principle of representation, but should no such issue then be surviving, such trust shall be distributed equally to the other issue of Julie Anne Drogin upon the principle of representation, except that any portion of such trust distributable to a beneficiary who is under the age of twenty-five (25) years shall be held in trust as a separate trust for such beneficiary by the Trustee of this trust with all of the powers and discretions had with respect to this trust generally, unless such portion of such trust be so distributable to an individual for whom a trust created under this instrument is then held by the Trustee, in which event such portion so distributable shall be added to and go to augment such trust.

(3) Any beneficiary upon attaining the age of twenty-five (25) years may withdraw the entire trust then held for such beneficiary. Any portion subject to withdrawal at any age shall thereafter be held by the Trustee in a separate fund from which withdrawals may be made at any time.

(4) Anything herein to the contrary notwithstanding, if any trust shall have a balance of less than \$25,000 and the respective beneficiary benefiting from such trust has attained the age of twenty-one (21) years, said beneficiary may withdraw the entire trust then held for such beneficiary.

B. Unless terminated at an earlier date under the foregoing provisions, this trust shall cease on a date which is twenty-one (21) years after the death of the last survivor of the beneficiaries hereof in being at the time of the death of the first Creator to die; or those living on a date prior thereto when the trust becomes irrevocable, if that event shall occur first. Upon such termination, each of the trusts then remaining shall go and be distributed to the person then entitled to the income therefrom.

C. Any of the trust estate not disposed of under the foregoing provisions shall be distributed to the legal heirs of Julie Anne Drogin, their identities and respective shares to be determined in all respects as though the death of Julie Anne Drogin had occurred immediately following the happening of the event requiring such distribution

and according to the laws of succession of the State of California then in force relating to the succession of separate property.

D. The now living children of the Julie Anne Drogin are: Michael Patrick Drogin and Laura Anne Lee.

E. No interest in the principal or income of any trust created under this instrument shall be anticipated, assigned, or encumbered, or subject to any creditor's claim or legal process, prior to its actual receipt by a beneficiary.

4. Upon the deaths of both Creators, the Trust Estate of Gary Robert Wagner's Trust shall be held, managed and distributed as follows:

A. The Trustee shall distribute the Trust Estate of Gary Robert Wagner's Trust in equal shares to Sarah Elizabeth Yazvac and Gary R. C. Wagner upon the principle of representation, except that any portion thereof distributable to a beneficiary under the age of twenty-five (25) years shall be held in trust as a separate trust for such beneficiary by the Trustee of this trust, with all of the powers and discretions had with respect to this trust generally:

(1) Net income and principal of the trust shall be applied for the benefit of, or paid to, such beneficiary as the Trustee in its absolute discretion deems necessary for the proper support, care, maintenance and education of such beneficiary and to the extent net income is not paid to, or applied for the benefit of such beneficiary it shall be added to the principal of the trust for such beneficiary. In making any of the disbursements mentioned herein, the Trustee shall take into consideration, to the extent it deems advisable, any other income or resources of such beneficiary known to the Trustee. The Trustee may pay to such beneficiary or apply for the benefit of such beneficiary so much of the principal up to and including the whole of the respective trust as the Trustee may deem advisable. The "education" of a beneficiary shall include high school, college, university or post-graduate studies as a full time student or as a candidate for a degree from such education. Gary Robert Wagner advises that he believes that where practical, a complete education is of more importance than having funds available at a later date, and therefore, the Trustee has been requested to exercise its discretion in a very liberal manner insofar as the education of a beneficiary is concerned, including undergraduate, graduate and post-graduate studies and academic and/or vocational nature when pursued to advantage by that beneficiary at an accredited institution of its choice. Gary Robert Wagner requests the Trustee to be liberal and generous in their distribution of the income and principal of the Trust Estate, and to provide for the food, clothing, health, recreation, education and housing needs of a beneficiary and for the reasonable and necessary additional costs which may have to be borne by the legal guardian of a beneficiary in order to properly care and provide for them.

(2) Upon the death of a beneficiary for whom a trust is then held, such trust shall be distributed equally to the then living lawful issue of such deceased beneficiary upon the principle of representation, but should no such issue then be surviving, such trust shall be distributed equally to the other issue of Gary Robert Wagner upon the principle of representation, except that any portion of such trust distributable to a beneficiary who is under the age of twenty-five (25) years shall be held in trust as a separate trust for such beneficiary by the Trustee of this trust with all of the powers and

discretions had with respect to this trust generally, unless such portion of such trust be so distributable to an individual for whom a trust created under this instrument is then held by the Trustee, in which event such portion so distributable shall be added to and go to augment such trust.

(3) Any beneficiary upon attaining the age of twenty-five (25) years may withdraw the entire trust then held for such beneficiary. Any portion subject to withdrawal at any age shall thereafter be held by the Trustee in a separate fund from which withdrawals may be made at any time.

(4) Anything herein to the contrary notwithstanding, if any trust shall have a balance of less than \$25,000 and the respective beneficiary benefiting from such trust has attained the age of twenty-one (21) years, said beneficiary may withdraw the entire trust then held for such beneficiary.

B. Unless terminated at an earlier date under the foregoing provisions, this trust shall cease on a date which is twenty-one (21) years after the death of the last survivor of the beneficiaries hereof in being at the time of the death of the second Creator to die; or those living on a date prior thereto when the trust becomes irrevocable, if that event shall occur first. Upon such termination, each of the trusts then remaining shall go and be distributed to the person then entitled to the income therefrom.

C. Any of the trust estate not disposed of under the foregoing provisions shall be distributed to the legal heirs of Gary Robert Wagner, their identities and respective shares to be determined in all respects as though the death of Gary Robert Wagner had occurred immediately following the happening of the event requiring such distribution and according to the laws of succession of the State of California then in force relating to the succession of separate property.

D. The now living children of the Gary Robert Wagner are: Sarah Elizabeth Yazvac and Gary R. C. Wagner.

E. No interest in the principal or income of any trust created under this instrument shall be anticipated, assigned, or encumbered, or be subject to any creditor's claim or legal process, prior to its actual receipt by the beneficiary.

ARTICLE III POWERS OF THE TRUSTEE

1. To carry out the purpose of this trust, and subject to any limitations stated elsewhere herein, including Paragraph 2 of this Article III, the Trustee is vested with the following powers in addition to those now or hereafter conferred by law affecting the trust and the Trust Estate:

A. To continue to hold any property, business or other enterprise, including, but not limited to, corporate stock, corporate notes, general partnership interests and limited partnership interests, of all types and forms, although not of a type or quality nor constituting a diversification considered proper for trust investments, including the Trustee's own stock and unproductive property, and to operate at the risk of the Trust Estate and not at the risk of the Trustee, any property or business or other enterprise received in this trust, and to effect the incorporation, dissolution or other change in the form of the organization of the property, business or other enterprise, as long as it may deem advisable, the profits and losses therefrom to inure or be chargeable to the Trust Estate as a whole and not to the Trustee.

B. To invest and reinvest the principal, and income if the Trustee is directed to accumulate it, and to purchase or acquire therewith every kind of property, real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, participations in any common trust fund, corporate obligations of every kind, and common and preferred stocks, bank accounts and deposits, obligations of the United States of America or any state or political subdivision thereof, unproductive property, bonds at a discount, bonds at a premium price, shares of investment trusts, investment companies, mutual funds, general partnership interests, limited partnership interests and mortgage participations, and life insurance policies on the life of any beneficiary, it being the Creators' express desire and intention that the Trustee have full power to invest and reinvest the Trust Estate without being restricted to forms of investment that the Trustee may otherwise be permitted to make by law.

C. To manage, control, partition, divide, improve, repair; to grant options and to sell upon deferred payments; to lease for terms within or extending beyond the duration of this trust for any purpose, including exploration for and removal of gas, oil, and other minerals, and to enter into community oil leases, and pooling and unitization agreements; to create restrictions, easements and other servitudes; to sell, convey or exchange, for cash or on deferred payments within or beyond the term of the trust, either with or without taking security (including a purchase money mortgage or deed of trust); to abandon any property or interest in property belonging to the trust when, in the Trustee's discretion, such abandonment is in the best interests of the trust and its beneficiaries; to enter into a written contract with any bona fide auctioneer authorized to act in the locality to conduct a sale by auction and to secure purchasers by that method for any tangible personal or real property of the Trust Estate, and the contract may provide that tangible personal property of two (2) or more estates being administered by the Trustee may be sold at the same sale and the Trustee shall require that the property be offered with reserve; to effect and retain any corporate interest arising from the incorporation of any property or business in the Trust Estate, including, but not limited to, the incorporation of a partnership in which the trust owns a general partnership interest or a limited partnership interest, or both, or the incorporation of such partnership interest itself by the trust; to effect the dissolution and liquidation of any corporation or partnership in which the trust owns an interest, and to hold any property, including undivided interest therein, received upon such liquidation.

D. To subdivide and resubdivide any real property of this trust; to sign any applications, maps, and other documents necessary to implement subdivision or resubdivision; to grant and dedicate, without receipt of consideration, any part of the trust property for streets, alleys, parkways, parks, or other public purposes; to impose on such property easements, rights-of-way, conditions, covenants, restrictions, and other servitudes as the Trustee, in the Trustee's discretion, may determine to be proper; to encumber the property to secure funds for its improvements; and to do all other acts necessary or proper to effect subdivision or resubdivision of property.

E. To advance funds to this trust for any trust purpose, such advances with interest at current rates to be a first lien on and to be repaid out of principal or income; to reimburse itself from principal or income for any loss or expense incurred by reason of its ownership or holding of any property in this trust.

F. To commence or defend, at the expense of the trust, such litigation with respect to the trust or any property of the Trust Estate as the Trustee considers advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the trust; to carry insurance of such kinds and in such amounts as the Trustee, in the Trustee's discretion, considers advisable, at the expense of the trust, to protect the Trust Estate and the Trustee personally against any hazard.

G. To borrow money for any trust purpose upon such terms and conditions as the Trustee may deem proper, and to obligate the Trust Estate for repayment; to encumber the Trust Estate or any of its property by mortgage, deed of trust or otherwise, using such procedure to consummate the transaction as the Trustee may deem advisable; to subordinate any encumbrance on property that the trust may hold if, in the Trustee's discretion, subordination does not unreasonably impair the security held for the loan or obligation.

H. To bid for and purchase any real or personal property in which the Trustee may have an interest as lienholder or otherwise, and which is sold at foreclosure sale or at trustee's or pledgee's sale, under any mortgage or deed of trust, or at any judicial sale; the Trustee may also acquire by purchase at any foreclosure sale, or by deed in lieu of any foreclosure or sale, property covered by any mortgage, deed of trust, or pledge then in default, and the property may be accepted in partial or full satisfaction of the encumbrances against the property.

I. To make payments to any beneficiary who is a minor or is under any other disability by making them for the beneficiary's account to the beneficiary's conservator, guardian of the person, custodian under the California Uniform Transfers to Minors Act, parent, or any other suitable adult with whom the beneficiary shall reside, or may be applied for the beneficiary's benefit. Sums may be paid directly to minor beneficiaries who, in the fiduciaries' judgment, have attained sufficient age and discretion to render it probable that such sums will be properly expended. No bond or other security shall be required of any such payee. No distribution under this instrument to or for the benefit of a minor beneficiary shall discharge the legal obligation of the beneficiary's parents to support him or her in accordance with the laws of the state of the parents' domicile from time to time, unless a court of competent jurisdiction determines that this distribution is necessary for the minor's support, health, or education.

J. To have respecting securities all the rights, powers and privileges of an owner, including the power to give proxies, pay assessments and other sums deemed by the Trustee necessary for the protection of the Trust Estate; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations, and in connection therewith to deposit securities with and transfer title to any protective or other committee under such terms as the Trustee may deem

advisable; to transfer to any corporation any of the assets of the Trust Estate, either real or personal, and to receive in exchange shares of stock or other securities of the corporation; to exercise or sell stock subscription or conversion rights; to accept and retain as an investment any securities or other property received through the exercise of any of the foregoing powers, regardless of any limitations elsewhere in this instrument relative to investments by the Trustee, except that a Creator acting as a Trustee shall not have the power to vote any securities directly or indirectly transferred by Creator to the trust and in the Trust Estate of Trust B that are securities of a "controlled corporation" as that term is defined in Internal Revenue Code Section 2036(b)(2) or any successor statute.

K. To hold property in its own name or in the name of its nominee, with or without disclosure of fiduciary relationship, the Trustee being responsible for the acts of any such nominee affecting such property.

L. To sell such property as the Trustee may deem necessary to make division or distribution, and to partition, allot and distribute the Trust Estate in undivided interests or in kind, at valuations reasonably determined by the Trustee.

M. To budget the estimated annual income and expenses of the trust in such manner as to equalize, as far as practicable, periodic income payments to beneficiaries.

N. To take any action and to make any election, in the Trustee's discretion, to minimize the tax liabilities of this trust and its beneficiaries. The Trustee shall have the power to allocate the tax related benefits among the various beneficiaries, and the Trustee shall have the power to make adjustments in the rights of any beneficiaries, or between the income and principal accounts, to compensate for the consequences of any tax election or any investment or administrative decision that the Trustee believes has had the effect of directly or indirectly preferring one beneficiary or group of beneficiaries over others.

O. To employ any custodian, attorney, accountant, corporate fiduciary, managerial, clerical, or any other agent or agents, including management companies and resident managers of any real property operated by the trust, to assist the Trustee in the administration of this trust and to rely on the advice given by these agents; to employ real estate agents and brokers to facilitate the sale or leasing of any property of the Trust Estate; to list property for sale or lease on such terms and conditions as the Trustee may determine; to grant an exclusive right to sell or lease. Reasonable compensation for all services performed by these agents shall be paid from the Trust Estate out of either income or principal as the Trustee in the Trustee's discretion shall determine, and shall not decrease the compensation to which the Trustee is entitled. The Trustee shall not be responsible for any neglect, omission, or wrongdoing of any agent or employee unless the Trustee fails to use reasonable care in the selection and supervision of these persons.

P. To retain professional investment counsel of its choice regarding trust investments in property held by these trusts. If such counsel is retained, and if the Trustee chooses to abide by the decision of the counsel, the Trustee shall not be held liable or otherwise surcharged for losses directly attributable to investments made on the advice of the independent counsel. During the period independent counsel is retained by the Trustee, the Trustee shall not be required to conduct reviews of trust investments managed by such independent counsel, and shall not be required to take action in respect to trust investments unless Trustee receives written instructions from the investment counsel.

Q. To receive additions to any trust under this instrument by gift or will or otherwise, and to hold and administer the same under the provisions hereof.

R. To enter into any general or limited partnership agreement, become and remain a partner under it, and carry out all the terms and conditions of any partnership agreement, notwithstanding the fact that the Trustee may also be a partner of the partnership for its own account.

S. To divide or distribute any trust income or principal, wholly or partly in kind by allotting and transferring specific securities or other personal or real property or undivided interests therein as a part or the whole of any one or more shares or payments at current values; the Trustee's determination as to the current value of property so paid, divided or distributed in kind to be final.

T. To make loans to or borrow from, to purchase property or assets of any kind from, or sell to, or in any other manner deal with the personal representative of either Creator upon such terms and conditions or in such manner as the Trustee shall deem reasonable in its sole discretion and in the interests of all the trusts and beneficiaries thereof, even though such property may not be of a character prescribed by law or by the terms of this instrument for the investment of trust funds, and although the acquisition of such property may result in a large percentage or all of the Trust Estate being invested in one class of property.

U. To enter into transactions, including acquisition or sale of trust assets, between itself as Trustee of the trust and itself as a principal, or as an agent of any other person or entity, or as the trustee of any other trust for which it is acting and including between and among any trusts created under this instrument; any purchase or sale made under this provision shall be made at the prevailing fair market value at the time of the purchase or sale.

V. To lend funds of the trust to the deceased Creator's estate upon the death of either Creator, and to purchase assets from the deceased Creator's estate even though such property may not be of a character prescribed by law or by the terms of this instrument for the investment of trust funds, and although the acquisition of such property may result in a large percentage or all of the Trust Estate being invested in one class of property, at such prices and upon such terms and conditions as the Trustee and the executor, executrix or administrators may agree to be fair to the estate and the trust.

W. To not physically segregate or divide the various trusts except as segregation or division may be required by the termination of any of the trusts, but the Trustee shall keep separate accounts for the different undivided interests.

X. To guaranty the indebtedness of any person or entity, including Creators, or either of them, whether or not said guaranty is for a trust purpose or in any way benefits the trust; and to effectuate such guaranties to execute such documents as may be requested by the creditor and agreed to by the Trustee. Any such guarantees, at the sole discretion of the Trustee, may be secured by any or all of the assets of the trust.

Y. To appoint agents and attorneys-in-fact, or any of them, to perform any of the Trustee's duties or exercise any of the Trustee's powers hereunder, and this authority to appoint shall not be limited, but may be exercised even though such appointment results in the delegation of discretionary powers given to the Trustee. Thus, by way of illustration and not limitation, the Trustee is authorized to empower an agent or attorney-in-fact to sell or purchase assets (real or personal, tangible or intangible) on behalf of the trust, to hypothecate such assets, to borrow money on behalf of the Trust, and to write checks on, or exercise any other rights of a depositor with respect to, any deposit or other bank account. Neither the Trustee, nor any other person claiming through or instead of the Trustee, including the

Creators, shall have any claim or right of action against any third party acting in reliance upon a document appointing an agent or attorney-in-fact which appears on its face to authorize the agent or attorney-in-fact to complete the transaction in question, notwithstanding its revocation, express or by operation of law, unless such third party shall have actual notice of such revocation. All such persons shall be bound by the provisions of such transaction and the provisions of this paragraph shall survive the modification or revocation or other termination of the trust.

Z. To receive any retirement plan death proceeds, whether under a qualified pension, profit sharing, Keogh, individual retirement account, or any other retirement plan, either in a lump sum or in any other manner permitted by the terms of the particular retirement plan, to the extent of the interest of the deceased Creator. The Trustee shall not be liable to any beneficiary for the death benefit election ultimately selected. At the death of the first Creator to die, the Trustee may disclaim all or any portion of the deceased Creator's interest in the benefits of any retirement plan payable to this trust, including individual retirement accounts in the deceased Creator's name that are payable to this trust. All benefits so disclaimed shall be payable to the surviving Creator.

2. Notwithstanding Paragraph 1 of Article III, if Julie Anne Drogin should be the first Creator to die, then during such period after such death that Gary Robert Wagner is serving as a Trustee, any contract or agreement for the sale by the trust of the Cedar Shores Apartments located at 2150 Pacific Beach Drive, San Diego, California, if such property is then an asset in the Trust Estate, shall require the written consent of the Special Trustee. Solely for the purpose of this subparagraph, the "Special Trustee" shall be that person (or the successor person, in the order so named) nominated as a successor Trustee in Paragraph 1. of Article V as the person who will act as the successor Trustee upon the death, resignation or inability of the surviving Creator to so act as a Trustee, and if no person is able and willing to act as a "Special Trustee", then Gary Robert Wagner shall be empowered to act as the sole trustee and no independent consent shall be required.

3. Unless specifically limited, all discretions conferred upon the Trustee shall be absolute, and their exercise conclusive on all persons interested in this trust. The enumeration of certain powers of the Trustee shall not limit its general powers, the Trustee being vested with and having all the rights, powers and privileges an absolute owner of the same property would have.

4. The whole or any part of the income or principal payable under the provisions of this instrument to any minor, or to any other person who in the opinion of the Trustee is incapacitated through illness, or other cause, may be applied for the benefit of said beneficiary. Any such application of income may be made at such time and in such manner as the Trustee deems advisable, whether by payment to such beneficiary personally or by payment to any other person deemed suitable by the Trustee. In each case, the receipt by such beneficiary or other person to whom payment is made or entrusted shall be a complete discharge of the Trustee in respect thereof. Any required distribution of income or principal to any person under a legal

disability which is not otherwise paid or applied for the benefit of the beneficiary as authorized under this section, shall be paid to the Trustee, who is hereby designated and appointed as the guardian of the distributed property and shall act as such guardian without bond.

5. If both Creators are acting as Co-Trustees, each Trustee shall have the right, power, authority, and discretion to make any and all decisions and to take any and all actions regarding the Trust Estate as though that Trustee was the sole Trustee of the trust. No Trustee shall be liable or responsible for any act, omission, or default of any other Trustee. If there should be three (3) or more Co-Trustees, any action taken by a majority of the Trustees shall be binding on the Trust Estate and may be relied on by third parties dealing with the Trustees.

6. On the death of a Creator, the surviving Creator shall have the right to continue to occupy all real property in the Trust Estate that both Creators were using for residential purposes (whether or not on a full or part-time basis, including resort property), provided, however, that the surviving Creator, in the surviving Creator's discretion, may direct the Trustee to sell any such property and replace it with, or rent, or lease, another residence selected by the surviving Creator of comparable or lower value. The Trustee shall pay any mortgage or trust deed payments, and any property taxes, assessments, insurance, maintenance, and repairs on all such property, or any rent or lease payments out of principal or income of the portion of the Trust Estate containing such property.

The surviving Creator shall also have the right to possess and use any furniture and furnishings held in the Trust Estate without any obligation to account to the Trustee for such property. On receipt of written instructions from the surviving Creator, the Trustee shall, at the expense of the Trust Estate, replace any or all of this furniture and furnishings, as the surviving Creator directs, provided the replacement furniture and furnishings are, in the Trustee's discretion, of substantially the same kind and quality as the furniture and furnishings existing on the date of death of the first of the Creators to die (disregarding normal wear and tear).

7. Notwithstanding any other provisions of this instrument, the Trustee may, in its sole discretion, direct the executor of the will of either or both of the Creators, to subject any, including all, of the assets in the Trust Estate to the jurisdiction of the Probate Court as if no living transfers had been made to the trust.

8. If any trust created under this instrument holds stock in one or more S Corporations, Creators desire for that trust to qualify as a Subchapter S Trust under Section 1361 of the Internal Revenue Code. In such event, the Trustee of that trust shall, regardless of any other provisions of that trust, follow these instructions to preserve the trust's qualification and to prevent the corporation from losing its status.

A. All of that trust's income must be distributed at least quarterly to one individual who is a citizen or a resident of the United States.

B. There shall be only one income beneficiary of that trust.

C. The Trustee's distribution, if any, of that trust's principal shall be to only the income beneficiary during that beneficiary's lifetime.

D. The income beneficiary's income interest shall end on the earlier of the beneficiary's death or that trust's termination by its terms.

E. If that trust ends during the income beneficiary's life, the Trustee shall distribute all the trust's assets to that beneficiary outright.

F. If any trust contains both S Corporation stock and other assets, the Trustee shall subdivide the trust into separate shares so that for each beneficiary there is a separate trust share that contains the S corporation stock allocated to that beneficiary and a separate share for the other assets allocated to that beneficiary. The Subchapter S Trust share is a separate trust to be managed according to these instructions to protect the qualified Subchapter S Trust.

G. The Trustee shall distribute from the Subchapter S Trusts any income or principal from these Subchapter S Trusts for the benefit of a minor to the minor's natural guardian to be held under the California Uniform Transfers to Minors Act.

9. If the Trustee determines that it is in a Creator's best interest for that Creator to qualify for Medi-Cal and/or similar federal or state benefits ("Governmental Benefits"), and the Trustee determines that the failure of that Creator to qualify for Governmental Benefits would cause the health, support or maintenance related expenses to be incurred for that Creator to substantially reduce or deplete the Trust Estate ("Catastrophic Illness Expenses"), as long as the Trustee uses its best efforts to preserve the dispositive provisions of this Trust, then to the maximum extent possible under the circumstances, the Trustee shall have the power and authority to do any and all of the following:

A. To take any and all actions, and execute any and all documents, that the Trustee determines to be necessary or appropriate to minimize or eliminate the Trust Estate in order to qualify that Creator for any Governmental Benefits, and/or to accelerate the date upon which that Creator would qualify for Government Benefits, including, but not limited to, the following:

1. Converting "Non-Exempt Assets" to "Exempt Assets". (The terms "Non-Exempt Assets" and "Exempt Assets" shall be given the same definitions

as are given in the governing law authorizing the applicable Governmental Benefits.)

2. Acquisition of assets which are not included as a resource for purposes of determining eligibility for Governmental Benefits.

B. To make gifts from the Trust Estate as may be necessary or advisable to carry out the purposes of this provision, even if a period of ineligibility for Governmental Benefits may result.

C. To sell or exchange assets in the Trust Estate as may be necessary or advisable to carry out the purposes of this provision, even if a period of ineligibility for Governmental Benefits may result.

10. If a Creator is absent from his primary residence due to illness, injury, disability, or other health or medical related reason, and during such absence that Creator receives, or seeks to receive, Governmental Benefits, until such time as that Creator expressly declares in writing that the absence from the primary residence is permanent, it is and shall at all times thereafter be that Creator's intention to return to said primary residence as soon as possible.

ARTICLE IV
PAYMENT OF DEBTS AND TAXES

1. Upon the death of either Creator or of any other beneficiary, any estate, gift, succession or other death taxes, duties, charges or assessments, together with interest, penalties, costs, Trustee's compensation and attorney's fees which shall become due with respect to the deceased Creator or such other beneficiary, by reason of the Trust Estate or any interest therein being includable in their estate for such tax purposes, may be paid from the Trust Estate by the Trustee, in its discretion, unless other adequate provision shall have been made therefor. Such payments and amounts thereof shall be made only to the extent so requested by the executor or other fiduciary, and any such payments shall be charged to the principal of the Trust Estate. The Trustee may make such payments directly, or to the executor or other fiduciary of the Creators or such other beneficiary, and may rely upon the written statement of such fiduciary as to the amount and propriety of such taxes, interest, penalties and other costs. The decision of the Trustee as to any such payments shall be conclusive and binding upon all parties interested in this trust or such estate. If the Trust Estate shall be then insufficient or if it be then terminated the Trustee shall be reimbursed by the persons to whom the Trust Estate shall have been distributed, to the extent of the amount received by each distributee. The Trustee, before making any distribution of either income or principal, may accordingly require a refunding agreement or may withhold distribution pending determination or release of any tax lien. Payments made in the bona fide belief that they are pursuant to the directions set forth in this paragraph shall not be open to question by anyone.

2. The Trustee is authorized, but not directed, as the Trustee may deem advisable in its absolute discretion, to pay or not pay any and all estate, gift, succession or other death taxes together with interest, penalties, and costs, arising or owing with respect to assets of the deceased Creator not included in the Trust Estate.

3. The Trustee shall make, or refrain from making, any and all elections permitted under any applicable income, estate or gift tax law, without regard to the effect of any such election on the interest of any beneficiary in the Trust Estate and, if any such election shall be made, shall apportion, or refrain from apportioning, any benefits thereof among the respective interests of the beneficiaries in the Trust Estate, all in such manner as the Trustee shall deem appropriate.

4. The Trustee may join with the surviving Creator, the surviving Creator's executrix, executor or administrator, the trustee of any other trust either created by a Creator or in which a Creator had an interest at their death, or the deceased Creator's executrix, executor or

administrator, in the filing of any federal or state income or other tax returns and related documents, including extensions of time for assessment of tax, for any year or years for which in the sole discretion of the Trustee it is deemed necessary, and pay such ratable share of any taxes due thereon as the Trustee shall deem proper. The exercise of such authority by the Trustee shall be final and not subject to question by any person having an interest in the Trust Estate. The Trustee is further authorized to take such action regardless of the fact that it may impose additional liabilities upon the Trust Estate for payment of taxes, deficiencies and penalties.

5. No beneficiary of the Trust Estate shall have any right to recoupment or restoration of any losses such beneficiary may suffer as a result of any such action, or refraining therefrom, by the Trustee pursuant to this Article IV.

6. Creators do not intend for this instrument, or their estate plan, to take advantage of any generation tax avoidance procedures available. Creators have designed their estate plan to accomplish specific dispositive goals. Legal counsel has explained to Creators that higher taxes might result from their decisions, however, for reasons important to Creators, they desire to not take advantage of such benefits. It is requested by Creators that professional guidance be sought at their death to provide advice on those procedures then available to minimize or to reduce such tax obligations existing at that time.

7. If any trust may be subject to generation-skipping taxes, the Trustee may divide such trust into two separate trusts of equal or unequal value but on the same terms and with the same beneficiaries so that the Creator's exemption under Section 2631 of the Internal Revenue Code may be allocated to one such trust to the exclusion of the other or disproportionately between them.

ARTICLE V
PROVISIONS CONCERNING THE TRUSTEE AND
THE INVESTMENT ADVISOR SELECTED BY A BENEFICIARY

1. Upon the death, resignation or inability of either Creator to serve as Trustee, then the other Creator shall serve as Trustee. Upon the death, resignation or inability of the remaining Creator to serve as Trustee, then Michael P. Drogin shall serve as Trustee. Upon the death, resignation or inability of Michael P. Drogin to serve as Trustee, then Laura Anne Lee shall serve as Trustee.

2. Upon the death, resignation or inability of the survivor of the Creators to serve as Trustee, then a majority of the then beneficiaries of this trust or their legal guardians, shall have the right to change the Trustee of the trust to any institution authorized to do a trust business in the United States with a capital and surplus combined of not less than TEN MILLION DOLLARS (\$10,000,000.00).

3. All of the foregoing notwithstanding, the right of a beneficiary under this trust to select or change a fiduciary appointed under this Trust shall be interpreted in such a fashion, including consideration of all the other rights and powers of such beneficiary expressed or implied under this instrument or by law, that in no event will such beneficiary be deemed to have the power, except as specifically provided in regard to distribution of income and principal of the Trust Estate, to appoint any part of the trust principal to the beneficiary, or to his estate, his creditors, or the creditors of his estate. The fiduciary nominated by the beneficiary under this trust shall be at all times strictly guided by and shall have only those powers and administrative rights as are provided in the laws of the State of California relating to trust administration. To the extent that no other provision is made herein for appointing a successor Trustee, a successor shall be appointed by a court of competent jurisdiction upon petition of either the resigning Trustee or any person interested in the trust.

4. The Trustee, successor Trustees and Co-Trustees, and successors thereof, may resign by giving written notice to the beneficiaries and by conveying the Trust Estate to their successor or successors.

5. No bond or other security shall be required of any Trustee or successor Trustee.

6. No successor Trustee shall be liable for any act, omission, or default of a predecessor Trustee. Unless requested in writing by an adult beneficiary of the trust, no successor Trustee shall have any duty to investigate or review any action of a predecessor Trustee and may accept the accounting records of the predecessor Trustee showing assets on hand without further investigation and without incurring any liability to any person claiming or having an interest in the trust.

7. Trustees may receive compensation in a reasonable amount, and such compensation shall be paid from and be a proper expense of the trust. In addition, all Trustees shall be entitled to reimbursement for all necessary or incidental expenses incurred or paid by the Trustee while acting as Trustee.

8. References in this instrument to the "Trustee" shall be deemed to include not only the original Trustee hereunder, but also any successor Trustee or Trustees, and all titles, powers and discretions vested in the Trustee shall be vested in and exercisable by any such successors. No one dealing with the Trustee need inquire concerning the validity of anything they purport to do, or need see to the application of any money paid or property transferred to or upon the order of the Trustees, or any one of said Trustees. The Trustee shall not be liable to any beneficiary or to any heir of either Creator for the Trustee's acts or failure to act, except for breach of trust committed intentionally, with gross negligence, in bad faith or with reckless indifference to the interests of the beneficiary or for any profit that the Trustee derives from a breach of trust. The Trustee shall not be liable for any loss or expenses suffered by the Trust Estate and arising out of the conduct by the Trustee of any business held by the Trust Estate, including any corporation controlled by the trust, except such loss or expense as shall have been occasioned by the Trustee's gross negligence.

9. Any beneficiary shall have the power, in his or her discretion, to direct that the Trustee employ a reputable licensed professional investment advisor of his or her choice with respect to his or her trust, provided that such investment advisor: (i) is licensed, and doing business, as an investment advisory firm, and (ii) has a recognized and high standing in the community in which it transacts business and/or on a national level for the quality and effectiveness of its investment counseling and management services. It is the belief of the Creators that the majority of the officers and senior personnel of such firm should have at least ten (10) years experience in the management of securities portfolios. Such beneficiary shall also have the power, in his or her discretion, to direct that the Trustee terminate the employment of

any investment advisor then serving in that capacity with respect to his or her trust. The Trustee shall abide by the direction of any beneficiary with respect to the employment or termination thereof of such investment advisor and by the decision of any such investment advisor with respect to property placed under its control but shall not be liable or otherwise responsible for losses directly attributable to such direction by a beneficiary or to investments made on the direction of such independent advisor. During the period in which such investment advisor is retained by the Trustee at the direction of such beneficiary: (i) the Trustee shall not be required to conduct reviews of trust investments subject to the supervision of such advisor or be required to take action in respect to those trust investments unless it shall receive written instructions with respect thereto from such investment advisor, and (ii) the Trustee's fees for ordinary advisory services in respect to trust investments which are subject to the direction of the investment advisor for the period such advisor is so retained shall be reduced appropriately to take account of the absence of the Trustee's investment responsibility in respect to such investments.

10. In the event that any beneficiary of a trust is under a disability by reason of age or incompetence, the court appointed and then acting guardian of the person of such beneficiary shall have the same rights, upon the terms and subject to the limitations set forth herein, possessed by such beneficiary, absent such disability, to remove a Trustee, select a successor Trustee and direct the employment or termination thereof of an investment advisor.

ARTICLE VI
ACCOUNTING BY TRUSTEE

1. During the lifetime of both Creators, the Trustee may render an accounting from time to time regarding the transactions of a trust created in this instrument by delivering a written accounting to each beneficiary entitled to current income distributions of the trust or to whom the Trustee, in the Trustee's discretion, could make current distributions out of income or principal of the trust; however, upon the death of both Creators, except as to a beneficiary who waives in writing its right to accountings, the Trustee must render such accountings annually, at the termination of the trust, and upon a change of Trustee. All such accountings shall contain the following information:

A. A statement of receipts and disbursements of principal and income that have occurred during the last complete fiscal year of the trust or since the last accounting.

B. A statement of the assets and liabilities of the trust as of the end of the last complete fiscal year of the trust or since the last accounting.

C. The Trustee's compensation for the last complete fiscal year of the trust or since the last accounting.

D. The agents hired by the Trustee, their relationship to the Trustee, if any, and their compensation, for the last complete fiscal year of the trust or since the last accounting.

E. A statement that the recipient of the accounting may petition the court pursuant to Section 17200 of the Probate Code of the State of California, all modifications, amendments and revisions thereto, and any successor provisions in the laws of the State of California, to obtain a court review of the accounting and of the acts of the Trustee.

F. A statement that claims against the Trustee for breach of trust may not be made after the expiration of three (3) years from the date the beneficiary receives an accounting disclosing facts giving rise to the claim.

2. On reasonable request by a beneficiary, the Trustee shall provide such beneficiary with a report of information about the assets, liabilities, receipts, and disbursements of the trust, the acts of the Trustee, and the particulars relating to the administration of the trust relevant to that beneficiary's interest, including the terms of the trust that describe or affect that beneficiary's interest.

3. In the event a current beneficiary is a minor, the accounting shall be delivered to the minor's parents or guardian of his or her person.

4. Unless one or more of the beneficiaries (or a minor's parent or guardian of a minor's person) shall deliver a written objection to the Trustee within ninety (90) days of receipt of the Trustee's account, the account shall be deemed settled and shall be final and conclusive in respect to transactions disclosed in the account as to all beneficiaries of the trust, including unborn and unascertained beneficiaries.

5. After settlement of the account by reason of the expiration of the ninety (90) day period referred to above, or by agreement of the parties, the Trustee shall no longer be liable to any beneficiary of the trust, including unborn and unascertained beneficiaries, in respect to transactions disclosed in the account, except for the Trustee's intentional wrongdoing or fraud.

6. The Trustee shall have the power, exercisable in the Trustee's discretion, to determine what is principal or income of the Trust Estate and to apportion and allocate receipts and expenses and other charges between these accounts, including the power to charge in whole or in part against principal, or to amortize out of or charge forthwith to income, premiums paid on the purchase of bonds or other obligations, except as otherwise specifically provided in this instrument. In exercising that power, the Trustee shall adhere to the following rules:

A. The Trustee shall not be required to establish a reserve for depreciation or to make charges against income, but may do so if the Trustee, in the Trustee's discretion, so determines. If the Trustee decides to establish this reserve, it may do so on assumptions and in amounts that the Trustee, in the Trustee's discretion, shall determine, making appropriate charges against income of the Trust Estate.

B. If the trust shall be a member of a partnership, the Trustee shall be entitled to accept, with respect to the partnership interest, any accounting methods used by the partnership, regardless of whether these methods shall include depreciation reserves, regardless of the assumptions on which any such reserve may be based, and regardless of whether these accounting methods are inconsistent with those methods used by the Trustee with respect to other property of the Trust Estate.

C. No inference of imprudence or partiality shall arise from the fact that the Trustee, in exercising the discretion conferred here on the Trustee, shall have allocated a receipt or expenditure in a manner contrary to any provision of the California Revised Uniform Principal and Income Act. Except as the Trustee shall exercise the discretion conferred on the Trustee and except as otherwise provided in this instrument, matters relating to principal and income shall be governed by the provisions of the California Revised Uniform Principal and Income Act from time to time existing.

D. The Trustee shall determine the net income or loss from operation of any business conducted by the Trustee or of any partnership in which the Trustee has an interest. The Trustee, in allocating such income or loss between principal and income of the trust, shall be guided by accounting practices customarily employed with respect to business interests of the type concerned, including establishing of such reserves for repairs, improvements, upkeep, obsolescence, and depreciation as the Trustee, in the Trustee's discretion, shall determine to be proper.

E. The Trustee may pay out of principal or income, or partially out of each, as the Trustee, in the Trustee's discretion, shall determine, any property taxes and assessments levied against trust property. The Trustee may elect to pay any assessment in a lump sum or in installments, and if the installment method is selected, may treat each installment as a separate levy for the purpose of charging the same to principal or income.

F. The Trustee shall credit any option money received and not applied as a credit against the sales price of trust property to income or principal or partly to each as the Trustee, in the Trustee's discretion, shall determine.

G. The Trustee may set up and carry, and may charge to income or principal, reserves for repairs, improvements, upkeep, obsolescence, and depreciation of any real or personal property of the Trust Estate, all as the Trustee, in the Trustee's discretion, shall consider proper, and the portion charged to income shall be treated as an expense and deduction when arriving at net income.

H. The Trustee, in the Trustee's discretion, may pay the expenses and carrying charges attributable to unproductive property out of the trust income or principal, or partly out of each, as the Trustee, in the Trustee's discretion, shall determine.

I. Each discount arising from bonds purchased by the Trustee at a discount shall be accumulated periodically as interest in such reasonable manner as the Trustee, in the Trustee's discretion, shall determine and to the extent necessary paid out of the proceeds on the sale or other disposition of the bond or out of principal.

J. Each premium paid by the Trustee upon the purchase of a bond at a premium price shall be repaid periodically to principal out of the interest on the bond in such reasonable manner as the Trustee shall determine and, to the extent necessary, out of the proceeds on the sale or other disposition of the bond.

ARTICLE VII GENERAL PROVISIONS

1. Until the Trustee shall receive from some person interested in this trust written notice of any death, birth, marriage or other event upon which the right to payments from this trust may depend, the Trustee shall incur no liability for disbursement made in good faith to persons whose interests may have been affected by such event.

2. Income accrued or unpaid on property received into the trust shall be treated as any other income. Income accrued or held undistributed by the Trustee at the termination of any interest or estate under this trust shall go to the beneficiaries entitled to the next eventual interest in the proportions in which they take such interest. Periodic payments out of principal, not due upon the termination of any interest or estate, shall not be apportioned to that date. The Trustee shall not be required to prorate taxes and other current expenses to the date of termination.

3. Except as limitations are placed upon Creators at such time as either of them may be acting as Trustee or Co-Trustee hereunder, the Trustee shall pay out of principal or income as Creators may elect, or partly out of each, in such shares as Creators may determine, property taxes, assessments, charges, attorneys' fees, the Trustee's compensation and other expenses incurred in the administration or protection of this trust. The discretion of the Trustee to pay these items from income or principal, or partly from each, may be exercised not only in the interest of the Trust Estate but for the benefit of any beneficiary. Income remaining after such expenditures as the Trustee shall elect to pay therefrom, shall constitute net income.

4. Other property acceptable to the Trustee may be added to this trust by any person, by the Wills of either Creator, and by the proceeds of any life insurance policy.

5. If any provision of this instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect. This trust has been accepted by the Trustee in the State of California, and unless otherwise provided in this instrument, their validity, construction and all rights under them shall be governed by the laws of that state.

6. All rights granted to any person by any provision of this trust may be exercised by such person at any time during his or her lifetime and competency, unless otherwise specifically provided herein; and for all purposes of this trust, it shall be conclusively presumed that each such person is competent unless he or she shall have been declared incompetent by a court having jurisdiction to determine such incompetency, and until a duly certified or authenticated copy of determination of such incompetency issued by such court shall have been served upon and delivered to the Trustee.

7. As used in this instrument, the term "issue" shall refer to lineal descendants of all degrees, and the terms "child," "children" and "issue" (a) shall refer only to individuals who were either: (1) conceived or born during a valid marriage, or the natural parents of such individual are married after the birth of such individual, or (2) adopted when they were minors residing with the adopting parent at the date of the adoption, and (b) shall not include individuals who were either: (1) born out of wedlock, regardless of whether a parent/child relationship existed between any such person and his or her deceased parent, if the natural parents of such individual are not married after the birth of such individual, (2) step-children, or (3) foster children.

8. This trust may be referred to as the Alexander Court Trust and each separate trust created herein may be referred to for convenience sake by the name of the beneficiary and the year in which such trust was created.

9. This instrument is binding on the heirs, executors, and administrators of the Creators and upon the Trustee and the beneficiaries of this trust. In the event any beneficiary, or any person claiming to have the right to be a beneficiary, under this trust, or under a deceased Creator's Last Will, shall, singly or in conjunction with any other person or persons, contest in any court the validity of this trust or of a deceased Creator's Last Will or shall seek to obtain an adjudication in any proceeding in any court that this trust or any of its provisions or that such Will or any of its provisions is void, or seek otherwise to void, nullify, or set aside this trust or any of its provisions, then the right of that person to take any interest given to him by this trust shall be determined as it would have been determined had the person predeceased the execution of this Declaration of Trust without surviving issue. In addition, except as otherwise provided for in this instrument, Creators have intentionally and with full knowledge omitted to provide for their heirs or any other person not mentioned in this instrument. Notwithstanding the foregoing, nothing within these provisions shall eliminate the right of any person to file a disclaimer with the Trustee as to any interest which the individual may have within the Trust Estate.

The Trustee is hereby authorized to defend, at the expense of the Trust Estate, any contest or other attack of any nature on this trust or any of its provisions.

10. Any beneficiary under this trust shall be considered a minor until he or she has reached the age of eighteen (18) years, regardless of his or her sex or marital status.

11. As used in this instrument, the masculine, feminine, or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates.

12. This Declaration of Trust may be executed simultaneously in two (2) or more counterparts, each of which is hereby declared to be an original, and they shall together constitute but one and the same instrument. To the same effect as if it were the original, anyone may rely upon a copy certified by a Trustee or by a notary public to be a counterpart of this instrument or of any document required to be filed with or to be kept at the office of the Trustee. Anyone may rely upon any statement of fact concerning the trust certified by anyone who appears from the original document or a certified copy to be a Trustee or successor thereto hereunder.

13. The phrase "Internal Revenue Code" shall refer to the Internal Revenue Code of 1986, as amended and revised from time to time, and all corresponding provisions of subsequent revenue laws.

14. The rights, powers and obligations of the Trustee and of the owner of any life insurance policy payable to any trust created hereunder shall be as follows:

A. The Trustee shall have the power to acquire in any trust, by purchase, bequest, gift, or otherwise, one or more policies insuring the life, health, or income of any beneficiary of the trust or any person in whom any beneficiary has an insurable interest, and to retain each policy as a part of the property of the trust, provided, however, that as long as any policy constitutes a part of the property of the trust, the benefits thereunder shall be payable to that trust; to exercise all rights, powers and discretions with respect to the acquisition, retention, disposition, and maintenance in force of each policy and all incidents of ownership in each policy that could be exercised by persons owning similar policies in their own right, including the following:

(1) To receive dividends or distributive shares of surplus in cash, or to apply the same to the payment of premiums, to purchase additional insurance, including term or paid-up insurance, or to permit the same to remain on deposit at interest with respect to insurers;

(2) To receive from the insurer or from any other lender such advances or loans on account of each policy as are available;

(3) To receive disability benefits, medical payments, surrender values, proceeds of matured endowments, and other lifetime policy benefits;

(4) To exercise any and all options, elections, rights, powers and discretions granted in each policy or granted to policyowners by practice of the insurer;

(5) To sell, assign (absolutely or as collateral), pledge, or hypothecate each policy;

(6) To convert each policy into an extended-term coverage contract, supplementary contract, fully or reduced paid-up contract, or into any other form of insurance or annuity; and

(7) To pay premiums on each policy as they become due, from any principal of the trust, and to prepay for any reasonable period any premiums that may reasonably be expected to become due on the policy.

B. The Trustee shall not be required to pay premiums, assessments or other charges upon any of the policies or otherwise to keep them or any of them binding contracts of insurance and the Trustee shall not be responsible for determining whether the payments have been made.

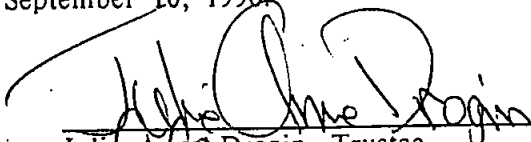
C. The owner of each policy made payable to any trust created hereunder shall have reserved all rights, options and privileges conferred upon the owner by the terms of the policies, including, but not limited to, the right to change the beneficiary designation thereof, to hypothecate the policy and to borrow funds from the insurer. Sickness, disability and other benefits and all dividends accruing on the policies during the life of the insured may be paid by the insurer to the owner.

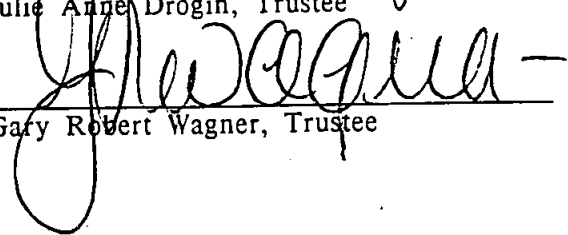
D. Upon receipt of proof of death of the insured, or on the prior maturity of any policy, and upon receiving possession of the policies, the Trustee shall use reasonable efforts to collect all sums payable under their terms, which sums upon receipt shall become principal of the Trust Estate, except interest paid by the insurer, which shall become income. Subject to any contrary provision in the beneficiary designation of any policy, the Trustee may exercise any settlement options under any policy, and all sums payable under any policy shall be allocated between the trusts created hereunder as otherwise provided for herein and, if applicable, by taking into consideration the ownership of the policy immediately preceding the death of the insured.

E. The Trustee shall have full power to compromise, arbitrate or otherwise adjust any claim, dispute or controversy arising under any policy, and shall have authority to initiate, defend, settle, and compromise any legal proceeding necessary in the Trustee's opinion to collect the proceeds of any policy. The receipt of the Trustee to any insurer shall be a full discharge, and such insurer is not required to see to the application of the proceeds.

F. The Trustee shall not be responsible for any acts or omissions of the Creators in connection with or relating to any policy and shall not be required to prosecute any action to collect any insurance or to defend any action relating to any policy unless indemnified in a manner and amount satisfactory to Trustee.

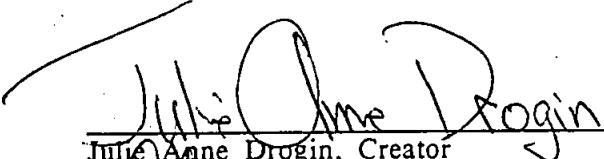
EXECUTED at San Diego, California, on September 10, 1996

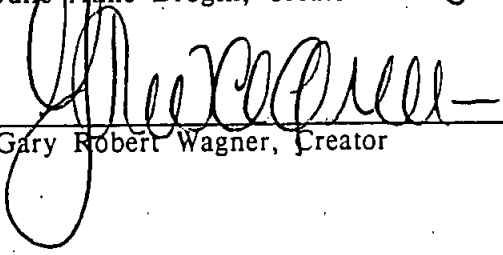

Julie Anne Drogin, Trustee


Gary Robert Wagner, Trustee

We certify that we have read the foregoing Declaration of Trust, and that it correctly states the terms and conditions under which the Trust Estate is to be held, managed and disposed of by the Trustee. We approve the Declaration of Trust in all particulars and request the Trustee to execute it. We hereby expressly convey to the Trustee the assets listed on Schedule A attached hereto.

DATED : September 10, 1996.


Julie Anne Drogin, Creator

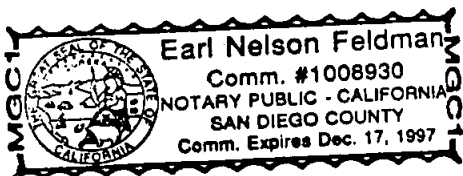

Gary Robert Wagner, Creator

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On September 10, 1996, before me, Earl Nelson Feldman, a Notary Public in and for said state, personally appeared Julie Anne Drogin and Gary Robert Wagner, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

Subscribed and sworn to before me on September 10, 1996.

WITNESS my hand and official seal.



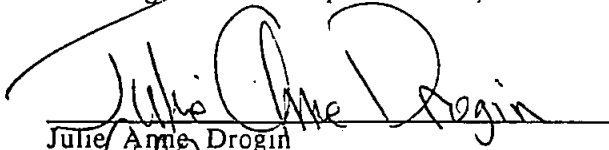
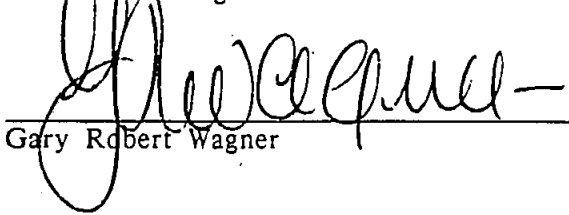

Notary Public in and for said State

ASSIGNMENT OF PERSONAL PROPERTY

WE, Julie Anne Drogin and Gary Robert Wagner, do hereby sell, transfer and assign, without consideration, all right, title and interest which we have in all personal property, furniture, furnishings, and personal effects which we now own or which we may own in the future to:

Julie Anne Drogin and Gary Robert Wagner, Trustees, U.D.T. September 10, 1996, the Alexander Court Trust.

IN WITNESS WHEREOF we have executed this Assignment on September 10, 1996.


Julie Anne Drogin

Gary Robert Wagner

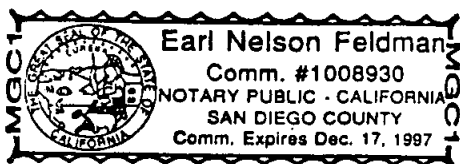
STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

On September 10, 1996, before me, Earl Nelson Feldman, a Notary Public in and for said state, personally appeared Julie Anne Drogin and Gary Robert Wagner, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

Subscribed and sworn to before me on September 10, 1996.

WITNESS my hand and official seal.




Notary Public in and for said State

TITLE OF TRUST ASSETS

Trust assets should be acquired in the following name:

Julie Anne Drogin and Gary Robert Wagner, Trustees, U.D.T. dated September 10, 1996,
the Alexander Court Trust.

TITLE OF CHECKING AND SAVINGS ACCOUNTS

Checking and savings accounts should be opened in the following name:

Alexander Court Trust.

LIFE INSURANCE POLICY BENEFICIARY

The beneficiary designation on all life insurance policies should be:

Alexander Court Trust U.D.T. dated September 10, 1996.

"U. D. T."

The expression "U.D.T." means "under Declaration of Trust".

ALEXANDER COURT TRUST

SCHEDULE A

All of our personal property, furniture, furnishings, and other personal effects.

Real property located at 1207 Alexander Court, St. Helena, CA 94574.

Real property located at 1220 Alexander Court, St. Helena, CA 94574.

Undivided one-quarter (1/4) interest in the real property located at 3232 Duke Street, San Diego, CA 92110.

Undivided one-quarter (1/4) interest in the Promissory Note dated July 12, 1994, in the original principal amount of \$380,000.00 issued by Casa De Oro Ventures, Ltd., a California limited partnership, in favor of Julie Anne Drogin, Successor Trustee, et al., and secured by a deed of trust on the real property described as Lot 2, excepting the West 65 feet thereof; Lots 3 through 9, inclusive; and Lot 10, excepting the East 82 feet thereof; all in Mount Helix Gateway Unit No. 1, Resubdivision No. 1, in the County of San Diego, State of California, according to Map thereof No. 4622, filed in the Office of the County Recorder of San Diego County, September 7, 1960.

Leasehold interest in, and improvements constructed on, the real property described as Lots 1 through 40, and the vacated alley, in Block 309, Pacific Beach, according to Map thereof No. 922, filed September 24, 1904 in the Office of the Recorder of the County of San Diego; together with those vacated portions of Noyes Street, Oliver Avenue and Olney Street adjoining said Block 309 in the City of San Diego, County of San Diego, State of California.

This Living Trust was prepared by
Earl N. Feldman, Attorney at Law
Earl N. Feldman, Inc.
530 B Street, Suite 1810
San Diego, California 92101
(619) 239-1151

[DUPLICATE]

CITY OF SAN DIEGO

CONSENT TO ASSIGNMENT OF LEASE AGREEMENT

The City of San Diego (CITY), as LESSOR, under that certain lease agreement entered into with STEPHEN B. DROGIN (LESSEE), dated September 21, 1971, and filed in the Office of the City Clerk as Document 737414, hereby consents to the assignment of that lease agreement to JULIE ANNE DROGIN (ASSIGNEE) in accordance with the terms and conditions set out in the attached assignment of lease agreement entered into by LESSEE and said ASSIGNEE, dated July 29, 1982, on the following basis:

Until STEPHEN B. DROGIN is unable or unwilling to so act, STEPHEN B. DROGIN shall continue to be responsible for the proper management and operation of the leased property notwithstanding the assignment to JULIE ANNE DROGIN. In the event that STEPHEN B. DROGIN at any time is unable or unwilling to so continue to be responsible for the proper management and operation of the leased property, CITY shall accept in the place of STEPHEN B. DROGIN any competent professional real estate manager with offices in San Diego, with experience in managing multiple residential

DOCUMENT NO. 768625

FILED JAN 26 1983

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

developments and which manager shall be a Property Manager certified by the Institute of Real Estate Management of the National Association of Realtors.

THE CITY OF SAN DIEGO

Dated 22 Jan, 1983

By 
City Manager

The foregoing is hereby agreed to and accepted:

Dated Nov. 15, 1982

By 
Stephen B. Drogin (Lessee)

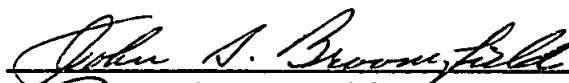
Dated Nov. 20, 1982

By 
Julie Anne Drogin (Assignee)

CONSENT TO:

HOME SAVINGS & LOAN ASSOCIATION

Dated Dec. 23, 1982

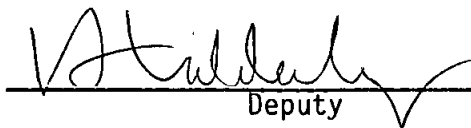
By 
Senior Vice President

By 
Vice President

APPROVED AS TO FORM:

JOHN W. WITT, CITY ATTORNEY

Dated: January 20, 1983

By 
Deputy

RJC:jw(2) Disk 7
11-10-82

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this 29th day of July, 1982, by and between STEPHEN B. DROGIN, an individual, hereinafter called "Assignor," and JULIE ANNE DROGIN, an individual, hereinafter called "Assignee."

Recitals

1. THE CITY OF SAN DIEGO, as Lessor, and Assignor, as Lessee, executed a Lease Agreement on September 21, 1971, and subsequently recorded the Lease Agreement on November 11, 1971, File/Page No. 269906, in the Office of the County Recorder of San Diego County, California. By the terms of the Lease Agreement, the real property described in Exhibit "A" attached hereto and incorporated herein was leased to Assignor as Lessee for a term of fifty-five (55) years, commencing on September 21, 1971.

2. Assignor now desires to assign the Lease Agreement to Assignee, and Assignee desires to accept the assignment thereof.

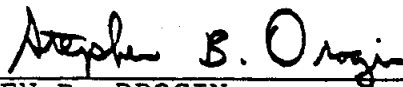
Assignment

3. For value received, Assignee hereby assigns and transfers to Assignee all of his right, title and interest in and to the Lease Agreement hereinbefore described and Assignee hereby agrees to and does accept the assignment and expressly assumes and agrees to keep, perform and fulfill all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by Assignor as Lessee thereunder, including the making of all payments due to or payable on behalf of Lessor under said Lease Agreement when due and payable, and to hold Assignor harmless from all liabilities thereunder.

4. Assignee further agrees to perform and to hold Assignor harmless from all liabilities under the note, deed of trust and security agreement in favor of Home Savings & Loan Association in connection with said real property.

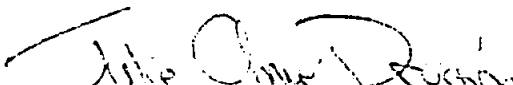
EXECUTED at San Diego, California, on the day and year first above written.

ASSIGNOR:



STEPHEN B. DROGIN
P. O. Box 977K
San Diego, CA 92109

ASSIGNEE:


JULIE ANNE DROGIN

LEGAL DESCRIPTION

Lots 1 through 40, and the vacated alley, in Block 309, Pacific Beach, according to Map thereof No. 922, filed September 24, 1904 in the Office of the Recorder of the County of San Diego; together with those vacated portions of Noyes Street, Oliver Avenue and Olney Street adjoining said Block 309 in the City of San Diego, County of San Diego, State of California.