

LEGAL

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND SERVICE CONTRACTS dated as of January 6, 2006 (this "Assignment"), is made by ISLANDIA ASSOCIATES, LTD, a California limited partnership ("Assignor") and KENCAL OPERATING, LLC, a California limited liability company ("Assignee").

BACKGROUND

A. WHEREAS, KAREC California Development Program LLC, a California limited liability company ("KCDP") agreed to purchase from Assignor certain real property and tangible property in San Diego, California, more commonly known as the Hyatt Islandia Hotel & Marina (the "Hotel"), pursuant to the terms of that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated March 22, 2005, by and between the parties, as amended on May 16, 2005 ("First Amendment"), July 1, 2005 ("Second Amendment"), July 25, 2005 ("Third Amendment"), September 2005 ("Fourth Amendment") and January 6, 2006 ("Fifth Amendment") (the original Purchase and Sale Agreement, together with the First, Second, Third, Fourth and Fifth Amendments are collectively referred to herein as the "Purchase Agreement");

B. WHEREAS, KCDP has assigned all of its rights and obligations under the Purchase Agreement to KenCal Ownership LLC, a California limited liability company ("KenCal Ownership"), pursuant to the terms of the Assignment and Assumption of Purchase and Sale Agreement between KenCal Ownership and Assignee of even date herewith;

C. WHEREAS, KenCal Ownership has further assigned certain of its rights under the Purchase Agreement to Assignee pursuant to that certain Further Partial Assignment and Assumption of Purchase and Sale Agreement between KenCal Ownership and Assignee of even date herewith;

D. WHEREAS, upon the Closing (as defined in the Purchase Agreement) Assignor desires to assign to Assignee, and Assignee desires to take assignment of and assume the Leases, Service Contracts and Equipment Leases (each as defined in the Purchase Agreement).

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, receipt of which are acknowledged:

1. Assignor hereby assigns and transfers to Assignee all present and future right, title and interest of Assignor in, to and under the Leases (as defined in the Purchase Agreement), together with any guaranties of any of the Leases in favor of Assignor, any and all rights, title, estates and interests of Assignor in and to such security deposits and prepaid rents, if any, as have been paid to Assignor pursuant to such Leases and not previously applied pursuant to the Leases.

2. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to (a) the Assumed Contracts (as defined in the Purchase Agreement); (b) any and

all extensions, renewals, modifications and amendments with respect to the Assumed Contracts; and (c) any and all deposits or other sums now held by Assignor or by any other party on behalf of Assignor under or with respect to the Assumed Contracts.

3. Assignee accepts the foregoing assignment and assumes and shall pay, perform and discharge, as and when due, all of the agreements and obligations of Assignor under the Leases, Service Contracts and Equipment Leases arising or accruing from and after the date hereof and agrees to be bound by all of the terms and conditions of the Contracts and the Leases.

4. Assignor makes no warranty, representation, certification or covenant of any kind whatsoever with respect to the Leases, Service Contracts or other items conveyed by Assignor to Assignee by this Assignment, except as specifically set forth in this Assignment or in the Purchase Agreement.

5. Subject to the limitations on liability contained in the Purchase Agreement, Assignor shall be responsible for any Claims arising under the Leases or Service Contracts arising and accruing prior to the date hereof, excepting the duty to cure, repair or remediate a physical or environmental condition of the Property, which condition was disclosed to Assignee, or was discovered or could have been discovered by Assignee performing commercially normal due diligence.

6. The provisions of this Assignment shall be binding upon, and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

7. This Assignment may be executed in one or more counterparts, all of which when taken together shall constitute one and the same instrument.

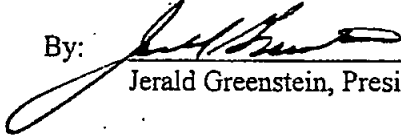
IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

[Signature continues on following page]

Assignor:

ISLANDIA ASSOCIATES, LTD,
a California limited partnership

By: Amgreen, Inc.,
a California corporation,
its sole General Partner

By: 
Jerald Greenstein, President

Assignee:

KENCAL OPERATING LLC,
a California limited liability company

By: FST HRI LLC,
a Washington limited liability company

By: MTM Management, L.L.C.
a Washington limited liability company,
Member and Manager

By: _____
Name: James Simkins
Title: Manager

Assignor:

ISLANDIA ASSOCIATES, LTD,
a California limited partnership

By: _____

Name: _____

Title: _____

Assignee:

KENCAL OPERATING LLC,
a California limited liability company

By: FST HRI LLC,
a Washington limited liability company

By: MTM Management, L.L.C.
a Washington limited liability company,
Member and Manager

By: _____

Name: James Simkins

Title: Manager