

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

Mission Bay Marina

dated March 5, 1979, and filed in the Office of the City Clerk as Document 766042 (LEASE), which LEASE by mesne conveyances has been transferred, with the consent of the City, to Pacific Rim Marine Enterprises (California), Inc. (LESSEE) which acquired the LESSEE's interest under the LEASE as Rising Sun Marine Enterprises (California), Inc., hereby consents to the Assignment of that LEASE to

Driscoll Mission Bay LLC

(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 March 27, 1997 and in accordance with additional conditions as follows:

1. All terms, covenants, and conditions of LEASE, as well as all past, present and future obligations thereunder shall apply to, benefit, and bind ASSIGNEE, its successors and assigns.
2. CITY releases LESSEE from liability for any default under the LEASE subject to a final audit.
3. If such final audit results in a determination that minimum or percentage rents were underpaid during the period since the last audit, ASSIGNEE shall be liable to CITY for such amount.
4. ASSIGNEE agrees to obtain and provide CITY with certificate of insurance as per terms of LEASE, effective as of the close of escrow.
5. ASSIGNEE agrees to make every effort to comply with and will be responsible for enforcing the "Live-Aboard Regulation", per San Diego Municipal Code 63.25.71.
6. ASSIGNEE agrees to provide, for the duration of the agreement, competent, experienced management to the satisfaction of the City Manager. Such management shall have not less than two years experience in small boat repair, marina and related retail marina management.
7. ASSIGNEE or LESSEE shall not assign this LEASE or any interest therein including any Purchase And Sale Agreement, and shall not sublet the premises or

any part thereof, or any right or privilege appurtenant thereto, without prior written consent of the City Manager in each instance.

8. No representation has been made by CITY that the CITY will agree to any reduction in rent or change of terms of LEASE subsequent to the effective date of this assignment.

THE CITY OF SAN DIEGO

Dated 4-4-97

By Jane E. Keckler
City Manager

APPROVED AS TO FORM AND LEGALITY THIS 3rd DAY OF April,
1997.

CASEY GWINN, City Attorney

By W. J. P.
Deputy City Attorney

ASSIGNEE:

DRISCOLL MISSION BAY LLC, a California Limited
Liability Company

By: John Michael Driscoll
Its: Member

MFW:vms

I:\WPO\1997\WIGGINS\PAC_CON

EXHIBIT A
DESCRIPTION

(LEGAL DESCRIPTION OF REAL PROPERTY)

The land referred to herein is situated in the State of California, County of San Diego, City of San Diego and is described as follows:
PARCEL 1: -LAND-

THAT PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF MISSION BAY - FORMERLY FALSE BAY - AND A PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921, AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, ALL BEING IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, State of California, AND DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 24 IN BLOCK 10 OF RESUBDIVISION OF BLOCKS 7, 8 10 AND A PORTION OF BLOCK 9 AND LOT "A", INSPIRATION HEIGHTS, ACCORDING TO MAP THEREOF NO. 1700, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 27, 1917; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 24, SOUTH $89^{\circ} 55' 56''$ WEST (RECORD SOUTH $89^{\circ} 59' 00''$ WEST), 25.00 FEET TO A POINT OF TANGENT CURVE IN THE BOUNDARY OF SAID LOT 24; THENCE SOUTH $00^{\circ} 04' 04''$ EAST, 2.00 FEET TO AN INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND 2.00 FEET SOUTHERLY AT RIGHT ANGLES TO THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID PARALLEL LINE, NORTH $89^{\circ} 55' 56''$ EAST, 249.70 FEET; THENCE NORTH $05^{\circ} 30' 02''$ WEST, 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "OLD TOWN" - THE LAMBERT GRID COORDINATES, CALIFORNIA ZONE 6, FOR SAID STATION "OLD TOWN" ARE X EQUALS 1,712,415.7 AND Y EQUALS 213,819.22 - AND SAID TRANGULATION STATION IS LOCATED AT LATITUDE $32^{\circ} 43' 02.45''$ NORTH AND LONGITUDE $117^{\circ} 11' 07.200''$ WEST, BEING ALSO THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEER'S MISSION BAY PARK CORRDATE SYSTEM; THENCE NORTH 5160.53 FEET AND WEST 16,030.79 FEET, BEING AT MISSION BAY PARK COORDINATES, NORTH 5160.53 FEET AND WEST 16,030.79 FEET; THENCE SOUTH $66^{\circ} 35' 46''$ EAST, 352.89 FEET BEING AT MISSION BAY PARK COORDINATES NORTH 5020.42 FEET AND WEST, 15,706.89 FEET; THENCE CONTINUING SOUTH $66^{\circ} 35' 46''$ EAST, 618.76 BEING AT MISSION BAY COORDINATES NORTH 4774.57 FEET AND WEST, 15,139.07 FEET; THENCE CONTINUING SOUTH $66^{\circ} 35' 46''$ EAST, 313.04 FEET TO A POINT, FOR REFERENCE THE COORDINATES HEREINAFTER MENTIONED ARE SAID MISSION BAY PARK COORDINATE SYSTEM; THENCE SOUTH $40^{\circ} 00' 00''$ WEST, 421.74 FEET; THENCE SOUTH $50^{\circ} 00' 00''$ EAST, 406.88 FEET TO THE COORDINATES NORTH 4065.64 FEET AND WEST, 14,811.19 FEET; THENCE SOUTH $08^{\circ} 09' 38''$ EAST, 8.12 FEET TO COORDINATES NORTH 4057.60 FEET AND WEST, 14,810.04 FEET; THENCE SOUTH $08^{\circ} 09' 38''$ EAST, 694.75 FEET TO COORDINATES NORTH 3369.88 FEET AND WEST 14,711.43 FEET; THENCE SOUTH $81^{\circ} 50' 22''$ WEST, 1202.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $08^{\circ} 09' 38''$ EAST, 217.76 FEET; THENCE SOUTH $81^{\circ} 50' 22''$ WEST, 800 FEET; THENCE NORTH $08^{\circ} 09' 38''$ WEST, 217.76 FEET; THENCE NORTH $81^{\circ} 50' 22''$ EAST, 800 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2: -WATER-

THAT PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF MISSION BAY - FORMERLY FALSE BAY - AND A PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921 AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, ALL BEING IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, State of California, AND DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE TRUE POINT OF BEGINNING DESCRIBED IN PARCEL 1 ABOVE; THENCE

EXHIBIT A
DESCRIPTION

Legal Description Continued

NORTH 08° 09' 38" WEST, 480 FEET; THENCE SOUTH 81° 50' 22" WEST, 815 FEET;
THENCE SOUTH 81° 50' 22" WEST, 815 FEET; THENCE SOUTH 08° 09' 38" EAST, 480 FEET
TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1; THENCE
ALONG SAID PROLONGATION TO AND ALONG THE NORTHERLY LINE OF SAID PARCEL NORTH
81° 50' 22" EAST, 815 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM THAT PORTION OF SAID PARCELS 1 AND 2, LYING WITHIN THE NATURAL
BOUNDARIES OF MISSION BAY - FORMERLY FALSE BAY - ALL DEPOSITS OF MINERALS,
INCLUDING OIL AND GAS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE
SUCH DEPOSITS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE AS MAY BE REQUIRED
THEREFORE, AS RESERVED BY THE STATE OF CALIFORNIA IN AN ACT OF THE LEGISLATURE
APPROVED APRIL 27, 1945, STATUTES OF CALIFORNIA, CHAPTER 142.

STATE OF CALIFORNIA

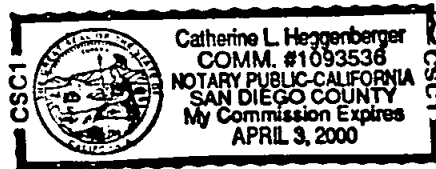
COUNTY OF SAN DIEGO

)
) SS.
)

On March 27 1997 before me, ^{file}undersigned Notary Public, personally appeared Mr. Tetsuya Kamoi, Chief Financial Officer of Pacific Rim Marine Enterprises (California), Inc. personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Catherine L. Heppenberger
Notary's Signature



STATE OF CALIFORNIA

)

) SS.

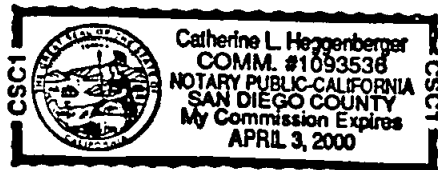
COUNTY OF SAN DIEGO

)

On March 27 1997 before me, ^{the}undersigned Notary Public, personally appeared Mr. Tom Driscoll of Driscoll Mission Bay LLC, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature(s) on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Catherine L. Heppenberger
Notary's Signature



Recording Requested by and when
Recorded mail to:
Driscoll Mission Bay LLC
2500 Shelter Island Drive
San Diego, CA 92106
Attention: Tom Driscoll

PN No. ____

The undersigned declare(s)

Documentary Transfer Tax is \$ _____ City Tax \$ _____

____ computed on full value of property conveyed, or

____ computed on full value less value of liens or encumbrances remaining at time of sale

Signature of Declarant or Agent determining tax.

ASSIGNMENT OF LEASE

This Assignment of Lease (the "Assignment") is made as of March 27, 1997 by Pacific Rim Marine Enterprises (California), Inc., a California corporation which took title as Rising Sun Marine Enterprises (California), Inc., a California corporation ("Assignor"), in favor of Driscoll Mission Bay LLC, ("Assignee"), with reference to the following facts and objectives:

- A. Pursuant to an Assignment of Lease made as of August 10, 1990 and recorded * as ~~recorder's~~ instrument Number 152729-02 Assignor acquired the lessee's interest under that certain Percentage Lease dated March 5, 1979, originally between the City of San Diego, a municipal corporation, acting by and through its City Manager (the "City") as lessor and Mission Bay Marina, a limited partnership, as lessee covering certain property (the "Premises") located in the City of San Diego, County of San Diego, State of California, more particularly described in Exhibit "A". The Lease has been modified by a First Amendment to Lease between the City and Charles Bluth, dated June 2, 1986. The Percentage Lease is referred to herein as the "Lease". Assignor is transferring its interests in the buildings and other improvements on the Premises to Assignee pursuant to a grant deed and a bill of sale executed by Assignor in favor of Assignee.
- B. Assignor desires to assign, transfer and convey to Assignee all of Assignor's right, title and interest in and to the Lease.

Now, therefore, Assignor agrees as follows:

1. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in and to the Lease.

* August 16, 1990 as file no. 1990-0449381, Official Records and filed in the Office of the City Clerk

2. Assignee assumes the rights and obligations hereby assigned and will keep and perform all covenants, conditions and provisions of the Lease which are applicable to the rights acquired arising on and after the date of this Assignment. From and after the date of this Assignment, Assignor shall have no further obligation to perform any of the obligations under the Lease.
3. Assignor and City warrant and represent that the Lease is in full force and effect, unmodified, has not been previously assigned by Assignor and, to the best of the City's knowledge, there is no default on the part of Assignor as lessee or on the part of the City as lessor, and there exists no condition that with the passage of time or the giving of notice or both would constitute such a default.
 - a. Assignor and Assignee acknowledge that the City has consented hereto in accordance with that certain written City of San Diego Consent To Assignment Of Lease Agreement, a copy of which is labeled as page 3 hereof and thereby made a part hereof. The consideration received by Assignor in connection with this Assignment is not considered "gross income" for purposes of calculating the rent due to the City under the Lease.
4. The provisions of this Assignment shall be binding on and inure to the benefit of Assignor and Assignee and their respective successors and assigns.
5. Exhibit "A" is attached to and incorporated in this Assignment and the recitals contained on the first page of this Assignment are incorporated in and made a part of this Assignment.

In witness whereof, Assignor and Assignee have executed this Assignment of Lease as of the date first written above.

ASSIGNOR:

PACIFIC RIM MARINE ENTERPRISES (CALIFORNIA), INC.

By: _____

Mr. Tetsuya Kamoi

Its: Chief Financial Officer

ASSIGNEE:

DRISCOLL MISSION BAY LLC, a California Limited Liability Company

By: _____

Its: _____

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

Mission Bay Marina

(LESSEE), dated March 5, 1979, and filed in the Office of the City Clerk as Document 766042, hereby consents to the Assignment of that Lease Agreement to

Rising Sun Marine Enterprises (California), Inc.

(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 August 10, 1990 and in accordance with additional conditions as follows: (If none, type None.)

1. Assignee shall within 30 days submit for City approval all if any sublease agreements with Knight & Carver Yachtcenter, Inc.
2. Assignee shall within 30 days submit to the City a Certificate of Insurance certifying Rising Sun Marine Enterprises has secured the necessary insurance policies in accordance with the Master Lease.
3. Assignee shall within 180 days complete the pedestrian/bike trail as provided for in the 1987 Revised Mission Bay Marina Master Plan and in accordance with the Negative Declaration EQD No. 89-0449, issued by the City Planning Department.
4. Assignee shall within 180 days provide for a minimum of 113 parking spaces on the leasehold as required in the Negative Declaration, EQD No. 87-0449, issued by the City Planning Department.
5. Assignee shall within 180 days complete all other improvements proposed in the approved 1987 Revised Mission Bay Marina Master Plan or submit to the City a revised development plan.

In the event the leasehold contracts with a sailing syndicate as part of the America's Cup competition, the City Manager or his representative shall have the authority to adjust the required completion dates for the above-stated conditions.

THE CITY OF SAN DIEGO

Dated 08-15-90

By

James L. Spotts
James L. Spotts, Property
Director for the City Manager

APPROVED AS TO FORM AND LEGALITY THIS 14th DAY OF August,
1990.

JOHN W. WITT, City Attorney

By

Frederick Bonias
Deputy

APPROVED AND AGREED:

ASSIGNEE:

RISING SUN MARINE ENTERPRISES (CALIFORNIA) INC.

Date: AUG. 15TH. 1990

By:

T. B. [Signature]

CEBK:st(108-4)
8-14-90

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

Mission Bay Marina, a limited partnership (Lessee), dated March 5, 1979, and filed in the office of the City Clerk as Document 766042, hereby consents to the Assignment of that Lease Agreement by John R. Knight and Hugo W. Carver, II, as Lessee's successor-in-interest to

Knight & Carver Yachtcenter, Inc., a California corporation

(Assignee), in accordance with the terms and conditions set out in the attached Assignment of Lease Agreement entered into by Lessee's successor-in-interest and said Assignee, dated November 30, 1988, and in accordance with additional conditions as follows:

None.

DATED: 12/5/88

CITY OF SAN DIEGO

By: [Signature]
City Manager

Approved as to Form:

JOHN W. WITT,
City Attorney

DATED: 11/16/88

By: [Signature]
Deputy

DOCUMENT NO. 769706
FILED DEC 16 1988
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

Recording Requested by:

When Recorded Mail to:

Knight & Carver Custom
Yachts, Inc.
c/o Michael B. Witte, Esq.
Hinchy, Witte, Wood,
Anderson & Hodges
1901 First Ave., 1st Floor
San Diego, CA 92101

Space Above for Recorder's Use

ASSIGNMENT OF LEASE

This Assignment of Lease (hereinafter "this Assignment") dated November 29, 1988, is entered by and between Knight & Carver Yachtcenter, Inc., a California Corporation ("Assignee") and John R. Knight and Hugo W. Carver, II (hereinafter collectively called "Assignor"), who agree as follows:

1. Recitals.

This assignment is made with reference to the following facts and objectives:

1.1. The City of San Diego ("The City") as lessor and Mission Bay Marina Associates' ("MBMA") predecessor-in-interest, as lessee, entered into a written lease dated March 5, 1979 ("the Lease"), which recorded October 19, 1979, as Document No. 79-438268, in which The City leased to said predecessor of MBMA the premises located in the City of San Diego, California, commonly referred to as Mission Bay Marina, located in the 1500 block of Quivira Way, as more particularly described in Exhibit "A" attached hereto and made a part hereof ("premises").

1.2. MBMA acquired the lessee's interest in such Lease by Assignment dated December 11, 1986, and subsequently assigned all its right, title and interest in the Lease to Assignor by the Assignment of Lease dated, November 29, 1988.

1.3. Assignor desires to assign all their right, title and interest in the Lease to Assignee and Assignee desires to acquire such interest from Assignor on the terms and conditions hereinafter set forth:

2. Effective Date of Assignment.

This Assignment shall take effect on _____, 1988, and Assignor shall give possession of the premises to Assignee on that date, subject to the prior consent to this Assignment by the City.

3. Assignment and Assumption.

Assignor assigns and transfers to Assignee all its right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to the City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. Binding Effect.

This Assignment shall be binding on all and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment and Agreement on the day and year first-above written.

ASSIGNEE:

KNIGHT & CARVER YACHTCENTER,
INC., a California
corporation,

By: John R. Knight
JOHN R. KNIGHT, President

By: Hugo W. Carver, II
HUGO W. CARVER, II,
Secretary

ASSIGNOR:

John R. Knight
JOHN R. KNIGHT

Mari P. Knight
MERI P. KNIGHT, spouse

Hugo W. Carver, II
HUGO W. CARVER, II

Marjorie R. Carver
MARJORIE R. CARVER, Spouse

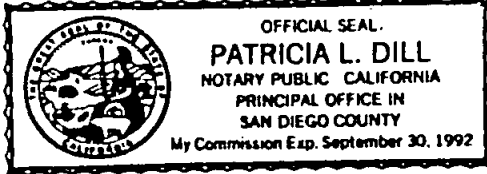
STATE OF CALIFORNIA)

(ss.
COUNTY OF San Diego)

On Nov. 29, 1988, before me, the undersigned,
a Notary Public in and for said State, personally appeared

JOHN R. KNIGHT and MERI P. KNIGHT, 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 that they executed the same.

WITNESS my hand and official seal.



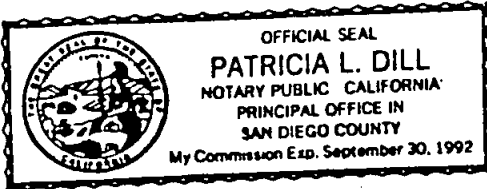
Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

STATE OF CALIFORNIA)

COUNTY OF San Diego (ss.)

on Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared HUGO W. CARVER, II, and MARJORIE R. CARVER, 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 that they executed the same.

WITNESS my hand and official seal.



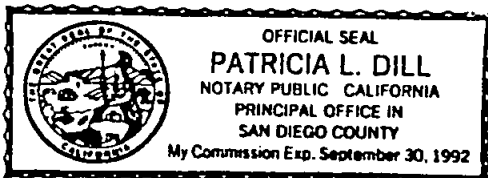
Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

STATE OF CALIFORNIA)

COUNTY OF San Diego (ss.)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the President and HUGO W. CARVER, II, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the Secretary of the corporation that executed within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

EXHIBIT "A"
ORDER NO. 61734-1
DISK NO. 1711

LEGAL DESCRIPTION

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South 89 degrees 55 minutes 56 seconds West (Record South 89 degrees 59 minutes 00 seconds West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South 00 degrees 04 minutes 04 seconds East, 2.00 feet to an interesection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North 89 degrees 55 minutes 56 seconds East, 249.70 feet; thence North 05 degrees 30 minutes 02 seconds West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said tranulation station is located at latitude 32 degrees 43 minutes 02.45 seconds North and longitude 117 degrees 11 minutes 07.200 seconds West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates, North 5160.53 feet and West 16,030.79 feet; thence South 66 degrees 35 minutes 46 seconds East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinate System; thence South 40 degrees 00 minutes 00 seconds West, 421.74 feet; thence South 50 degrees 00 minutes 00 seconds East, 406.88 feet to the coordinates North 4065.64 feet and West, 14,811.19 feet; thence South 08 degrees 09 minutes 38 seconds East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South 08 degrees 09 minutes 38 seconds East, 694.75 feet to Coordinates North 3369.88 feet and West 14,711.43 feet; thence South 81 degrees 50 minutes 22 seconds West, 1202.00 feet to the TRUE POINT OF BEGINNING; thence South 89 degrees 09 minutes 38 seconds East, 217.76 feet; thence South 81 degrees 50 minutes 22 seconds West, 800 feet; thence North 8 degrees 09 minutes 38 seconds West, 271.76 feet; thence North 81 degrees 50 minutes 22 seconds East, 800 feet to the TRUE POINT OF BEGINNING.

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the TRUE POINT OF BEGINNING described in Parcel 1 above; thence North 8 degrees 09 minutes 38 seconds West, 480 feet; thence South 81 degrees 50 minutes 22 seconds West, 815 feet; thence South 8 degrees 09 minutes 38 seconds East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said Parcel North 81 degrees 50 minutes 22 seconds East, 815 feet to the Point of Beginning.

EXCEPTING from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California in an act of the legislature approved April 27, 1945, Statutes of California, Chapter 142.

3. Assignment and Assumption.

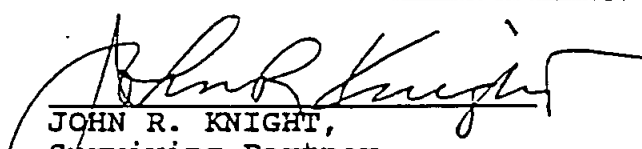
Assignor assigns and transfers to Assignee all its right, title and interest in the Lease, and Assignee accepts the Assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to The City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above-written.

ASSIGNEE:

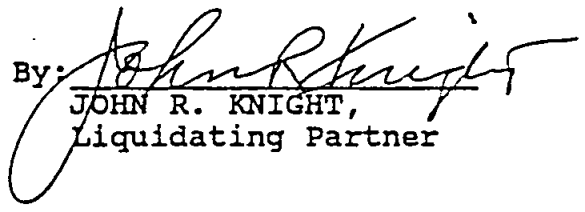

JOHN R. KNIGHT,
Surviving Partner


HUGO W. CARVER, II,
Surviving Partner

ASSIGNOR:

MISSION BAY MARINA
ASSOCIATES, a
California general
partnership

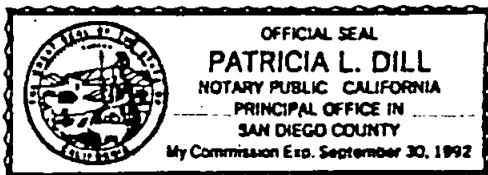
By: 
HUGO W. CARVER, II,
Liquidating Partner

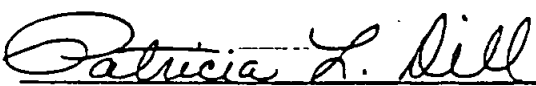
By: 
JOHN R. KNIGHT,
Liquidating Partner

STATE OF CALIFORNIA)
(ss.
COUNTY OF San Diego)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.




NOTARY PUBLIC in and for said
County and State

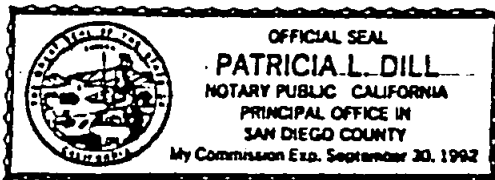
STATE OF CALIFORNIA)

COUNTY OF San Diego (ss.)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared HUGO W. CARVER, II, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.

Patricia L. Dill
NOTARY PUBLIC in and for said
County and State



STATE OF CALIFORNIA

COUNTY OF SAN DIEGO } ss.

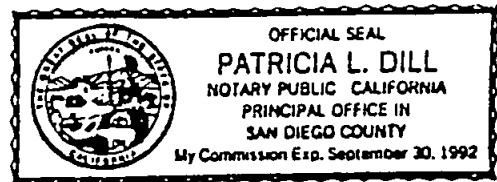
On this 29th day of November, in the year 1988, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN R. KNIGHT and HUGO W. CARVER, II

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be all of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

Signature Patricia L. Dill

Name (Typed or Printed)
Notary Public in and for said County and State

F. 2493 R. 11/82



FOR NOTARY SEAL OR STAMP

Legal

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

Mission Bay Marina, a limited partnership (Lessee), dated March 5, 1979, and filed in the office of the City Clerk as Document 766042, hereby consents to the Assignment of that Lease Agreement by John R. Knight and Hugo W. Carver, II, as Lessee's successor-in-interest to

Knight & Carver Yachtcenter, Inc., a California corporation

(Assignee), in accordance with the terms and conditions set out in the attached Assignment of Lease Agreement entered into by Lessee's successor-in-interest and said Assignee, dated November 30, 1988, and in accordance with additional conditions as follows:

None.

DATED: 12/5/88

CITY OF SAN DIEGO

By: [Signature]
City Manager

Approved as to Form:

JOHN W. WITT,
City Attorney

DATED: 11/16/88

By: [Signature]
Deputy

DOCUMENT NO. 769706
FILED DEC 16 1988
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

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

Mission Bay Marina, a limited partnership (Lessee), dated March 5, 1979, and filed in the office of the City Clerk as Document 766042, hereby consents to the Assignment of that Lease Agreement by Mission Bay Marina Associates, a California general partnership, as Lessee's successor-in-interest to

John R. Knight, Hugo W. Carver, II,

(Assignees), in accordance with the terms and conditions set out in the attached Assignment of Lease Agreement entered into by Lessee's successor-in-interest and said Assignees, dated November 30, 1988, and in accordance with additional conditions as follows:

None.

DATED: 12/5/88

CITY OF SAN DIEGO

By: [Signature]

City Manager

Approved as to Form:

DATED: 11/16/88

JOHN W. WITT,
City Attorney

By: [Signature]

Deputy

DOCUMENT NO. 769706 -1

-1-

dcl/mar-a001.6/rlc

FILED DEC 16 1988
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

3. Assignment and Assumption.

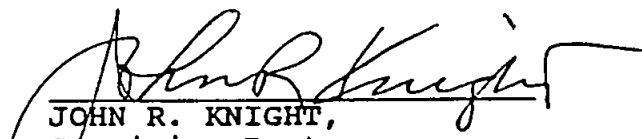
Assignor assigns and transfers to Assignee all its right, title and interest in the Lease, and Assignee accepts the Assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to The City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above-written.

ASSIGNEE:

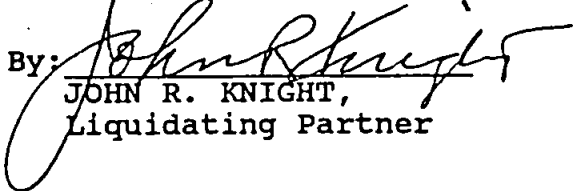

JOHN R. KNIGHT,
Surviving Partner


HUGO W. CARVER, II,
Surviving Partner

ASSIGNOR:

MISSION BAY MARINA
ASSOCIATES, a
California general
partnership

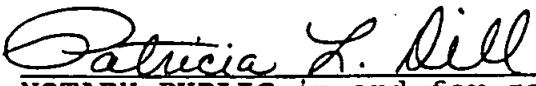
By: 
HUGO W. CARVER, II,
Liquidating Partner

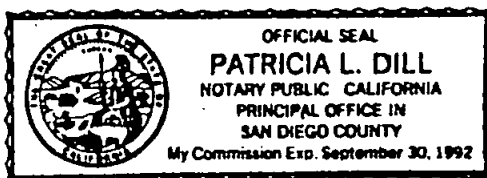
By: 
JOHN R. KNIGHT,
Liquidating Partner

STATE OF CALIFORNIA)
(ss.
COUNTY OF San Diego)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.


NOTARY PUBLIC in and for said
County and State



Recording Requested by:

When Recorded Mail to:

Knight & Carver Custom
Yachts, Inc.
c/o Michael B. Witte, Esq.
Hinchy, Witte, Wood,
Anderson & Hodges
1901 First Ave., 1st Floor
San Diego, CA 92101

Space Above for Recorder's Use

ASSIGNMENT OF LEASE

This Assignment of Lease (hereinafter "this Assignment") dated November 29, 1988, is entered by and between Knight & Carver Yachtcenter, Inc., a California Corporation ("Assignee") and John R. Knight and Hugo W. Carver, II (hereinafter collectively called "Assignor"), who agree as follows:

1. Recitals.

This assignment is made with reference to the following facts and objectives:

1.1. The City of San Diego ("The City") as lessor and Mission Bay Marina Associates' ("MBMA") predecessor-in-interest, as lessee, entered into a written lease dated March 5, 1979 ("the Lease"), which recorded October 19, 1979, as Document No. 79-438268, in which The City leased to said predecessor of MBMA the premises located in the City of San Diego, California, commonly referred to as Mission Bay Marina, located in the 1500 block of Quivira Way, as more particularly described in Exhibit "A" attached hereto and made a part hereof ("premises").

1.2. MBMA acquired the lessee's interest in such Lease by Assignment dated December 11, 1986, and subsequently assigned all its right, title and interest in the Lease to Assignor by the Assignment of Lease dated, November 29, 1988.

1.3. Assignor desires to assign all their right, title and interest in the Lease to Assignee and Assignee desires to acquire such interest from Assignor on the terms and conditions hereinafter set forth:

2. Effective Date of Assignment.

This Assignment shall take effect on _____, 1988, and Assignor shall give possession of the premises to Assignee on that date, subject to the prior consent to this Assignment by the City.

3. Assignment and Assumption.

Assignor assigns and transfers to Assignee all its right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to the City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. Binding Effect.

This Assignment shall be binding on all and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment and Agreement on the day and year first-above written.

ASSIGNEE:

KNIGHT & CARVER YACHTCENTER,
INC., a California
corporation,

By:

John R. Knight
JOHN R. KNIGHT, President

By:

Hugo W. Carver, II
HUGO W. CARVER, II,
Secretary

ASSIGNOR:

John R. Knight
JOHN R. KNIGHT

Meri P. Knight
MERI P. KNIGHT, spouse

Hugo W. Carver, II
HUGO W. CARVER, II

Marjorie R. Carver
MARJORIE R. CARVER, Spouse

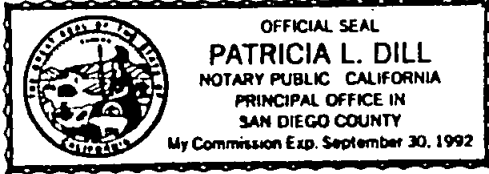
STATE OF CALIFORNIA)

(ss.
COUNTY OF San Diego)

On Nov. 29, 1988, before me, the undersigned,
a Notary Public in and for said State, personally appeared

JOHN R. KNIGHT and MERI P. KNIGHT, 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 that they executed the same.

WITNESS my hand and official seal.



Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

STATE OF CALIFORNIA)
COUNTY OF San Diego (ss.)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared HUGO W. CARVER, II, and MARJORIE R. CARVER, 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 that they executed the same.

WITNESS my hand and official seal.

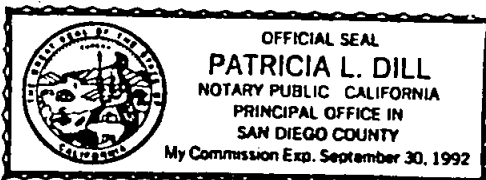


Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

STATE OF CALIFORNIA)
COUNTY OF San Diego (ss.)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the President and HUGO W. CARVER, II, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as the Secretary of the corporation that executed within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

EXHIBIT "A"
ORDER NO. 61734-1
DISK NO. 1711

LEGAL DESCRIPTION

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South 89 degrees 55 minutes 56 seconds West (Record South 89 degrees 59 minutes 00 seconds West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South 00 degrees 04 minutes 04 seconds East, 2.00 feet to an interesection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North 89 degrees 55 minutes 56 seconds East, 249.70 feet; thence North 05 degrees 30 minutes 02 seconds West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said trangulation station is located at latitude 32 degrees 43 minutes 02.45 seconds North and longitude 117 degrees 11 minutes 07.200 seconds West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates, North 5160.53 feet and West 16,030.79 feet; thence South 66 degrees 35 minutes 46 seconds East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinate System; thence South 40 degrees 00 minutes 00 seconds West, 421.74 feet; thence South 50 degrees 00 minutes 00 seconds East, 406.88 feet to the coordinates North 4065.64 feet and West, 14,811.19 feet; thence South 08 degrees 09 minutes 38 seconds East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South 08 degrees 09 minutes 38 seconds East, 694.75 feet to Coordinates North 3369.88 feet and West 14,711.43 feet; thence South 81 degrees 50 minutes 22 seconds West, 1202.00 feet to the TRUE POINT OF BEGINNING; thence South 89 degrees 09 minutes 38 seconds East, 217.76 feet; thence South 81 degrees 50 minutes 22 seconds West, 800 feet; thence North 8 degrees 09 minutes 38 seconds West, 271.76 feet; thence North 81 degrees 50 minutes 22 seconds East, 800 feet to the TRUE POINT OF BEGINNING.

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the TRUE POINT OF BEGINNING described in Parcel 1 above; thence North 8 degrees 09 minutes 38 seconds West, 480 feet; thence South 81 degrees 50 minutes 22 seconds West, 815 feet; thence South 8 degrees 09 minutes 38 seconds East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said Parcel North 81 degrees 50 minutes 22 seconds East, 815 feet to the Point of Beginning.

EXCEPTING from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California in an act of the legislature approved April 27, 1945, Statutes of California, Chapter 142.

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

Mission Bay Marina, a limited partnership (Lessee), dated March 5, 1979, and filed in the office of the City Clerk as Document 766042, hereby consents to the Assignment of that Lease Agreement by Mission Bay Marina Associates, a California general partnership, as Lessee's successor-in-interest to

John R. Knight, Hugo W. Carver, II,

(Assignees), in accordance with the terms and conditions set out in the attached Assignment of Lease Agreement entered into by Lessee's successor-in-interest and said Assignees, dated November 30, 1988, and in accordance with additional conditions as follows:

None.

DATED: 12/5/88

CITY OF SAN DIEGO

By: [Signature]
City Manager

Approved as to Form:

DATED: 11/16/88

JOHN W. WITT,
City Attorney

By: [Signature]
Deputy

-1-

dcl/mar-a001.6/rlc

DOCUMENT NO. 769706-1

FILED DEC 16 1988
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

Recording Requested by:

When Recorded Mail to:

Knight & Carver Custom
Yachts, Inc.
c/o Michael B. Witte, Esq.
Hinchy, Witte, Wood,
Anderson & Hodges
1901 First Ave., 1st Floor
San Diego, CA 92101

Space Above for Recorder's Use

ASSIGNMENT OF LEASE

This Assignment of Lease (hereinafter "this Assignment") dated November 29, 1988, is entered by and between John R. Knight and Hugo W. Carver, II (hereinafter collectively called the "Assignee") and Mission Bay Marina Associates, a California general partnership in dissolution ("Assignor"), who agree as follows:

1. Recitals.

This assignment is made with reference to the following facts and objectives:

1.1. The City of San Diego ("The City") as lessor and Assignor's predecessor in interest, as lessee, entered into a written lease dated March 5, 1979 ("the Lease"), which recorded October 19, 1979, as Document No. 79-438268, in which The City leased to said predecessor of Assignor the premises located in the City of San Diego, California, commonly referred to as Mission Bay Marina, located in the 1500 block of Quivira Way, as more particularly described in Exhibit "A" attached hereto and made a part hereof ("premises").

1.2. Assignor acquired the lessee's interest in such Lease by Assignment dated December 11, 1986, and desires to assign all his right, title and interest in the lease to Assignee and Assignee desires to acquire such interest from Assignor on the terms and conditions hereinafter set forth:

2. Effective Date of Assignment.

This Assignment shall take effect on the _____, and Assignor shall give possession of the premises to Assignee on that date, subject to the prior consent to the Assignment by the City.

3. Assignment and Assumption.

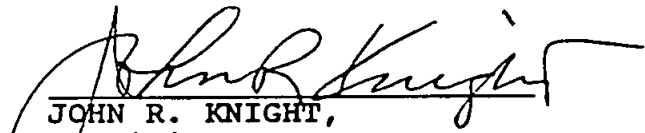
Assignor assigns and transfers to Assignee all its right, title and interest in the Lease, and Assignee accepts the Assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to The City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above-written.

ASSIGNEE:

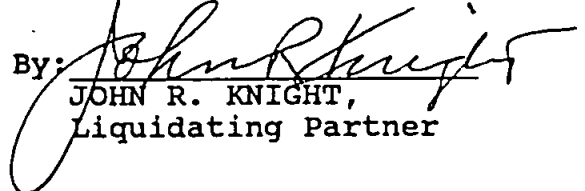

JOHN R. KNIGHT,
Surviving Partner


HUGO W. CARVER, II,
Surviving Partner

ASSIGNOR:

MISSION BAY MARINA
ASSOCIATES, a
California general
partnership

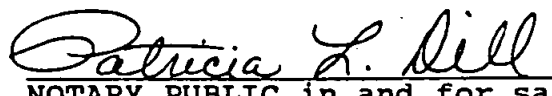
By: 
HUGO W. CARVER, II,
Liquidating Partner

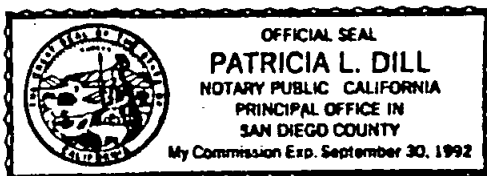
By: 
JOHN R. KNIGHT,
Liquidating Partner

STATE OF CALIFORNIA)
(ss.
COUNTY OF San Diego)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.


NOTARY PUBLIC in and for said
County and State

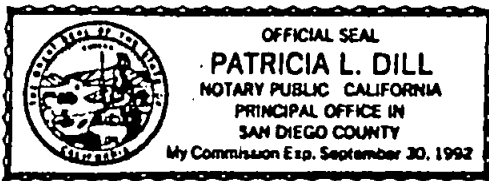


STATE OF CALIFORNIA)
COUNTY OF San Diego (ss.)

On Nov. 29, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared HUGO W. CARVER, II, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.

Patricia L. Dill
NOTARY PUBLIC in and for said
County and State

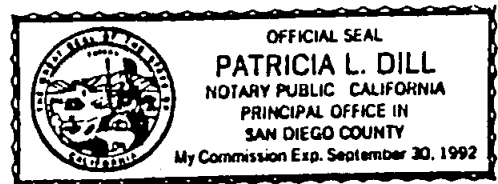


STATE OF CALIFORNIA
COUNTY OF SAN DIEGO } ss.
On this 29th day of November, in the year 1988,
before me, the undersigned, a Notary Public in and for said County and
State, personally appeared JOHN R. KNIGHT
and HUGO W. CARVER, II

_____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be
all of the partners of the partnership that executed the
within instrument, and acknowledged to me that such partnership
executed the same.

Signature Patricia L. Dill

Name (Typed or Printed)
Notary Public in and for said County and State



FOR NOTARY SEAL OR STAMP

F. 2493 R. 11/82

EXHIBIT "A"
ORDER NO. 61734-1
DISK NO. 1711

LEGAL DESCRIPTION

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South 89 degrees 55 minutes 56 seconds West (Record South 89 degrees 59 minutes 00 seconds West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South 00 degrees 04 minutes 04 seconds East, 2.00 feet to an interesection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North 89 degrees 55 minutes 56 seconds East, 249.70 feet; thence North 05 degrees 30 minutes 02 seconds West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said trangulation station is located at latitude 32 degrees 43 minutes 02.45 seconds North and longitude 117 degrees 11 minutes 07.200 seconds West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates, North 5160.53 feet and West 16,030.79 feet; thence South 66 degrees 35 minutes 46 seconds East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South 66 degrees 35 minutes 46 seconds East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinate System; thence South 40 degrees 00 minutes 00 seconds West, 421.74 feet; thence South 50 degrees 00 minutes 00 seconds East, 406.88 feet to the coordinates North 4065.64 feet and West, 14,811.19 feet; thence South 08 degrees 09 minutes 38 seconds East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South 08 degrees 09 minutes 38 seconds East, 694.75 feet to Coordinates North 3369.88 feet and West 14,711.43 feet; thence South 81 degrees 50 minutes 22 seconds West, 1202.00 feet to the TRUE POINT OF BEGINNING; thence South 89 degrees 09 minutes 38 seconds East, 217.76 feet; thence South 81 degrees 50 minutes 22 seconds West, 800 feet; thence North 8 degrees 09 minutes 38 seconds West, 271.76 feet; thence North 81 degrees 50 minutes 22 seconds East, 800 feet to the TRUE POINT OF BEGINNING.

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - Formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the TRUE POINT OF BEGINNING described in Parcel 1 above; thence North 8 degrees 09 minutes 38 seconds West, 480 feet; thence South 81 degrees 50 minutes 22 seconds West, 815 feet; thence South 8 degrees 09 minutes 38 seconds East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said Parcel North 81 degrees 50 minutes 22 seconds East, 815 feet to the Point of Beginning.

EXCEPTING from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California in an act of the legislature approved April 27, 1945, Statutes of California, Chapter 142.

ASSIGNMENT OF LEASE

Recording Requested by:)
)
)
)
When Recorded Mail to:)
)
Mission Bay Marina Associates)
c/o Michael B. Witte, Esquire)
Hinchy, Witte, Wood,)
Anderson & Hodges)
3200 Fourth Avenue)
Suite 100)
San Diego, California 92103)
_____)

This Assignment of Lease (hereinafter "this Assignment") dated _____, is entered by and between Randall Sorbel, a married man as his sole and separate property ("Assignor") and Mission Bay Marina Associates, a California general partnership, (the "Assignee"), who agrees as follows:

1. RECITALS.

This Assignment is made with reference to the following facts and objectives:

1.1 The City of San Diego ("The City") as lessor and Assignor's predecessor-in-interest as lessee, entered into a written lease dated March 5, 1979 (the "Lease"), in which the City leased to said predecessor of Assignor the premises located in the City of San Diego, California, commonly referred to as Mission Bay Marina, located in the 1500 block of Quivira Way, as more particularly described in Exhibit "A" attached hereto and made a part hereof ("premises").

1.2 Assignor acquired the lessee's interest in such Lease by assignment this date and desires to assign all his right, title and interest in the lease to Assignee and Assignee desires to acquire such interest from Assignor on the terms and conditions hereinafter set forth:

2. EFFECTIVE DATE OF ASSIGNMENT.

This Assignment shall take effect on the _____, and Assignor shall give possession of the premises to Assignee on that date, subject to the prior consent to the Assignment by the City.

3. ASSIGNMENT AND ASSUMPTION.

Assignor assigns and transfer to Assignee all his right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to the City, all provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. BINDING EFFECT.

This Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment on the date and year first above written.

ASSIGNOR:

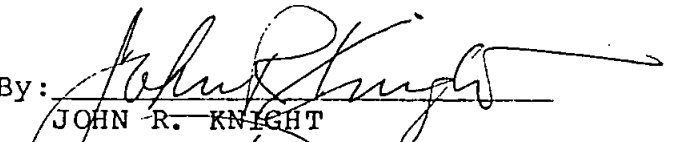


RANDALL SORBEL, a married
man as his sole and separate
property

ASSIGNEE:

MISSION BAY MARINA ASSOCIATES,
a California general partnership

By: KNIGHT & CARVER MARINE
CONSTRUCTION, INC.,
a California corporation

By: 

JOHN R. KNIGHT
Title: PRESIDENT

- and -

By: 

HUGO W. CARVER, II
Title: VICE PRESIDENT
& SECRETARY

By: 

THOMAS K. WRIGHT

By: 

WILLIAM W. ANGELL, M.D.

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) SS.

On December 3, 1986, before me, the undersigned, a Notary Public of the State of California, duly commissioned and sworn, personally appeared RANDALL SORBEL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.



Frances R. Coyle
NOTARY PUBLIC, in and for said
County of Los Angeles

CAT. NO. NN00737
TO 1945 CA (8-84)
(Corporation)

TICOR TITLE INSURANCE

STATE OF CALIFORNIA }
COUNTY OF San Diego } SS.

On December 8, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN R. KNIGHT personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President, and HUGO W. CARVER, II personally known to me or of satisfactory evidence to be



CAT. NO. NN00627
TO 1944 CA (9-84)

TICOR TITLE INSURANCE

(Individual)

STATE OF CALIFORNIA }
COUNTY OF San Diego } SS.

On December 8, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas K. Wright

, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



CAT. NO. NN00627
TO 1944 CA (9-84)

TICOR TITLE INSURANCE

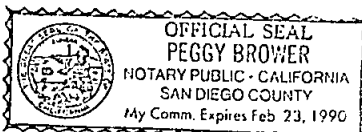
(Individual)

STATE OF CALIFORNIA }
COUNTY OF San Diego } SS.

On December 8, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared William W. Angell, M.D.

, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Signature Peggy Brower

(This area for official notarial seal)

The land referred to herein is situated in the State of California, County of San Diego, and is described as follows:

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South $89^{\circ}55'56''$ West (Record South $89^{\circ}59'00''$ West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South $00^{\circ}04'04''$ East, 2.00 feet to an intersection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North $89^{\circ}55'56''$ East, 249.70 feet; thence North $05^{\circ}30'02''$ West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said Station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said Triangulation Station is located at latitude $32^{\circ}45'02.45''$ North and longitude $117^{\circ}11'07.200''$ West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates; North 5160.53 feet and West 16,030.79 feet; thence South $66^{\circ}35'46''$ East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South $66^{\circ}35'46''$ East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South $66^{\circ}35'46''$ East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinates System; thence South $40^{\circ}00'00''$ West, 421.74 feet; thence South $50^{\circ}00'00''$ East, 406.88 feet to coordinates North 4065.64 feet and West, 14,811.19 feet; thence South $08^{\circ}09'38''$ East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South $08^{\circ}09'38''$ East, 694.75 feet to coordinates North 3369.83 feet and West 14,711.43 feet; thence South $81^{\circ}50'22''$ West, 1202.00 feet to the True Point Of Beginning; thence South $89^{\circ}09'38''$ East, 217.76 feet; thence South $81^{\circ}50'22''$ West, 800 feet; thence North $8^{\circ}09'38''$ West, 271.76 feet; thence North $81^{\circ}50'22''$ East, 800 feet to the True Point Of Beginning.

EXHIBIT A

PLEASE
INITIAL

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the True Point Of Beginning described in Parcel 1 above; thence North 8°09'38" West, 480 feet; thence South 81°50'22" West, 815 feet; thence South 8°09'38" East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said parcel, North 81°50'22" East, 815 feet to the Point of Beginning.

Excepting from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all the deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California, in an Act of the Legislature approved April 27, 1945, Statutes of California, Chapter 142.

ld/bp

PLEASE
INITIAL

Towler

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

Mission Bay Marina

(LESSEE), dated March 5, 1979, and filed in the Office of the City Clerk as Document 766042 hereby consents to the Assignment of that Lease Agreement to

Randall Sorbel and immediate subsequent Assignment to Mission Bay Marina Associates, a California general partnership

(ASSIGNEE), in accordance with the terms and conditions set out in the attached Assignments of Lease Agreement entered into by Lessee and said Assignees, dated _____ and in accordance with additional conditions as follows:

: None.

THE CITY OF SAN DIEGO

Dated:

12.11.86

By:

[Signature]
City Manager

APPROVED AS TO FORM:

JOHN W. WITT, CITY ATTORNEY

Dated:

12/9/86

By:

[Signature]
Deputy

ASSIGNMENT OF LEASE

Recording Requested by:)
)
)
)
When Recorded Mail to:)
)
Mission Bay Marina Associates)
c/o Michael B. Witte, Esq.)
Hinchy, Witte, Wood, Anderson)
& Hodges)
3200 Fourth Avenue, Ste. 100)
San Diego, CA 92103)
_____)

This Assignment of Lease (hereinafter "this Assignment") dated _____, is entered by and between Charles P. Bluth, doing business as Mission Bay Marina ("Assignor") and Randall Sorbel, a married man as his sole and separate property ("Assignee"), who agree as follows:

1. RECITALS.

This Assignment is made with reference to the following facts and objectives:

1.1 The City of San Diego ("The City") as lessor and Assignor as lessee, entered into a written lease dated March 5, 1979 ("the Lease"), in which the City leased to Assignor and Assignor leased from the City premises located in the City of San Diego, California, commonly referred to as Mission Bay Marina, located in the 1500 block of Quivira Way, as more particularly described in Exhibit "A" attached hereto and made a part hereof ("premises").

1.2 Assignor desires to assign all his right, title and interest in the lease to Assignee and Assignee desires to acquire such interest from Assignor on the terms and conditions hereinafter set forth:

2. EFFECTIVE DATE OF ASSIGNMENT.

This Assignment shall take effect on the _____, and Assignor shall give possession of the premises to Assignee on that date, subject to the prior consent to this Assignment by the City.

3. ASSIGNMENT AND ASSUMPTION.

Assignor assigns and transfer to Assignee all his right, title and interest in the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the date the Assignment becomes effective, as a direct obligation to the City, all the provisions of the Lease, including the obligations to pay, when due, rent under the Lease.

4. BINDING EFFECT.

This Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment on the day and year first above written.

ASSIGNOR:


CHARLES P. BLUTH, doing
business as Mission Bay
Marina

ASSIGNEE


RANDALL SORBEL, a married
man as his sole and separate
property

STATE OF CALIFORNIA)
(ss.
COUNTY OF Los Angeles)

On October 29, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared CHARLES P. BLUTH, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.




NOTARY PUBLIC in and for said
County and State

STATE OF CALIFORNIA)
(ss.
COUNTY OF SAN DIEGO)

On December 3, 1986, before me, the undersigned, a Notary Public of the State of California, duly commissioned and sworn, personally appeared RANDALL SORBEL, personally

known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.



Frances R. Coyle
NOTARY PUBLIC, in and for said
County and State

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the True Point Of Beginning described in Parcel 1 above; thence North 8°09'38" West, 480 feet; thence South 81°50'22" West, 815 feet; thence South 8°09'38" East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said parcel, North 81°50'22" East, 815 feet to the Point of Beginning.

Excepting from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all the deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California, in an Act of the Legislature approved April 27, 1945, Statutes of California, Chapter 142.

ld/bp

EXHIBIT "A" (2 of 2 pages)



The land referred to herein is situated in the State of California, County of San Diego, and is described as follows:

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South 89°55'56" West (Record South 89°59'00" West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South 00°04'04" East, 2.00 feet to an intersection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North 89°55'56" East, 249.70 feet; thence North 05°30'02" West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said Station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said Triangulation Station is located at latitude 32°45'02.45" North and longitude 117°11'07.200" West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates; North 5160.53 feet and West 16,030.79 feet; thence South 66°35'46" East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South 66°35'46" East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South 66°35'46" East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinates System; thence South 40°00'00" West, 421.74 feet; thence South 50°00'00" East, 406.88 feet to coordinates North 4065.64 feet and West, 14,811.19 feet; thence South 08°09'38" East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South 08°09'38" East, 694.75 feet to coordinates North 3369.88 feet and West 14,711.43 feet; thence South 81°50'22" West, 1202.00 feet to the True Point Of Beginning; thence South 89°09'38" East, 217.76 feet; thence South 81°50'22" West, 800 feet; thence North 8°09'38" West, 271.76 feet; thence North 81°50'22" East, 800 feet to the True Point Of Beginning.

EXHIBIT "A" (1 of 2 pages)



SALE ESCROW INSTRUCTIONS

TO: V.I.P. Escrow Service, Inc.
1033 East Main Street
Alhambra, CA 91801

Escrow No. 10971-SA
Date: September 29, 1986
Escrow Officer: Sylvia
Partida
(213) 576-2221

Knight & Carver Marine Construction, Inc. a California corporation, as Buyer, and Charles P. Bluth, doing business as Mission Bay Marina, instruct you as follows, which instructions shall supersede all prior escrow instructions.

1. Purchase Price.

1.1 Buyer hereby agrees to purchase the hereinafter described property for a total consideration of \$7,400,000 and will, prior to close of escrow, hand you said
1.1.1 \$100,000, previously deposited in Escrow on behalf of Buyer;

1.1.2 \$252,700 plus closing costs (in the form of a cashier's check drawn on a California state bank or wire transfer) before close of Escrow;

1.1.3 \$5,011,705.04, as the proceeds of a new loan to Buyer by Great American First Savings Bank (hereinafter "First Trust Deed Note");

1.1.4 \$688,294.96 by Buyer's assumption of the unpaid balance of 3 notes, each secured by a deed of trust on the property, executed in favor of U.S. Small Business Administration ("SBA") (hereinafter collectively "SBA Notes");

1.1.5 \$760,000 by Buyer's promissory note executed in favor of Fullerton Radiology Medical Group, Inc., Retirement Trust (hereinafter "Fullerton Radiology Note");

1.1.6 \$578,300 as the proceeds of a loan to Buyer by Great American First Savings Bank (hereinafter "Sixth Trust Deed Note").

Certified to be a true and exact copy
V.I.P. ESCROW SERVICE INC.

By: Retty Musick

1.2 The SBA Note balances will, on the Closing Date, be less than indicated in paragraph 1.1.4 above. To the extent the SBA Note balances are less than set forth in paragraph 1.1.4, the purchase price shall remain the same by adjusting the amount of the First Trust Deed Note to a maximum of \$5,175,000. Subject to Buyer's election under paragraph 1.3 below, the total of the First Trust Deed Note and the SBA Notes shall not exceed \$5,700,000.

1.3 Buyer may elect to accept the First Trust Deed Note in the maximum sum of \$5,175,000, notwithstanding the fact that such sum, when added to the balance of the SBA Notes, exceeds the \$5,700,000 limitation set forth in paragraph 1.2. If Buyer makes such election, the purchase price shall remain the same by reducing the amount of the Fullerton Radiology Note in the amount by which the proceeds of the First Trust Deed Note, when added to the balance of the SBA Notes, exceed the above-referenced sum of \$5,700,000. In the event of Buyer's election hereunder, the proceeds of the First Trust Deed Note, plus the balance of the SBA Notes, plus the amount of the Fullerton Radiology Note, shall total the sum of \$6,460,000.

1.4 All deposits placed in Escrow by Buyer shall be deposited into an interest-bearing account. All interest earned on such accounts shall be to the credit of Buyer.

2. Property.

2.1 The property to be acquired by Buyer from Seller consists of the following:

2.1.1 The Leasehold Estate described in paragraph 3.1 of these instructions (hereinafter "Leasehold Estate");

2.1.2 All items of equipment, supplies, machinery and other tangible personal property on the Leasehold Estate owned by Seller, and in the possession of, or used by, Seller, Seller's tenants, including Buyer, in

connection with the respective businesses of each at the Leasehold Estate (hereinafter collectively referred to as "Personal Property").

2.1.3 The Leasehold Estate includes all improvements in place as of the Closing Date.

3. Closing Date; Title Insurance.

3.1 The closing date of this Escrow (hereinafter "Closing Date") shall be 60 days from the date of Buyer's receipt of Seller's ~~written~~ ^{written} notice requesting Escrow to close, or the date beyond 60 days specified in Seller's notice, or December 31, 1986, or the date mutually agreed upon in writing by Buyer and Seller, whichever date is the first to occur, and when Chicago Title Insurance Company of San Diego has confirmed to Escrow its willingness to issue its CLTA standard coverage policy of title insurance in the amount of \$7,400,000, insuring, the property described as follows:

A Leasehold Estate created by that certain Lease dated March 5, 1979 executed by and between The City of San Diego, a municipal corporation, as Lessor, and Mission Bay Marina, a general partnership, as Lessee, and recorded October 19, 1979, as File No. 79-438268 of Official Records.

The policy of title insurance shall insure title to the Lessee's interest under the Lease, a copy of which is attached hereto and made a part hereof (hereinafter "Master Lease") vested in Buyer or Buyer's assignee under paragraph 13.5, if any, free and clear of all title defects, liens, encumbrances, deeds of trust, mortgages, rights-of-way, and restrictive covenants and conditions, except: all general and special taxes for the fiscal year 1986-1987; the lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code; easements, rights-of-way, building set-back lines, conditions, restrictions and reservations, oil, gas, hydro-carbon or other mineral reservations of record,

including so-called zoning ordinances and, in order of priority, the following deeds of trust:

3.1.1 Deed of trust describing the Leasehold Estate, executed by Buyer, in favor of Great American First Savings Bank, securing the First Trust Deed Note (hereinafter "First Trust Deed");

3.1.2 Three existing deeds of trust executed by Seller, as Trustor, in favor of U.S. Small Business Administration, as Beneficiary, each of which is dated January 13, 1981, and was recorded on February 25, 1981 (hereinafter collectively "the SBA Trust Deeds"). The SBA Trust Deeds are individually described as follows:

3.1.2.1 A Trust Deed to secure an indebtedness in the original principal sum of \$500,000, with an unpaid balance of \$407,339.96, as of April 12, 1986, recorded as Document No. 81-056371 of Official Records;

3.1.2.2 A Trust Deed to secure an indebtedness in the original principal sum of \$250,000, with an unpaid balance of \$234,087.06, as of April 10, 1986, recorded as Document No. 81-056373 of Official Records; and

3.1.2.3 A Trust Deed to secure an indebtedness in the original principal sum of \$75,000, with an unpaid principal balance of \$46,867.94, as of April 10, 1986, recorded as Document No. 81-056375 of Official Records.

3.1.3 Deed of trust executed by Buyer, in favor of Fullerton Radiology, to secure the Fullerton Radiology Note (hereinafter "Fullerton Radiology Trust Deed");

3.1.4 Deed of trust executed by Buyer, in favor of Great American First Savings Bank, to secure the Sixth Trust Deed Note (hereinafter "Sixth Trust Deed").

4. Obligations of Buyer.

4.1 On or before the Closing Date, Buyer will:

4.1.1 Assume the obligations secured by the SBA Trust Deeds in form acceptable to Seller and SBA.

4.1.2 Deliver to you, in recordable form, the original of the Assignment of Lease to be executed between Buyer & Seller, in the form and content attached, duly executed by Buyer, to enable you to obtain the signature of Seller.

4.1.3 Cause to be delivered to you the First Trust Deed and the Sixth Trust Deed to file, each executed by Buyer in favor of Great American First Savings Bank securing the First Trust Deed Note and Sixth Trust Deed Note, respectively.

4.1.4 Deliver to you, in form acceptable to Seller, the Fullerton Radiology Trust Deed and the Fullerton Radiology Note as hereinafter described, each executed by Buyer, together with the Guaranty of the Fullerton Radiology Note, executed by John R. Knight, Hugo W. Carver, II, William W. Angell and Thomas K. Wright, and in the event of an assignment under paragraph 13.5, any additional individual partners of Buyer's assignee.

4.1.4.1 The Fullerton Radiology Note shall provide for interest at the rate of twelve percent (12%) per annum from the Closing Date; principal and interest payable in monthly installments of \$_____ (to follow), or more, on the same day of each calendar month, beginning one month after the Closing Date and continuing monthly thereafter on the same day of each calendar month until five (5) years after the Closing Date, at which time the full unpaid principal balance and interest accrued thereon shall become immediately due and payable. The note shall include a late payment provision to the effect that if any installment is not paid within ten (10) days after the due date, the maker of the note agrees to pay ten percent (10%) of the monthly payment as a late charge for such

delinquency, and such late charge would be due, at the option of the holder of the note, either at the time of delinquency or at maturity of the note. Escrow holder is authorized and instructed to insert the amount of the monthly payment, when the principal amount of the note is known (based upon a 30-year amortization schedule) and to insert the date interest will commence, the date monthly payments commence and the maturity date on the face of the note, when said dates are known.

4.1.4.2 The Fullerton Radiology Trust Deed shall contain the following additional provisions:

"This deed of trust is subsequent in lien to the first deed of trust in favor of Great American First Savings Bank, recorded concurrently herewith, and to the three deeds of trust of record, each executed in favor of U.S. Small Business Administration, and each recorded on February 25, 1981.

"In the event of the transfer of the Leasehold interest in and to the land area and the water area, as described on this deed of trust, in part or in whole, all principal and interest due under the note secured hereby shall become immediately due and payable, at the option of the holder hereof."

4.1.5 Deliver to you, in form acceptable to Seller, a Security Agreement and UCC-1 form as to the Personal Property and a collateral assignment of Buyer's leasehold interest under the Master Lease, each subordinated to the priority of the First Trust Deed and the SBA Trust Deeds.

4.1.6 Deliver to you any additional funds and instruments required of Buyer to enable Escrow to comply with these instructions.

5. Obligations of Seller.

5.1 Prior to the Closing Date, Seller will execute the Assignment of Lease described in paragraph 4.1.2, in recordable form, for retention in Escrow for recording on the Closing Date. In addition, Seller shall deposit with Escrow, for delivery to Buyer on the Closing Date, the following documents:

5.1.1 An original or executed copy of all "Tenant Agreements" which shall mean all agreements between Seller and all persons occupying the property, including occupants of boat slips, land lockers and dry storage lockers, as well as the various Sublease Agreements, with amendments, if any.

5.1.2 The Certified Rent Roll, in the form attached, indicating the address, suite number or boat slip or other identifying number of each unit of the property under the control of Seller, the name of the Tenant occupying such unit, the amount, if any, deposited by such tenant as a security deposit for such unit, the monthly rent charged for such unit, the date to which such rental has been paid, and such additional information necessary to satisfy paragraph 6.1 of these instructions.

5.1.3 The executed Assignment of Leases and Tenant Agreements, in the form attached.

5.1.4 The executed General Assignment of Rights and Permits, in the form attached, of all assignable permits, leases, and certificates of occupancy held by Seller relating to the Leasehold Estate, together with the originals or executed copies thereof.

5.1.5 An executed Bill of Sale, in the form attached, covering the Personal Property described in paragraph 2.1.2, to be transferred to Buyer, together with duly executed documents of title required to transfer to

Buyer title of Personal Property consisting of vehicles and boats.

6. Existing Leases; Estoppel Certificates.

6.1 Seller has sublet or rented portions of the property comprising the Leasehold Estate to various subtenants. These subtenants, in addition to those occupying land lockers, dry storage lockers and boat slips under Maritime Contracts for the Private Wharfage, include Buyer, the U.S. Customs Service; C. B. (Tony) Blomfield and Phillip M. Young, doing business as Mission Bay Yacht and Ship Brokerage; and James Brill, doing business as Mission Bay Delicatessen.

6.2 Seller shall use its best efforts to obtain and deliver to Buyer before the Closing Date, estoppel certificates, in the form attached, from each of the above-named subtenants except Buyer (unless the U.S. Customs Service has vacated prior to the Closing Date, which will eliminate the need for such certificate by the U.S. Customs Service).

7. Assignment of Master Lease; City Approval.

7.1 Seller will assign to Buyer all of Seller's right, title and interest in and to the Master Lease with the City of San Diego. Seller shall, within ten (10) business days following the opening of Escrow, request the approval of the City of San Diego to the proposed assignment of lease to Buyer. Buyer shall fully cooperate with Seller in seeking City approval of the assignment, provided that *X- see Andy* Buyer shall not be required to assume any obligations of Seller to the City, arising under the Master Lease, prior to the Closing Date. Close of this Escrow shall be contingent upon the approval of the City, to the assignment of the Master Lease to Buyer. *5*

8. Prorations.

8.1 Escrow holder is instructed to make the following prorations as of the Closing Date, to be paid to the party entitled thereto unless the amount of any such proration cannot be established, in which event such prora-

tion shall be paid within ten (10) days after the amount thereof is established:

8.1.1 All real property taxes and possessory interest taxes based on the latest information available;

8.2 Rents, based upon the Seller's Certified Rent Roll; charge Seller and credit Buyer for the amount of any security deposits, damage deposits and prepaid rents as shown by said statement. Unpaid rent from any tenant, for the period in which the closing date occurs, shall be prorated as if the same had been collected by Seller; all sums paid to Buyer by that tenant, after the Closing Date, without necessity of litigation, shall be paid over to Seller until the amount of that tenant's unpaid rent for which Buyer received credit is repaid to Seller.

8.3 Interest on the SBA Notes in accordance with figures furnished on the SBA beneficiary's statement and approved by Buyer before close of Escrow;

8.4 Existing fire insurance policy, based on information handed you, or Buyer may, at its option, obtain new fire insurance policy and either pay premium for same through Escrow or deposit a receipt into Escrow showing said premium to be paid;

8.5 Expenses of operating the portions of the property under the control of Seller (other than insurance premiums, taxes and utility charges) which were either (i) prepaid by Seller for a period beyond the closing date, or (ii) with respect to which payment is due after the closing date and the amount billed after the Closing Date includes charges applicable to the period prior to the Closing Date. In such latter case, the parties shall attempt to ascertain that portion of the charges relating to the period prior to the closing date. If such determination cannot be accurately made, it shall be presumed that charges reflected in

such billing were incurred uniformly during the billing period in which the closing occurred;

8.6 Seller shall use its best efforts to cause all utility billings for the portion of the premises under Seller's control to be closed and billed by the respective utility companies as of the Closing Date in order that utility charges may be separately billed for the period prior to the closing date and the period after the Closing Date. In the event any such utility charges are not separately billed, the same shall be prorated. In connection with any proration, it shall be presumed that utility charges were incurred uniformly during the billing period in which the Closing Date occurs.

9. Exchange.

9.1 Buyer agrees to accommodate Seller in effecting a tax-deferred exchange under Internal Revenue Code § 1031. Seller shall have the right, expressly reserved herein, to elect this tax-deferred exchange at any time before the Closing Date; however, Seller and Buyer agree that consummation of this Escrow is not predicated or conditioned on the exchange. If Seller elects to effect a tax-deferred exchange, Buyer agrees to execute additional Escrow instructions, documents, agreements, or instruments to effect the exchange, provided that Buyer shall incur no additional costs, expenses, or liabilities in this transaction as a result of or connected with the exchange. Seller agrees to hold Buyer harmless from any liability, damages, or costs, exclusive of Buyer's attorney fees, that may arise from Buyer's participation in the exchange.

10. Notices.

10.1 Any notice, request, demand, instruction or other communication to be given to either party hereunder, shall be in writing and personally delivered or sent by certified mail as follows:

If to Buyer, to:

M B M Associates
c/o Knight & Carver Yachtcenter
1500 Quivira Way
San Diego, CA 92109
ATTN: Thomas K. Wright

With Copy to:

Michael B. Witte, Esq.
Hinchy, Witte, Wood, Anderson
& Hodges
3200 Fourth Avenue, Ste. 100
San Diego, CA 92103

If to Seller, to:

Charles P. Bluth
1201 W. Huntington Drive
Arcadia, CA 91006

With Copy to:

Joe Cobert, Esq.
16027 Ventura Boulevard
Fourth Floor
Encino, CA 91436

10.2 Any notice shall be deemed delivered at the time of personal service or forty-eight (48) hours after the time of deposit in the United States mail, as the case may be. In the event either party desires to change its address, the change of address shall be communicated to the other party and to Escrow in the manner set forth in this paragraph.

11. Additional Instructions.

11.1 Each party signing these instructions has read Escrow's printed additional conditions, general provisions and instructions attached hereto, and does hereby approve, accept and agree to be bound thereby.

11.2 Order five-year tax service contract for benefit of Seller.

11.3 Record a request for notice under Civil Code Section 2924b for notices of default under the First Trust Deed and the SBA Trust Deeds.

12. Closing Costs.

12.1 Buyer will pay one-half of Escrow holder's fee, tax service fee, usual Buyer's document-drafting and recording charges and any loan assumption fee charged by SBA in connection with Buyer's assumption of the obligation evidenced by the SBA Notes.

12.2 Seller will pay (i) Documentary Transfer Tax in the amount Escrow holder determines to be required by law, (ii) the title policy premium, (iii) one-half of Escrow

holder's fee, (iv) fees for beneficiary's statements, and (v) usual Seller's document-drafting and recording charges.

12.2.1 From funds due Seller, Escrow holder is authorized to pay liens and/or encumbrances as may be required to place title in the condition called for in these instructions and pay the balance of funds held in Seller's account to Seller at the address set forth for notices in these instructions.

13. Miscellaneous Provisions.

13.1 Approvals. Seller agrees that while the Property is in Escrow to cooperate fully with Buyer in Buyer's obtaining the necessary approvals for development of the Property, at no cost to Seller.

13.2 Buyer's Sublease with Option to Purchase. The Sublease dated January 1, 1986, entered by and between Seller and Buyer is attached hereto. The option which Seller granted Buyer to acquire Seller's Leasehold Estate is set forth in paragraph 24 of the Sublease at pages 16-18, which paragraph is incorporated herein (hereinafter "the Option"). In the event of any inconsistencies between the Option and these instructions, the provisions of these instructions shall be controlling.

13.3 Attorney Fees. In the event either party commences litigation for the judicial interpretation, enforcement or rescission hereof, the prevailing party shall be entitled to an award of reasonable attorney fees.

13.4 Exhibits. The copy of the documents attached to these instructions are assigned the letter designation, set forth below, and as so identified, are each incorporated herein and made a part of these instructions.

<u>Exhibit</u> <u>Letter Designation</u>	<u>Description</u>
A	Master Lease between Seller and City of San Diego, dated March 5, 1979
B	Assignment of Lease
C	Certified Rent Roll

- D Assignment of Leases and Tenant Agreements
- E General Assignment of Rights and Permits
- F Bill of Sale
- G Estoppel Certificate
- H Additional printed form conditions, general provisions and instructions to Escrow
- I Sublease between Buyer and Seller dated January 1, 1986

13.5 Assignment. Buyer shall have the right to assign these instructions and all of Buyer's rights under these instructions to a partnership in which John R. Knight, Hugo W. Carver and William W. Angell, or entities controlled by them, shall have at least a fifty-one percent (51%) interest, subject to the terms and provisions of these instructions, provided that the assignee assumes all obligations of Buyer and agrees to execute all documents and to perform all obligations imposed on Buyer as if the assignee were the original buyer under these instructions.

BUYER:

KNIGHT & CARVER MARINE
CONSTRUCTION, INC., a California
corporation

DATED: SEPT 29, 1986

By: [Signature]
JOHN R. KNIGHT

DATED: SEPT 29, 1986

By: [Signature]
HUGO W. CARVER, II

SELLER:

DATED: Oct. 4, 1986

[Signature]
CHARLES P. BLUTH, doing
business as MISSION BAY
MARINA

To: V.I.P. Escrow Service, Inc.
1033 East Main Street
Alhambra, CA 91801

Escrow No. 10971-SA
Date: September 29, 1986
Escrow Officer: Sylvia
Partida
(213) 576-2221

Your prior escrow instructions are hereby modified and/or supplemented by the following, and such prior instructions may be used only in conjunction with the following:

Ø 1. Change paragraph 1.1 of the Sale Escrow Instructions to add at the end of the 3rd line thereof: "Sum, comprised of the following:"; then indent the next line.

Ø 2. Paragraph 1.1.6 shall be amended to read as follows: "an additional \$578,300 in cash, which Buyer may obtain as the proceeds of a loan to Buyer by Great American First Savings Bank (hereinafter "Sixth Trust Deed Note")."

Ø 3. There shall be added at the end of paragraph 1.1 the following language: "Provided that if Buyer fails to obtain any of the new financing or assume any of the existing financing referred to in paragraphs 1.1.3, 1.1.4, 4.1.1, 4.1.3 and 1.1.6, it shall pay cash at the close of escrow for such amounts as not obtained by new financing or assumed financing (and neither the obtaining of new financing or assumption of existing financing is a contingency of this escrow or the agreement between the parties). The condition of title under paragraph 3 et seq. shall conform to the financing obtained and no title issue relative to financing shall be a contingency of this escrow or the agreement between the parties."

4. The due-on-transfer clause in paragraph 4.1.4.2 shall contain the following language after the word "whole,":
"or any interest therein, or any change which results in more than 50% of the ownership of the Trustor having changed from the date hereof,"

5. In paragraph 7.1, the words following "provided that" shall be deleted and replaced by the following: "Seller shall pay and indemnify Buyer from any amounts ultimately determined to be taxes, rent or other monetary obligations payable under the Master Lease for periods prior to the Closing Date."

6. In paragraph 11.3, add after the words "request for notice" the words "in favor of Fullerton Radiology Medical Group"

7. In paragraph 12.1, add at the end: "and any additional title premium to insure any lender's interest described in paragraph 1.1 above."

8. In paragraph 12.2, add after the word "premium" the words "for a standard CLTA policy insuring the leasehold estate of Buyer and the deed of trust in favor of Fullerton Radiology Medical Group"

9. Buyer shall, as security for payment of the sums due under the note to Fullerton Radiology Medical Group, execute and deliver on close of Escrow in form satisfactory to counsel for Seller, a Security Agreement and UCC-1 as to the personal property transferred in this Escrow plus a collateral assignment

Certified to be a true and exact copy
V.I.P. ESCROW SERVICE INC.
By: Petty Musick

of the Lessee's interest under the Master Lease, subordinated to the First Trust Deed and SBA Trust Deeds.

10. In the fourth line of paragraph 4.1.4, following "Buyer," change the , to a period and delete the balance of the paragraph (through the word "assignee").

BUYER:

KNIGHT & CARVER MARINE
CONSTRUCTION, INC.
a California corporation

SELLER:


CHARLES P. BLUTH
doing business as
MISSION BAY MARINA

By: _____
JOHN R. KNIGHT

Title:

By: _____
HUGO W. CARVER II

Title:

Certified to be a true and exact copy
V.I.P. ESCROW SERVICE INC.
By: Petty Musick

*Do not send as
prints delayed Herow.
Bill Hunch*

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 Charles P. Bluth,

(LESSEE), dated March 5th., 1979, and filed in the Office of the City Clerk as Document No. 766042, hereby consents to the Assignment of that Lease Agreement to MBM Associates, a general partnership,

(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 December 2nd 1985, and in accordance with additional conditions as follows:

Assignee's written guarantee that, during the remaining term of the aforesaid agreement, assignee will provide competent, experienced management to the satisfaction of the City Manager. Such management shall have not less than two years experience in small boat repair, marina and related retail marina management.

DATED 12-19-85 THE CITY OF SAN DIEGO

BY:

J. P. Fowler
City Manager

EXHIBIT "A"

The land referred to herein is situated in the State of California, County of San Diego, and is described as follows:

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Commencing at the Southeast corner of Lot 24 in Block 10 of Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot "A", Inspiration Heights, according to Map thereof No. 1700, filed in the Office of County Recorder of San Diego County, December 27, 1917; thence along the Southerly line of said Lot 24, South 89°55'56" West (Record South 89°59'00" West), 25.00 feet to a point of tangent curve in the boundary of said Lot 24; thence South 00°04'04" East, 2.00 feet to an intersection with a line which is parallel with and 2.00 feet Southerly at right angles to the Southerly line of said Block 10; thence along said parallel line, North 89°55'56" East, 249.70 feet; thence North 05°30'02" West, 104.06 feet to the United States Coast and Geodetic Survey Triangulation Station "Old Town" - The Lambert Grid Coordinates, California Zone 6, for said Station "Old Town" are X equals 1,712,415.7 and Y equals 213,819.22 - and said Triangulation Station is located at latitude 32°45'02.45" North and longitude 117°11'07.200" West, being also the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5160.53 feet and West 16,030.79 feet, being at Mission Bay Park Coordinates; North 5160.53 feet and West 16,030.79 feet; thence South 66°35'46" East, 352.89 feet being at Mission Bay Park Coordinates North 5020.42 feet and West, 15,706.89 feet; thence continuing South 66°35'46" East, 618.76 feet being at Mission Bay Coordinates North 4774.57 feet and West, 15,139.07 feet; thence continuing South 66°35'46" East, 313.04 feet to a point, for reference the coordinates hereinafter mentioned are said Mission Bay Park Coordinates System; thence South 40°00'00" West, 421.74 feet; thence South 50°00'00" East, 406.88 feet to coordinates North 4065.64 feet and West, 14,811.19 feet; thence South 08°09'38" East, 8.12 feet to coordinates North 4057.60 feet and West, 14,810.04 feet; thence South 08°09'38" East, 694.75 feet to coordinates North 3369.88 feet and West 14,711.43 feet; thence South 81°50'22" West, 1202.00 feet to the True Point Of Beginning; thence South 89°09'38" East, 217.76 feet; thence South 81°50'22" West, 800 feet; thence North 8°09'38" West, 271.76 feet; thence North 81°50'22" East, 800 feet to the True Point Of Beginning.

CONTINUED ON PAGE 2, EXHIBIT "A" CONSISTING OF 2

EXHIBIT "A"

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the True Point Of Beginning described in Parcel 1 above; thence North $8^{\circ}09'38''$ West, 480 feet; thence South $81^{\circ}50'22''$ West, 815 feet; thence South $8^{\circ}09'38''$ East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said parcel, North $81^{\circ}50'22''$ East, 815 feet to the Point of Beginning.

Excepting from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all the deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California, in an Act of the Legislature approved April 27, 1945, Statutes of California, Chapter 142.

END OF PAGE 2 EXHIBIT "A" CONSISTING OF 2 PAGES

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ASSIGNMENT OF REAL ESTATE LEASE

This Assignment of lease made and entered into by and between CHARLES P. BLUTH (hereinafter called "lessee") and MBM ASSOCIATES, a general partnership (hereinafter called "Assignee");
Witnesseth:

WHEREAS, Lessee has heretofore leased from the City of San Diego certain real property by lease dated March 5th., 1979, recorded October 19th., 1979, File No. 79-438268 of the records of the County of San Diego, State of California, for a term of fifty (50) years, and more fully described in the attached legal description marked Exhibit A.

AND, Whereas, the City of San Diego has authorized the assignment of the lease to MBM ASSOCIATES, a general partnership as evidenced by a copy of the Consent of the City of San Diego attached hereto as Exhibit B;

Now, Therefore, for and in consideration of the premises and the transfer of all interests, Lessee with the consent of the City of San Diego hereby Assigns, Transfers, and Conveys unto Assignee the lease above described to have and to hold the same for and during the remainder of the term mentioned in the lease, and all renewals and extensions of said term.

This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

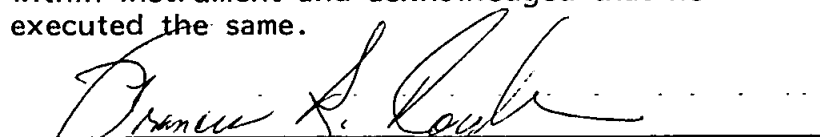
Witness our hands this 2 day of DECEMBER 1985.


Charles P. Bluth

STATE OF CALIFORNIA
COUNTY OF Los Angeles

On December 4, 1985 before me the undersigned, a Notary Public in and for said county and State, personally appeared Charles P. Bluth, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.




Signature

for notary seal or stamp

EXHIBIT "A"

The land referred to herein is situated in the State of California, County of San Diego, and is described as follows:

PARCEL 1: -LAND-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

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CONTINUED ON PAGE 2, EXHIBIT "A" CONSISTING OF 2

EXHIBIT "A"

PARCEL 2: -WATER-

That portion of the tidelands and submerged or filled lands of Mission Bay - formerly False Bay - and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, and described as a whole as follows:

Beginning at the True Point Of Beginning described in Parcel 1 above; thence North $8^{\circ}09'38''$ West, 480 feet; thence South $81^{\circ}50'22''$ West, 815 feet; thence South $8^{\circ}09'38''$ East, 480 feet to the Westerly prolongation of the Northerly line of said Parcel 1; thence along said prolongation to and along the Northerly line of said parcel, North $81^{\circ}50'22''$ East, 815 feet to the Point of Beginning.

Excepting from that portion of said Parcels 1 and 2, lying within the natural boundaries of Mission Bay - formerly False Bay - all the deposits of minerals, including oil and gas, together with the right to prospect for, mine and remove such deposits and to occupy and use so much of the surface as may be required therefore, as reserved by the State of California, in an Act of the Legislature approved April 27, 1945, Statutes of California, Chapter 142.

END OF PAGE 2 EXHIBIT "A" CONSISTING OF 2 PAGES

Recording requested by
WELLS FARGO BANK, N.A.
and when recorded return to
WELLS FARGO BANK, N.A.
9000 Flair Drive
El Monte, CA 91733
Attn: John F. Marder

MODIFICATION OF ASSIGNMENT OF
LESSEE'S INTEREST IN LEASE

THIS AGREEMENT is made and entered into this 10th day of
December, 1984, by and between CHARLES P. BLUTH
("Borrower") and WELLS FARGO BANK, N.A., a national banking
association ("Bank").

RECITALS

WHEREAS, MISSION BAY MARINA, a California general partner-
ship ("Mission Bay") executed that certain promissory note in
favor of Bank dated September 25, 1979, in the original principal
amount of Two Million Five Hundred Thousand Dollars
(\$2,500,000.00) ("Mission Bay Note");

WHEREAS, all obligations of Mission Bay to Bank under the
Mission Bay Note were secured by, among other things, that
certain Assignment of Lessee's Interest in Lease, dated September
25, 1979, which was recorded in the Official Records of the
County Recorder of San Diego County, California, on October 19,
1979, as Instrument No. 79-438270 ("Assignment");

WHEREAS, the Assignment provides in part that Mission Bay
assigns to Bank all of its right, title, and interest in and to
that certain lease by and between the City of San Diego,
California, as Lessor and Mission Bay as lessee, dated March 5,
1979 ("Lease"), which devises certain real property located in
the County of San Diego, State of California, more fully
described in Exhibit B to the Assignment;

WHEREAS, all right, title, and interest of Mission Bay in
and to the Lease have been transferred to Borrower, and Borrower
has assumed all liabilities of Mission Bay to Bank under the
Mission Bay Note;

WHEREAS, Borrower has requested that Bank renew the Mission
Bay Note;

WHEREAS, Bank has agreed to do so, provided that, among
other things, Borrower executes a new promissory note, and
provided further that all obligations of Borrower under said note
are secured by the Assignment;

WHZREAS, Bank and Borrower have agreed to modify the Assignment, to reflect that said Assignment secures all obligations of Borrower to Bank under said new promissory note;

NOW, THEREFORE, the parties hereto agree as follows:

1. The following shall be added as paragraphs 4, 5, and 6 of the Assignment, under the heading "FOR THE PURPOSE OF SECURING:"

"4. Payment of the indebtedness as evidenced by that note in the principal sum of Two Million Three Hundred Forty Nine Thousand Five Hundred Eighty Six Dollars (2,349,586.00), made by CHARLES P. BLUTH, dated December 10, 1984, payable to the order of Bank.

5. Payment of all other sums with interest thereon becoming due and payable to Bank under the provisions of said Note.

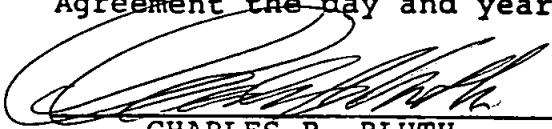
6. Performance of each obligation of Assignor herein and in said note contained."

2. All of the properties subject to the Assignment, as modified by this Modification Agreement, shall remain subject to the Assignment. Nothing contained herein or done pursuant hereto shall affect or be construed to affect the Assignment or the priority thereof over other liens, charges, or encumbrances.

3. The representations, warranties, covenants, conditions, and other terms in the Assignment are reaffirmed by Borrower as of the date of this Agreement, and Bank relies on said reaffirmation in entering into this Agreement. Any reference in the Assignment to an "Assignor" shall be deemed to be a reference to

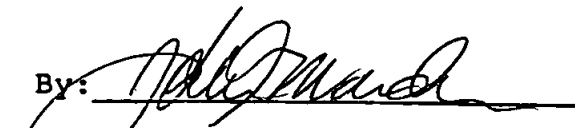
Borrower. Except as expressly modified by this Agreement, the terms and conditions of the Assignment remain in full force and effect.

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



CHARLES P. BLUTH

WELLS FARGO BANK, N.A.

By: 

Title: Vice President

CITY OF SAN DIEGO
CONSENT TO MODIFICATION OF ASSIGNMENT OF
LESSEE'S INTEREST IN LEASE

To induce WELLS FARGO BANK, N.A., ("Bank") to renew a loan originally made to MISSION BAY MARINA, a general partnership, the repayment of which is secured by an Assignment of Lessee's Interest in Lease, which is to be modified by a Modification of Assignment of Lessee's Interest in Lease, in the form attached hereto, the City of San Diego, the Lessor under the Lease described in said Assignment and in said Modification, does hereby:

1. Consent to the execution of the Modification of Assignment of Lessee's Interest in Lease.

2. Reaffirm and remake all covenants made by the City of San Diego in that certain Consent and Agreement executed by the City of San Diego in favor of the Bank, dated October 3, 1979.

DATED: 13 Dec 84

THE CITY OF SAN DIEGO, CALIFORNIA

By: *J. P. Fournier*

Title: *Deputy City Manager*

By: _____

Title: _____



THE CITY OF

SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

January 25, 1982

OFFICE OF THE
CITY MANAGER
236-6363

File: Leases - Mission Bay Marina

Mr. Charles A Bluth, President
Mission Bay Marina
1548 Quivira Way
San Diego, CA 92109

Dear Mr. Bluth:

Re: Small Boat Dry Storage

In accordance with your request of December 30, 1981 and terms of your lease agreement with the City, City Clerk Document 766042, you are hereby granted permission to expand the dry storage of small boats (25 feet or less in length) to include the temporary use of Lot 28, Quivira Basin, Mission Bay Park, for a period not to exceed two years, subject to the following conditions:

1. Recognizing that the Master Development Plan for Mission Bay Marina requires you to construct a restaurant and parking lot on Lot 28, it is agreed that the use of that property for small boat storage shall be limited to a two-year period, which shall commence upon the date of execution of this letter by the City Manager. This authorization for such temporary use shall not be construed to relieve you of the obligation to develop a major restaurant and parking lot on the subject premises after said two-year period.
2. Although the City's lease agreement with Mission Bay Marina provides for rent to be paid to City in the amount of 7 percent of the gross income received by you on dry boat storage, and will continue at that rate for the duration of the two-year period authorized herein, said rent percentage rate for all dry boat storage on the premises shall increase to 20 percent of gross income, or to the rent percentage rate then applicable to boat slips at Mission Bay Marina, whichever is greater, at such time and in the event that there is a continuation of such dry boat storage on Lot 28 beyond said two-year period on either a temporary or permanent basis.

To: Charles A. Bluth
Re: Small Boat Dry Storage

3. The construction of a sidewalk along the western extremity of the premises, as required by the Master Development Plan.
4. All construction on the premises must receive the prior written approval of the City Park and Recreation Department Coastal Division, City Property Department, City Planning Department, City Engineering and Development and Building Inspection, as well as the Army Corps of Engineers and the State Coastal Commission, where applicable.
5. All dry boat storage areas shall be adequately screened from public view by construction of a fence around the perimeter of the yard that blends with existing architecture on the premises.

During this two-year period, you may postpone construction of the required sidewalk along Quivira Way and may utilize Lot 28 for boat storage to the curb line on the south side of the premises.

If you agree to the above conditions, please sign and return a copy of this letter to Guy Walker, City Property Department, 1222 First Avenue, M.S. 503, San Diego, California 92101.

Very truly yours,

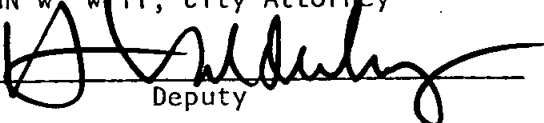

John P. Fowler
Deputy City Manager

JLS:GWW:jas

cc: George Loveland, Park & Rec.
Roy Hall, Engineering
G. W. Curtis, Bldg. Inspection
Allen Jones, CEQD
Roy Quon, Lease Audit Manager
Guy Walker, Property

Approved as to form and legality by:
JOHN W. WITT, City Attorney

By

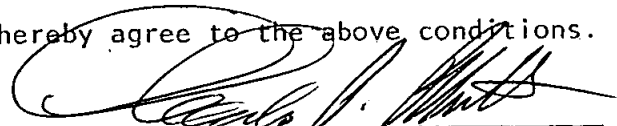

Deputy

I hereby agree to the above conditions.

Dated

2-4-82

By


Charles A. Bluth

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 Mission Bay Marina, a California general partnership of Charles P. Bluth and William L. Roberts,

(LESSEE), dated March 5, 1979, and filed in the Office of the City Clerk as Document No. 766042, hereby consents to the Assignment of that Lease Agreement to Charles P. Bluth,

(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 October 9, 1981, and in accordance with additional conditions as follows: (If none, write "None").

Assignee's written guarantee that, during the remaining term of the aforesaid agreement, assignee will provide competent, experienced management to the satisfaction of the City Manager. Such management shall have not less than two years experience in small boat repair, marina and related retail marina management.

Dated

10 Nov 1981

THE CITY OF SAN DIEGO

By:

[Signature]
City Manager

Dated

11/9/81

APPROVED AS TO FORM:
JOHN W. WITT, CITY ATTORNEY

DOCUMENT NO. 768360

FILED 11/9/81

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

By:

[Signature]
Deputy

GW

Dale M. Johnson

ATTORNEY AT LAW

215 SO. HICKORY, SUITE 220
ESCONDIDO, CALIFORNIA 92025

(714) 745-7990

November 2, 1981

City of San Diego
Property Department
1222 First Avenue
MS 503
San Diego, CA 92101

Re: Transfer of Partnership Interest in Mission Bay Marina

Dear Sirs:

This office represents William L. Roberts, one of the partners of Mission Bay Marina.

This letter is to inform you of a proposed transfer of the partnership interest of William L. Roberts in Mission Bay Marina, a California general partnership, to his existing partner, Charles P. Bluth. The transfer of that interest will be accomplished through this office. This letter also formally requests any required approval of that transfer by the City Manager that might be necessary under Section IV A 2 of the Lease dated March 5, 1979, and amended October 12, 1979 between Mission Bay Marina and the City of San Diego.

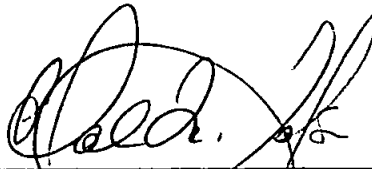
That Section exempts from the approval requirement a reorganization of the form of conducting business by Mr. Roberts and Mr. Bluth. However, as Mr. Roberts is transferring all of his equity interest in the partnership to Mr. Bluth, the parties have felt it prudent to request the consent of the City Manager to such a transfer.

I have attached a copy of the Agreement to Purchase Partnership Interests entered into by the parties to effect this transaction. Please do not hesitate to contact me if there are any questions regarding same. The proposed transaction is scheduled for closing immediately upon the City's approval of this request.

Any consideration you might be able to provide in expediting this request will be greatly appreciated.

Thank you for your courtesy and cooperation in this matter.

Yours very truly,
DALE M. JOHNSON, A PROFESSIONAL LAW CORPORATION

A handwritten signature in cursive script, appearing to read "Dale M. Johnson", written over a horizontal line.

Dale M. Johnson,
Attorney for William L. Roberts

DMJ/pmg

Attachments

ASSIGNMENT OF LEASE AND AGREEMENT

This Assignment of Lease and Agreement ("Agreement") is made and entered into this 11 day of February 19 81 between and among Mission Bay Marina, A General Partnership ("Borrower"), City of San Diego ("Lessor") and the United States Small Business Administration ("Assignee") with reference to the following facts:

A. Borrower has heretofore leased from Lessor certain real property by lease dated MARCH 5, 1979 and more particularly described in Exhibit "A" attached hereto.

B. Borrower desires to borrow \$250,000.00 from Assignee and Borrower and Assignee desire that the Lease be assigned to Assignee as security for the Loan.

WHEREAS such loan is for the benefit of both Borrower and Lessor, in that the funds are to be used for the benefit of the business conducted on the leased premises.

NOW, THEREFORE, the parties declare and agree as follows:

1. Lessor hereby certifies that as of the date hereof:
 - a. Lessor is the owner in fee of the property and is landlord under the lease.
 - b. To Lessor's knowledge, Borrower is not in default under the lease, except that it is Lessor's understanding that a certain sublease, or subleases, has been entered into of portions of the leased premises without the City's prior approval which constitutes a default. All such subleases must be submitted to City for approval
 - c. Lessor agrees to perform all obligations required of it under the lease.
 - d. Lessor has the power and authority to enter into this Agreement.
2. Borrower hereby certifies that as of the date hereof:
 - a. Borrower is the owner of the leasehold estate in and to the Property and is the lessee under the lease.
 - b. Borrower is not in default under the lease.
 - c. Borrower agrees to perform all obligations required under the lease.
 - d. Borrower has the power and authority to enter into this Agreement.

3. Borrower hereby assigns, transfers and conveys unto Assignee all of its right, title and interest in and to the lease during the remainder of the term of the lease and all renewals and extensions of the term, provided that Assignee shall have no right under this Agreement to enforce the Assignment and the Assignment shall not be effective unless and until Borrower is in default under the Loan or any instrument, document of agreement relating to the Loan. Notwithstanding such Assignment, Borrower shall remain primarily liable under the Lease.

4. Except as otherwise provided herein, neither Borrower nor Lessor will modify or terminate said Lease without written consent of Assignee, which consent shall not be unreasonably withheld.

5. In event of default of the lease by Borrower, Lessor shall have the right to terminate said lease in accordance with its terms, provided that Lessor shall first give Assignee thirty (30) days written notice of default and the right, at the option of Assignee, to cure such default within the thirty (30) day period. Lessor shall take no action to enforce its claim arising from the default without Assignee's written consent during this period.

6. In the event of any default by Borrower of the note evidencing the loan, or any renewal, substitution or extension thereof, Assignee at its option may enter said leased premises for any or all of the following purposes:

To transfer and assign said lease and Borrower's rights therein to parties satisfactory to Assignee at its discretion and in accordance with the terms of said lease. Upon Assignment, the obligations of said lease shall be binding on said transferee.

In the event Assignee shall make transfer of said lease as provided in Paragraph 6, Transferee will cure all defaults in said lease, and the sole obligation of the Assignee shall be the payment of rent which accrued prior to the transfer of said lease.

7. No amendment, change or modification of this document shall be valid unless in writing specifying that it amends this Agreement and is signed by all parties hereto.

8. Except as otherwise provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

9. All exhibits attached hereto and referred to herein are hereby incorporated herein as though set forth at length.

10. This document constitutes the entire understanding and agreement of the parties with respect to the subject matter of this Agreement and any and all prior agreements, understandings or representations are hereby terminated and cancelled in their entirety and are of no further force or effect.

11. This assignment shall, wherever applicable, be construed in accordance with Federal law.

IN WITNESS WHEREOF, the parties hereto executed this AGREEMENT as of the date and year first above written.

Mission Bay Marina, A General Partnership

William L. Roberts
William L. Roberts, General Partner

By: Charles P. Bluth

"Borrower"

Charles P. Bluth, General Partner

City of San Diego

By: _____

"Lessor"

U. S. SMALL BUSINESS ADMINISTRATION

By: Charles B. Magee

"Assignee"

ACKNOWLEDGEMENT

State of California, County of San Diego

On this 11th day of February, 19 81, before me the undersigned, a Notary Public, personally appeared William L. Roberts

STATE OF CALIFORNIA)

ss

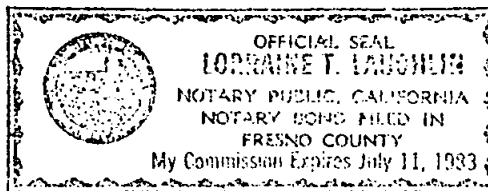
COUNTY OF SAN DIEGO)

On the 10th day of February, 19 81, before me, the undersigned, a Notary Public in and for said County and State, personally appeared CHARLES B. MAGEE, known to me to be the Acting Disaster Branch Manager, Vista Office, U.S. Small Business Administration, an Agency of the United States Government, and known to me to be the person who executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same.

Witness my hand and official seal

Lorraine T. Laughlin
Notary Public

SEAL



11. This assignment shall, wherever applicable, be construed in accordance with Federal law.

IN WITNESS WHEREOF, the parties hereto executed this AGREEMENT as of the date and year first above written.

Mission Bay Marina, A General Partnership

William L. Roberts
William L. Roberts, General Partner

By: Charles P. Bluth
"Borrower"
Charles P. Bluth, General Partner

City of San Diego

By: _____

"Lessor"

U. S. SMALL BUSINESS ADMINISTRATION

By: Charles B. Meyer
"Assignee"

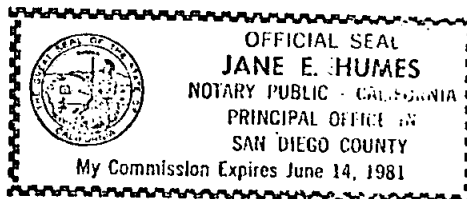
ACKNOWLEDGEMENT

State of California, County of San Diego

On this 11th day of February, 19 81, before me the undersigned, a Notary Public, personally appeared Charles P. Bluth and William L. Roberts known to me to be the person(s) whose name(s) is (are) subscribed to the within instrument and who acknowledged to me that they executed the same as their free act and deed.

WITNESS my hand and official seal the day and year in this certificate first above written.

Jane E. Humes



AGREEMENT TO PURCHASE PARTNERSHIP
INTERESTS

This Agreement is entered into this ninth day of October, 1981 by and between Charles P. Bluth (hereinafter called the "Buying Partner") and William L. Roberts (hereinafter called the "Selling Partner") with reference to the following facts:

WITNESSETH:

Selling Partner and the Buying Partner are partners in that certain California general partnership known as MISSION BAY MARINA, ("the Partnership").

Selling Partner desires to sell and the Buying Partner desires to buy all the Selling Partner's right, title and interest in and to the Partnership.

ARTICLE 1.
AGREEMENT TO PURCHASE AND SELL

On the terms and conditions set forth in this Agreement, the Selling Partner agrees to sell to the Buying Partner and the Buying Partner agrees to acquire and buy from the Selling Partner all the Selling Partner's right, title and interest in the Partnership. The Selling Partner's interests conveyed by this Agreement include, but are not limited to, any interest he may have in:

- (a) The Partnership name or any name under which it does business;
- (b) The Partnership goodwill and other intangible assets, accounts receivable, and all real or personal tangible property, wherever located;
- (c) Leasehold rights associated with or relative to the Partnership;
- (d) Any share of income, gain, deductions or credits to Selling Partner subsequent to the Closing Date specified in Article 5 hereof.

ARTICLE 2.
CONSIDERATION

2.01. Purchase Price. In full settlement and satisfaction of the purchase price for the above mentioned interests, rights and claims of the Selling Partner, the Buying Partner shall pay to the Selling Partner the sum of (\$ 1,000,000) DOLLARS.

2.02. Payment of Purchase Price. The purchase price shall be paid as follows:

(a) (300,000) Dollars by certified or bank cashier's check in that amount on the Closing Date as defined in Article 5 hereof.

(b) (700,000) Dollars by the Buying Partner's execution and delivery of a Promissory Note in that amount bearing interest on the unpaid principal amount at the rate of fifteen (15%) percent per annum, payable interest only on the ____ day of each month commencing on November ____, 1981 and on the ____ day of each month thereafter. Additionally, a principal payment of (350,000) Dollars shall be made on or before February 10, 1982. The entire unpaid balance of principal and accrued interest shall be due and payable on June 15, 1982. The Note shall be secured by a Deed of Trust encumbering the leasehold interest of the Partnership in the real property described in Exhibit "A" hereto and further secured by a collateral assignment of said lease, a security agreement and UCC 1 financing statement encumbering the personal property of Mission Bay Marina, which forms are set forth in Exhibits "B" and "C" hereto.

ARTICLE 3.
PARTNERSHIP LIABILITIES

3.01 Existing Liabilities. The Buying Partner shall, on the Closing Date, assume all of the Partnership liabilities and obligations, whether accrued, contingent or otherwise, that exist at or before the Closing Date excepting only obligations relating to misrepresentations of the Selling Party pursuant to Paragraph 3.04 hereof. Specifically, the Selling Partner shall be relieved of the liability and indemnified against Partnership liabilities now existing under the following loans:

(a) Loan from Wells Fargo Bank, under loan number _____ in the current approximate principal amount of \$2,400,000.00;

TOTAL
3,195,000

(b) Loan Number _____ in favor of the U. S. Small Business Administration in the current approximate principal amount of \$250,000.00;

(c) Loan Number _____ in favor of the U. S. Small Business Administration in the current approximate principal amount of \$470,000.00;

(d) Loan Number _____ in favor of the U. S. Small Business Administration in the current approximate principal amount of \$75,000.00

Commencing with the Closing Date, the Selling Partner shall have no authority to incur, and covenants that he will not incur, any obligations or liabilities on behalf of the Partnership nor will he participate in any way in the management or control of the Partnership.

3.02. Future Liabilities. The Buying Partner shall be liable for performance of his obligations under this Agreement and shall assume or otherwise be responsible for all Partnership obligations and liabilities incurred after the Closing Date and shall hold the Selling Partner free and harmless therefrom.

3.03. Release of Claims. Each Partner hereby releases the other Partner from all known claims arising under the Partnership Agreement, except those set forth herein.

3.04. Representations and Warranties. Each Partner presents and warrants to the other Partner that, except as stated in the Partnership's books and reflected in the Partnership's financial statements dated _____, 1981, incorporated by reference in this Agreement, (a) he has not incurred any obligation or liability on behalf of or as apparent agent of the Partnership or the other Partner, or for which he or the other Partner may be charged, or for which he intends to claim a refund or reimbursement from the Partnership, and (b) he has not received, discharged or transferred any credit, money, property or other asset of the Partnership. These representations and warranties shall survive the Closing.

The Selling Partner further represents and warrants that he is aware that proposals to purchase the Partnership business have been entertained by the Selling Partner and Buying Partner in the year(s) preceding this agreement. Selling Partner further represents and acknowledges that he is aware the purchase price discussed in such proposals would result in a greater amount of consideration to the Selling Partner than that being paid hereunder. Selling Partner hereby further represents and acknowledges that Buying Partner may at any time following the Closing, consummate a transaction for the purchase and sale of the business and/or assets currently owned by the

Partnership either to an entity that has previously contacted the Partnership or to a new entity free from any claim of Selling Partner for the consideration paid therein. Selling Partner hereby waives any and all claims for any portion of any consideration arising from such future transactions, if any, (except to the extent that such proceeds are required to extinguish the obligations created under Article 2 hereof) and releases Buying Partner therefrom.

3.05. Indemnification. The Partners agree to indemnify each other as follows:

(a) The Buying Partner hereby agrees to indemnify the Selling Partner and hold him harmless from all losses, claims, expenses, damages, or liabilities of any kind, including attorneys' fees, arising from past, future or existing debts, liabilities or obligations of the Partnership or its business or from any breach of or default under any of the Buying Partner's obligations, except for losses, claims, damages or liabilities arising from or connected with any breach of or default under this Agreement by the Selling Partner, or any misrepresentations of the Selling Party pursuant to Paragraph 3.04 hereof.

(b) The Selling Partner hereby agrees to indemnify the Buying Partner and hold him harmless from all losses, claims, expenses, damages or liabilities of any kind, including attorneys' fees, arising from or connected with a breach of or default under any of the Selling Partner's obligations.

ARTICLE 4. PARTNERSHIP INFORMATION AND RECORDS

4.01. Retention of Records. The Buying Partner shall retain custody of all the books and records of the Partnership existing at the Closing Date for a period of three (3) years following the Closing Date. If the Buyer desires to dispose of such books and records he shall first offer them to the Selling Partner for the control and retention thereof by the Selling Partner. The Selling Partner shall have access to those books and records pertaining to the business prior to the Closing Date at all reasonable times during normal working hours and at his expense he may copy all or any part of those books for any proper purpose.

4.02. Confidentiality of Partnership Information. The Selling Partner agrees not to divulge, communicate or use to the detriment of the Partnership or the Buying Partner or for the benefit of any other person or persons or misuse in any way, any confidential information, including financial information relative to the Partnership or the Buying Partner. Selling Partner acknowledges and agrees that any such information

acquired by him was received in confidence and as a fiduciary of the Partnership and the Buying Partner.

ARTICLE 5.
CLOSING

5.01. Escrow. Within three (3) days of the execution of this Agreement, the Buying Partner and the Selling Partner shall open an escrow at the law offices of Dale M. Johnson, A Professional Law Corporation located at 215 South Hickory, Suite 220 to effect the consummation of the transaction contemplated hereunder.

5.02. Deposit to Escrow. Upon opening of escrow, the Buying Partner shall deposit therein the sum of \$ _____ to be applied, at the Closing Date, to the purchase price herein.

5.03. Closing Date. The escrow shall close on ^{Nov} October 12, 1981. Wherever this Agreement refers to the "Closing Date" or the "Closing", the date of October Nov. 12, 1981 shall be read.

ARTICLE 6.
CONTINUATION OF PARTNERSHIP BUSINESS

6.01. Continuing Business. The Buying Partner shall be under the obligation to the Selling Partner to continue operations at Mission Bay Marina until satisfaction in full of all obligations to the Selling Party.

6.02. Consideration For Intangible Assets. An allowance of \$100.00 in the purchase price has been made which represents the Selling Partner's allocable portion of the value of the Partnership's goodwill, name and other intangible assets of undeterminable value. The Buying Partner shall be entitled to the benefits of all contracts with persons and entities doing business with the Partnership, the goodwill of the business, and all intangibles, of value belonging to the Partnership and desired by the Buying Partner.

6.03. Status of Partners. The effective date of termination of all agency relationships between the Selling Partner and the Buying Partner shall be the date of execution hereof. During the period from the date hereof to the Closing Date, the Buying Partner shall not permit the Partnership to enter into any material transaction without the Selling Partner's written consent, except as permitted by this Agreement. The Selling Partner shall not have any authority as agent of either the Buying Partner or the Partnership and shall not enter into any agreements, arrangements, or understandings on behalf of the Partnership or the Buying Partner, except in the ordinary course of business or as approved by the Buying Partner.

ARTICLE 7.
MISCELLANEOUS

7.01. Amendments. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of both parties to this Agreement.

7.02. Agreement to Perform Necessary Acts. Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

7.03 Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and assigns.

7.04. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served on the party to whom notice is given, or within 72 hours after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed to the party as follows:

TO THE SELLING PARTNER/
WILLIAM L. ROBERTS

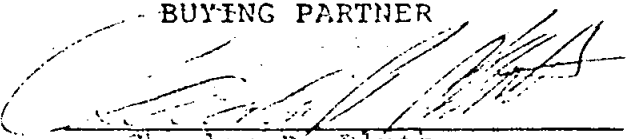
William L. Roberts
14949 Eastvale Rd.
Highvalley
Poway, CA

TO THE BUYING PARTNER/
CHARLES P. BLUTH

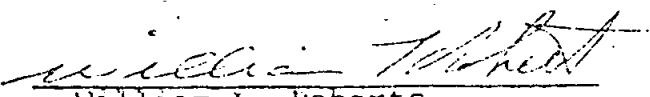
7.05. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement this 9th day of October, 1981.

BUYING PARTNER


Charles P. Bluth

SELLING PARTNER


William L. Roberts

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 Mission Bay Marina, A General Partnership

(LESSEE), dated March 5, 1979, and filed in the Office of the City Clerk as Document No. 766042, as amended, hereby consents to the Assignment of that Lease Agreement to United States Small Business Administration

(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 February 11, 1981, and in accordance with additional conditions as follows: (If none, write "None").

None.

Leasehold interest is assigned as security for the following three SBA loans:

#EIDL	216315	2006	SD	-	\$250,000
#DLB	417348	2003	SD	-	\$ 75,000
#DLB	995216	1007	SD	-	\$500,000

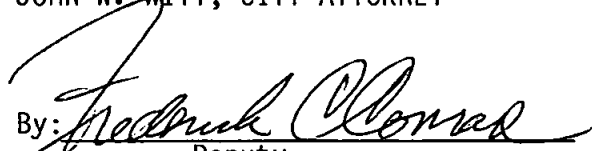
Dated 12 FEB 1981

THE CITY OF SAN DIEGO

By: 
City Manager

Dated FEB 12, 1981

APPROVED AS TO FORM:
JOHN W. WITT, CITY ATTORNEY

By: 
Deputy

DOCUMENT NO. 767318
FILED OCT 18 1979
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

APPROVAL OF ASSIGNMENT

COPY

RECITALS

A. On March 5, 1979, by Council Resolution No. 222988, the City approved a lease agreement between The City of San Diego and Mission Bay Marina, a limited partnership of which Coastal Marine Management, a California corporation, dba Mission Bay Marina, is the general partner.

B. Said lease agreement, which is on file in the office of the City Clerk as Document No. 766042, specifically provides in Paragraph IV.A.2. that Lessee may alter its form of conducting business without necessity of City approval so long as Charles P. Bluth and William L. Roberts maintain at least a 51 percent ownership of any such newly-formed entity.

C. It is proposed that Mission Bay Marina, a general partnership, with Charles P. Bluth and William L. Roberts being all the partners, become the Lessee, pursuant to the above specified paragraph.

NOW, THEREFORE, the City Manager hereby approves the assignment of the lease to Mission Bay Marina, a general partnership, with Charles P. Bluth and William L. Roberts being all the partners, and acknowledges and agrees that said new Lessee is acceptable to City pursuant to Paragraph IV.A.2. of the above specified lease.

THE CITY OF SAN DIEGO

Dated 10/12/79

[Signature]
City Manager

APPROVED AS TO FORM AND LEGALITY THIS 12 DAY OF October, 1979.

JOHN W. WITT, City Attorney

By [Signature]
Deputy

CONSENT AND AGREEMENT

To induce WELLS FARGO BANK, a national banking association, ("Bank"), to extend credit to Mission Bay Marina, A General Partnership the repayment of which may be secured by an Assignment of Lessees' Interest In Lease in the form attached, the undersigned, who are the Lessors under said Lease, do hereby:

1. Consent to the making of the Assignment of Lessees' Interest In Lease.

2. Consent to the transfer of the Lessees' rights under said Lease by Bank in foreclosure of said Assignment of Lessees' Interest In Lease to Bank, or to anyone other than Bank.

3. Agree with Bank that they will not terminate or cancel said Lease until after the lapse of thirty (30) days after they have delivered written notice of any default to Bank, in which notice is specified (a) the nature of all defaults then existing, other than those which they are willing to waive, and (b) the amount of damages, if any, sustained by them by reason of such defaults, and agree that if within said thirty (30) day period such specified defaults are cured, if curable, and any damage caused thereby is paid in full; they will waive such default and will not cancel or terminate said Lease by reason thereof.

Payment of the amount of damages specified by Lessor in such notice shall be without prejudice to the right of Bank or any assignee of Bank to maintain legal proceedings for the purposes of determining the amount of damages, if any, to which the undersigned are legally entitled and recovering from the undersigned any excess of the amount of damages so paid to the undersigned over the amount thereof to which the undersigned are legally entitled.

4. Agree that Bank shall not be obligated to perform any obligation under said Lease nor shall it be liable for any breach thereof, except during any period in which it is in possession before or after

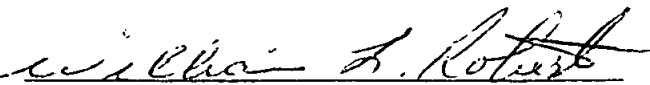
foreclosure, or is obligated upon any guarantee given by it after foreclosure.

5. Agree that they will release and discharge Bank from all claims, demands, actions, causes of action, rights, contracts, debts, liabilities, damages, costs, expenses and losses of every kind and nature whatsoever, whether at this time known or unknown, anticipated or unanticipated, direct or indirect, fixed or contingent, patent or latent, which may presently exist or may hereafter arise or become known, for or by reason of any act, omission, event, transaction, matter or cause whatsoever in connection with the transfer of the Lessees' rights under said Lease by Bank in foreclosure of said Assignment of Lessees' Interest in Lease to anyone other than Bank.

Dated: 10 - 3 - 79

The City of San Diego, California

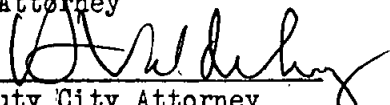

Lessor


Lessor

Approved as to form and legality

this 3 day of Oct, 1979

JOHN W. WITT, City
Attorney

By 
Deputy City Attorney

COPY

AGREEMENT

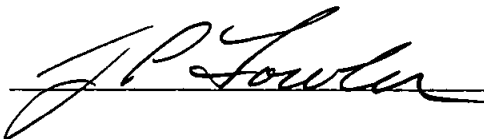
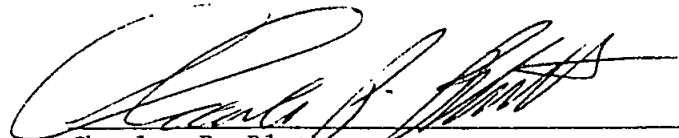
WHEREAS Wells Fargo Bank, N.A. (Bank) has agreed to extend a \$2.5 Million loan to Mission Bay Marina (Tenant) supported by an Assignment of Lease, and a Deed of Trust on tenant's leasehold interest under that certain Lease (Lease) dated March 5, 1979, and executed by the City of San Diego (City) as landlord and Tenant as tenant and whereas said Lease allows only 30 days in which Bank can effect cure of such default instead of the 120 days normally required by the Bank, it is hereby agreed:

1. Tenant shall authorize escrow to deliver to the City, an amount of funds equal to four months rent payments under the Lease.
2. City shall hold these funds as reserves to be used in the event of default in rent payment under the Lease.
3. Should a default in rent payment under the Lease occur, City will send Bank a notice of such default, but will also then use the reserve funds to cure such default in rent payment.
4. If no default in rent payment under the Lease has occurred after 5 years from date of delivery of reserve funds from Tenant to City, all remaining reserve funds will be returned by City to Tenant.

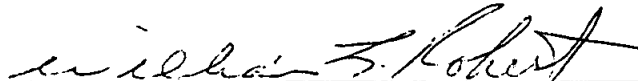
Dated September 25, 1979

CITY OF SAN DIEGO

MISSION BAY MARINA, A GENERAL PARTNERSHIP


_____
Charles P. Bluth

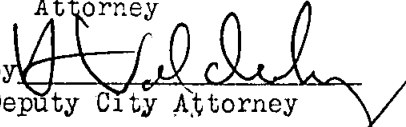
WELLS FARGO BANK, N.A.


William L. Roberts
LOAN OFFICER

Approved as to form and legality

this 3 day of Oct., 19 79

DOCUMENT NO. 767293
FILED OCT 5 1979
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

JOHN W. WITT, City
Attorney
By 
Deputy City Attorney

ASSIGNMENT OF LESSEE'S INTEREST IN LEASE

This assignment dated September 25, 1979
by and between MISSION BAY MARINA ("Assignor") to WELLS
A GENERAL PARTNERSHIP
FARGO BANK, a national banking association, ("Bank"),

W I T N E S S E T H :

For value received Assignor hereby grants and
assigns to Bank all of Assignor's right, title and interest
in the lease attached hereto as Exhibit A, and made a part
hereof, which demises that real property located in the
County of San Diego State of California, described as follows:

PER ATTACHED EXHIBIT "B"

together with all extensions and renewals thereof, all options
thereunder and all of Assignor's right, title and interest in
and to all improvements located or to be located on the premises
demised under the aforementioned lease. Said lease and all ex-
tensions and renewals thereof are hereinafter collectively refer-
red to as the "Lease".

FOR THE PURPOSE OF SECURING:

1. Payment of the indebtedness (including any exten-
sion or renewals thereof) evidenced by that note in the princi-
pal sum of TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 * * *
* * * Dollars (\$ 2,500,000.00), made by
MISSION BAY MARINA, A GENERAL PARTNERSHIP

dated SEPTEMBER 25, 1979, payable to the
order of Bank.

2. Payment of all other sums with interest thereon becoming due and payable to Bank under the provisions hereof or under the provisions of said note.

3. Performance of each obligation of Assignor herein and in said note contained.

A. TO PROTECT THE SECURITY OF THIS ASSIGNMENT, ASSIGNOR AGREES:

1. To perform each obligation of the Lease by Lessee to be performed; at its sole cost and expense, to enforce or secure the performance of each obligation of the Lessor by the Lessee to be performed; not to modify the Lease; not to anticipate the rents thereunder, nor to waive or release the Lessor thereunder of or from his obligations, Assignor assigns to Bank all Assignor's right and power to modify the terms of the Lease and any attempt on the part of Assignor to exercise any such right without the written consent of Bank shall be a breach of the terms hereof.

2. At Assignor's sole cost to defend any action in any manner connected with the Lease or the obligation thereunder, and to pay all costs of Bank, including attorneys' fees in a reasonable sum, in any such action in which Bank may appear.

3. That should Assignor fail to do any act as herein provided, then Bank, but without obligation so to do and without notice to Assignor and without releasing Assignor from any obligation hereof, may make or do the same in such manner and to such extent as Bank may deem necessary to protect

the security hereof, including specifically, without limiting its general powers, the right to defend any action purporting to affect the security hereof or the rights or powers of Bank, and also the right to perform each obligation of Assignor in the Lease contained; and in exercising any such powers to pay necessary costs and reasonable attorneys' fees. To give prompt notice to Bank of any notice of default on the part of the Assignor with respect to the Lease received from Lessor, together with an accurate and complete copy thereof.

4. To pay immediately upon demand all sums expended by Bank under the authority hereof, together with interest thereon at twelve per cent (12) per annum, and the same shall be added to the said indebtedness and shall be secured hereby.

5. And warrants to Bank that (a) Assignor has not executed any prior assignment of the Lease; (b) Assignor has not performed any act or executed any instrument which might prevent Bank from operating under any of the terms and conditions hereof, or which would limit Bank in such operation; (c) there is no default now existing under the Lease, and (d) Assignor has not executed or granted any modification whatever of the Lease either orally or in writing, and that the Lease is in full force and effect according to the original terms and conditions thereof.

B. IT IS MUTUALLY AGREED THAT:

1. So long as there shall exist no default by Assignor in the payment of any indebtedness secured hereby or in the performance of any obligation, covenant or agreement herein or in said Lease contained, Assignor shall have the right to collect upon, but not prior to accrual, all subrents, issues

and profits from said leased premises and to retain, use and enjoy the same.

2. Upon or at any time after default in the payment of any indebtedness secured hereby or in the performance of any obligation herein or in said Lease contained, Bank may declare all sums secured hereby immediately due and payable, and may, at its option, without notice either in person or by agent, with or without bringing any action, or by a receiver to be appointed by a court, enter, take possession of, manage and operate said demised premises or any part thereof; make, cancel, enforce or modify subleases; obtain and evict subtenants, and fix or modify rents, and do any acts which Bank deems proper to protect the security hereof, and either with or without taking possession of said property, in its own name, sue for or otherwise collect and receive all subrents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including a reasonable attorney's fee, upon any indebtedness secured hereby, and in such order as Bank may determine. The entering and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or affect notice of default under said Lease or invalidate any act done pursuant to such notice.

In addition to the foregoing remedies and not in substitution thereof, Bank may, upon the occurrence of, or at any time after the occurrence of, any of said events, sell or cause to be sold all of Assignor's interest in the property, subject hereto at public or private sale or in any other manner

permitted by law, or may bring an action to foreclose this instrument as a mortgage, and Bank may bid and purchase at any sale of said interest hereunder. The proceeds of such sale shall be applied, firstly, in payment of the expenses thereof, including a reasonable attorney's fee, and the cost of title insurance and, secondly, to the payment of the indebtedness secured hereby, and the balance of the proceeds, if any, shall be paid to Assignor or whomever may lawfully be entitled thereto.

3. Bank shall not be obligated to perform, nor does it hereby undertake to perform, any obligation under the Lease or this Assignment, and Assignor does hereby agree to indemnify against and hold Bank harmless from any liability, loss or damage under the Lease or this Assignment and all claims which may be asserted against it by reason of any alleged obligation to perform any of the terms in the Lease; should Bank incur any such liability, loss or damage under the Lease or this Assignment, or in the defense of any such claims, the amount thereof, including costs and a reasonable attorney's fee, shall be secured hereby and by the Lease, and Assignor shall reimburse Bank therefor immediately upon demand, and failure of Assignor so to do, Bank may declare all sums secured hereby immediately due and payable.

4. Upon the payment in full of all indebtedness secured hereby, this Assignment shall be void and of no effect, but the affidavit of any officer of Bank showing any part of said indebtedness to remain unpaid shall be conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person may and is hereby authorized to rely thereon.

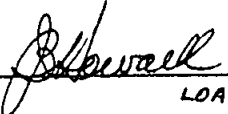
5. This Assignment inures to the benefit of, and binds, all parties hereto, their heirs, legatees, devisees, administrators, executors, successors or assigns. The term "Lease" as used herein means not only the Lease hereby assigned or any extension or renewal thereof, but also any lease subsequently executed by Assignor covering the demised premises or any part thereof. In this Assignment, whenever the context so requires, masculine gender includes feminine and neuter, and singular number includes plural, and, conversely, all obligations of each assignor hereunder are joint and several.

6. All notices hereunder shall be in writing and sent by certified mail, postage prepaid, addressed as follows:

TO THE ASSIGNOR: At the address
appearing below his signature.

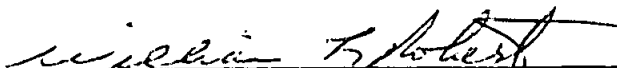
TO BANK; At: 500 Broadway
San Diego, Ca 92101

WELLS FARGO BANK N.A.


LOAN OFFICER

MISSION BAY MARINA


Charles P. Bluth General Partner


William L. Roberts General Partner

Address of Assignor:

Mission Bay Marina
1548 Quivera Way
San Diego, Ca 92109

Property Dept - 9B
Handwritten

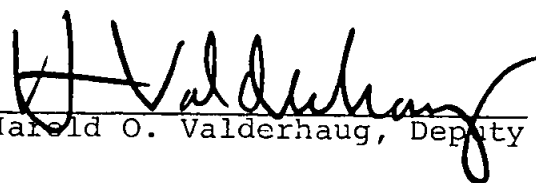
RESOLUTION No. 222989 (R-79-1083)

Adopted on APR 10 1979

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

That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a lease agreement with MISSION BAY MARINA, a limited partnership of which COASTAL MARINE MANAGEMENT, a California corporation, dba Mission Bay Marina is the general partner, as Lessee, for the purposes of constructing, operating and maintaining marina facilities in Mission Bay, for a term of 50 years, at an initial minimum annual rental of \$20,000 versus various percentages, whichever is greater, under the terms and conditions set forth in that lease agreement on file in the office of the City Clerk as Document No. 766042.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:dm
12/12/78
Or. Dept. Property
Job:12600

RECEIVED

APR 18 1979

P. City Director

RESOLUTION No. 222989

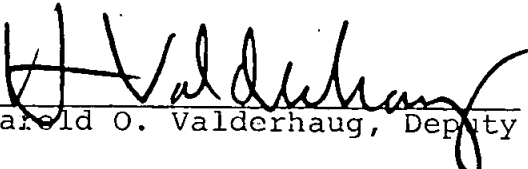
(R-79-1083)

Adopted on MAR 5 1979

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That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a lease agreement with MISSION BAY MARINA, a limited partnership of which COASTAL MARINE MANAGEMENT, a California corporation, dba Mission Bay Marina is the general partner, as Lessee, for the purposes of constructing, operating and maintaining marina facilities in Mission Bay, for a term of 50 years, at an initial minimum annual rental of \$20,000 versus various percentages, whichever is greater, under the terms and conditions set forth in that lease agreement on file in the office of the City Clerk as Document No. 766042.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:dm
12/12/78
Or. Dept. Property
Job:12600

Passed and adopted by the Council of The City of San Diego
on March 5, 1979, by the following vote:

YEAS: Mitchell, O'Connor, Lowery, Gade, Schnaubelt, Stirling, Killea,
Wilson.

NAYS: None.

NOT PRESENT: Williams.

AUTHENTICATED BY:

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

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

(SEAL)

By RITA ANDREWS, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. 222989
passed and adopted by the Council of The City of San Diego,
California, on March 5, 1979.

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

(SEAL)

By Rita Andrews, Deputy.