

C-053

Rolling Hills Plaza Shopping Center/La Caze

FOLDER #2

CERTIFICATE RE LEASE
(City of Torrance Ground Lease)

THIS CERTIFICATE RE LEASE ("Certificate") is made as of February 7, 1995, by the CITY OF TORRANCE, a municipal corporation ("Landlord") and ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Tenant"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation ("Beneficiary").

RECITALS

A. In connection with the loan by Beneficiary to Tenant in the amount of \$28,500,000 (the "Loan"), Landlord and Tenant have entered into that certain Consent to Encumbrance of Leasehold Estate (the "Consent") dated as of even date herewith, which Consent is to be recorded in the Official Records of Los Angeles County, California.

B. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain Lease dated as of October 21, 1987, by and between Landlord, as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, which was recorded November 3, 1987, in the Official Records of Los Angeles County, California, as Instrument No. 87-1761480, as amended by Amendment No. 1 thereto dated August 28, 1990 and by that certain Second Amendment to Lease dated January 23, 1996 (the "Lease").

C. A condition to Beneficiary's making of the Loan is Landlord and Tenant making the certifications, representations and warranties set forth herein.

NOW, THEREFORE, Landlord and Tenant certify, represent and warrant as follows:

1. Recitals. The Recitals set forth above are true, accurate and correct.

2. Lease. A true, correct and complete copy of the Lease, together with any and all supplements and amendments thereto, and modifications thereof, including all such amendments and modifications listed in Paragraph B above, is attached hereto as Exhibit "A."

Landlord and Tenant make the above certifications, representations and warranties, intending to bind themselves and their heirs and successors, for the benefit of Beneficiary, with the understanding that Beneficiary will rely thereon in making the Loan. This Certificate shall insure to the benefit of Beneficiary and all of Beneficiary's successors, transferees

and assignees. This Certificate may be executed in counterparts.

"Landlord":

THE CITY OF TORRANCE, a municipal corporation

By Dee Hardison

Dee Hardison Mayor
[Printed Name and Title]

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

ATTEST

By Sue Herbers

Sue Herbers, CityClerk
[Printed Name and Title]

By William G. Quale
William G. Quale
Assistatn CityAttorney

ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company

By Rolling Hills Plaza Shopping Center, a California Limited Partnership, Managing Member

By La Caze Partnership, a California Limited Partnership, General Partner

By Norman R. La Caze
Norman R. La Caze,
Trustee of the La Caze Family Trust, u/d/t dated July 6, 1987, General Partner

By Carole J. La Caze
Carole J. La Caze,
Trustee of the La Caze Family Trust, u/d/t dated July 6, 1987, General Partner

SECOND AMENDMENT TO LEASE

This second amendment to lease is made and entered into this 23 day of January, 199~~8~~⁶ between the City of Torrance, a Municipal Corporation, hereinafter referred to as CITY, and Rolling Hills Plaza Shopping Center, a California Limited Partnership, hereinafter referred to as LESSEE.

RECITALS

The parties to this lease entered into the lease on October 21, 1987, and the lease was amended once, effective August 1, 1990; and

The parties now wish to further amend this lease.

AGREEMENT

The parties hereby agree as follows:

1) Paragraph 2 is amended to read as follows: "TERM: The term of this lease will be Fifty (50) years, commencing January 1, 1996, and expiring at midnight December 31, 2045."

2) Paragraph 3 is amended to read as follows: "OPTION TO EXTEND

If, at the time LESSEE sells the leasehold, or refinances the leasehold and Norman R. La Caze requests it, CITY will extend the term of this leasehold to a term of Fifty (50) years. This agreement to extend the lease will only be granted one (1) time, and then only if the lease is in full force and effect and all the terms of the lease are being met by LESSEE."

3) Paragraph 4 is amended to read as follows: "MINIMUM BASIC RENT

A. AMOUNT

LESSEE must pay on or before the first day of each month during the term of this lease, the following rent:

1) January 1, 1996 through December 31, 1999 Five percent (5%) of the gross rents, as defined below.

C-053

Original

2) January 1, 2000 through December 31, 2004, Seven-and-a-half percent (7.5%) of the gross rents as defined below.

3) January 1, 2005, through the end of the lease, Ten percent (10%) of the gross rents as defined below.”

B. LEASE YEAR

“Lease Year” means a full twelve-month period commencing on January 1 of each year during the term of the Lease.

C. GROSS RENT

The term “Gross Rents”, as used in this Section 4, means all rentals and other payments paid directly or indirectly by sublessees, licensees or concessionaires (but excluding the amounts of rentals not collected due to any default or bankruptcy of any tenant) for the occupancy or use of all or any portion of the Leased Premises, together with (i) the reasonable rental value of any part of the Leased Premises occupied by Lessee or any affiliate of Lessee (as defined in subparagraph (10) below), calculated on a square footage basis in respect to the particular area utilized by Lessee or the affiliate, the rental value to be equal or substantially equal to the rental value of similar space located on the Leased Premises, and (ii) any monies or other things of value received by Lessee or any affiliate of Lessee as consideration for the use or occupancy of any part of the Leased Premises; but the term “Gross Rents” does not include any security deposit received by Lessee from Lessee’s sublessees except to the extent that such security deposit is an advance payment of rent, or any monies or property received by Lessee as consideration for the assignment of Lessee’s (including Lessee’s successors and assigns) interest, in the Leased Premises, except to the extent that the assignor retains the right to receive any fixed rent, percentage rent, credit for premises occupied by Lessee, or monies paid in lieu of or as partial substitution for such rents, payments or credits. The term “Gross Rents” does not include any amounts paid to Lessee by sublessees which represent sublessees’ share of real property taxes, insurance premiums, utilities, maintenance, repairs, and common area charges paid by Lessee to third parties and any management fee or similar charges (not exceeding 4%) paid by sublessees to Lessee in connection with such common area maintenance charges (all such items referred to in this sentence being called the “Passed Through Charges”). In the event the Leased Premises should ever be subleased in whole or in part to any person or entity which does not itself use or occupy such subleased premises, but instead further subleases the same for use or occupancy by others, such occupancy rentals and subrentals

derived from these further subleases will be included in the term "Gross Rents" for the purpose of this Lease, notwithstanding that the occupancy rentals or subrentals are payable to a person or entity other than Lessee; but in the case of a sublease made by Lessee to a non-affiliate of Lessee on an arm's-length basis providing for fair rentals at the time entered into only the rentals payable by the sublessee to Lessee will be included in Gross Rents. The term "sublease" includes subleases, underlettings, concessions, licenses, or other arrangements at any level for the use or occupancy of any portion of the Leased Premises, and the term rental or occupancy rental includes all rent, monies, and other considerations paid for the use or occupancy of the Leased Premises or any part thereof.

- 4) Paragraph 5, PERCENTAGE RENT is repealed.
- 5) Subparagraph 21.A.(3) is amended to read as follows:

The term "Approved Leasehold Mortgage" shall mean a Leasehold Mortgage provided that: (1) such Leasehold Mortgage shall be an assignment or encumbrance only of the Lessee's interest under this Lease and the leasehold estate created hereby and shall not convey or be a lien upon the City's freehold estate in the Leased Premises (unless at some future time Lessee acquires such interest from the City) or the City's reversionary interest in all buildings, structures and improvements located on the Leased Premises; (2) there shall not be more than two (2) Approved Leasehold Mortgages encumbering this Lease at any one time. (3) All money obtained from a loan resulting from the Approved Leasehold Mortgage must be used only for improvements, additions or maintenance of the Rolling Hills Plaza Shopping Center, except for those funds used to take out previous loans, and to pay the attendant administrative fees and costs.

- 6) Subparagraph 21.A.(4) of the Lease is hereby amended in its entirety as follows:

The term "Approved Leasehold Mortgagee" shall mean a foreign or domestic savings and loan association, a finance company, a savings bank, a trust company, an insurance company, a religious, a charitable or educational institution, a state, municipal or private employees' welfare, pension or a retirement fund or system, a partnership in which one (1) or more of the partners are institutional investors, investment banking firm or other financial institution which is a Leasehold Mortgagee under or pursuant to a Leasehold Mortgage, provided that such entity has total assets of at least Two Hundred Million Dollars, (\$200,000,000.00), and further provided that such entity (1) is not connected with

or controlled by criminal elements; (ii) has not been convicted of past criminal violations; and (iii) does not have a generally known reputation for either or both

of (i) or (ii) above. The purpose of the foregoing proviso is to protect the City from embarrassment, and it is hereby agreed that the burden of proof shall be on the City to prove that such entity is connected with or controlled by criminal elements, or has been convicted of past criminal violations, or does have a generally known reputation for either or both of same.

- 7) Subparagraph 21.C.(6) Transfer by Foreclosure and by Approved Leasehold Mortgagee is amended to read as follows:

Transfers by Foreclosure and by Approved Leasehold Mortgagee.

(a) The City's consent shall not be required for a transfer of this Lease to an Approved Leasehold Mortgagee or a wholly-owned subsidiary of an Approved Leasehold Mortgagee by trustee's sale, judicial foreclosure, or deed in lieu of foreclosure.

(b) The consent of the City Council shall be required for a transfer of this Lease to any person, corporation or other entity, other than an Approved Leasehold Mortgagee or a wholly-owned subsidiary of an Approved Leasehold Mortgagee, which seeks to purchase the interest of Lessee at any trustee's sale or judicial foreclosure proceedings (collectively, "Foreclosure Transferee"). Upon ten (10) days' written request, City will consider and review any proposed transferees by foreclosure, assignment, transfer or deed in lieu of foreclosure and will declare whether or not they are accepted as an Approved Leasehold Mortgagee, except if there is no scheduled City Council meeting within the ten days, in which case, such time limit must be extended to include the next meeting of the City Council. Also, if the proposed transferee meets the following criteria, such pre-approval will not be required: if the proposed transferee: (i) has a net worth as of the date of the transfer (calculated in accordance with general accepted accounting principles verified by means of certified financial statements and measured in 1995 dollars) of at least Five Million and No/100 Dollars (5,000,000.00); (ii) has a proven history of successful and competent management of comparable shopping centers for at least five (5) consecutive years, or provides evidence reasonably satisfactory to the City that the proposed transferee will enter into a management contract for the Leased Premises with a competent and reputable shopping center manager, reasonably satisfactory to the City, who will actively manage the Leased Premises; (iii) has satisfied the requirements of Subparagraph 20.B of this Lease; and (iv) (a) is not connected with or controlled

by criminal elements; (b) has not been convicted of past criminal violations; and (c) does not have a generally known reputation for either or both of (a) or (b) above. The purpose of the foregoing is to protect the City from embarrassment,

and it is hereby agreed that the burden of proof shall be on the City to prove that such entity is connected with or controlled by criminal elements, or has been convicted of past criminal violations, or does have a generally known reputation for either or both of same.

(c) “Notwithstanding anything to the contrary contained in Subparagraph 21.C.(6) (b), if the leasehold estate under this Lease is acquired by an Approved Leasehold Mortgagee or its designee or nominee, through foreclosure, deed or assignment in lieu of foreclosure, or otherwise, the City will not withhold its consent to a subsequent transfer of this Lease by such Approved Leasehold Mortgagee or its designee or nominee to a third party if the proposed transferee: (i) has a net worth as of the date of the transfer (calculated in accordance with general accepted accounting principles verified by means of certified financial statement and measured in 1995 dollars) of at least Five Million and No/100 Dollars (\$5,000,000.00); (ii) has a proven history of successful and competent management of comparable shopping centers for at least five (5) consecutive years, or provides evidence reasonably satisfactory to the City that the proposed transferee will enter into a management contract for the Leased Premises with a competent and reputable shopping center manager, reasonably satisfactory to the City, who will actively manage the Leased Premises; (iii) has satisfied the requirements of Subparagraph 20.B of this Lease; and (iv) (a) is not connected with or controlled by criminal elements; (b) has not been convicted of past criminal violations; and (c) does not have a generally known reputation for either or both of (a) or (b) above. The purpose of the foregoing is to protect the City from embarrassment, and it is hereby agreed that the burden of proof shall be on the City to prove that such entity is connected with or controlled by criminal elements, or has been convicted of past criminal violations, or does have a generally known reputation for either or both of same.

8) Subparagraph 22.A. (4) is amended to read as follows:

(4) Unless otherwise provided by paramount law, the entry of any decree or order for relief by any court with respect to Lessee in any involuntary case under the Federal Bankruptcy Code or any other applicable federal or state law; or the appointment of or taking possession by any receiver, (except if the appointment of a receiver has been secured by the Approved Leasehold Mortgagee to protect its investment) liquidator, assignee, trustee, sequestrator or other similar official, of

the Leased Premises or of Lessee or of any substantial part of the property of Lessee or the ordering or winding up or liquidating of the affairs of Lessee and the continuance of such decree or order unstayed and in effect for a period of sixty (60) days; or the commencement by Lessee of a voluntary proceeding under the federal law or consent by Lessee to the entry of an order for relief in an involuntary case under any such law, or consent by Lessee to appointment of or taking of possession by a receiver, (except if the appointment of a receiver has been secured by the Approved Leasehold Mortgagee in order to protect its investment) liquidator, assignee, trustee, sequestrator or other similar official, of Lessee or of any substantial part of the property of Lessee or the making by Lessee of any general assignment for the benefit of creditors; or the failure of Lessee to operate its business for ten (10) business days when such failure is due to any financial difficulty; or Lessee taking any other voluntary action related to the dissolution of Lessee or the winding up of Lessee's affairs.

- 9) Subparagraph 29.C. of this Lease is hereby amended by inserting the following immediately prior to the last sentence of said subparagraph:

“Notwithstanding anything to the contrary contained in this Subparagraph 29.C., in the event the Lessee is the Approved Leasehold Mortgagee or its designee or nominee and the total cost to restore the Leased Premises and all buildings, structures and improvements located thereon remaining after said taking is reasonably estimated to exceed the portion of any award made available to Lessee for that purpose, Lessee may elect to demolish those buildings, structures or improvements designated by the City as requiring demolition, restore the Leased Premises to a neat, clean, and level condition to the reasonable satisfaction of City and terminate this Lease by notifying City in writing of its intent to do so within sixty (60) days of the event causing such damage or destruction.”

- 10) Except as modified or amended herein, the lease of October 21, 1987 and the first amendment thereto continue in full force and effect.

This amendment to lease is effective as of the date first appearing above.

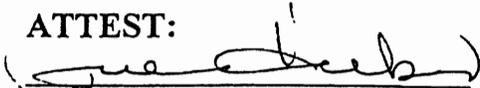
CITY OF TORRANCE



ROLLING HILLS SHOPPING CENTER,
a California limited partnership

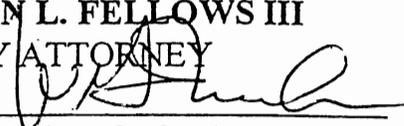


ATTEST:


CITY CLERK

APPROVED AS TO FORM:

JOHN L. FELLOWS III
CITY ATTORNEY

By: 
William G. Quale
Assistant City Attorney

emd(p:\word\AmLease.doc)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

(SPACE ABOVE LINE FOR RECORDER'S USE ONLY)

CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE

(City of Torrance)

THIS CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE (this "Consent"), dated as of December __, 1995, is made by the CITY OF TORRANCE, a municipal corporation ("Landlord"), and _____, a California limited liability company ("Tenant"), in favor of ("Beneficiary").

This Consent is made with reference to the following facts:

A. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain ground lease described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Lease"). A copy of the Lease has concurrently herewith been delivered to the Beneficiary together with a certificate certifying such copy to be true and correct. The Lease covers the real property (the "Property") described in Exhibit "B" attached hereto and made a part hereof.

B. Tenant has applied to Beneficiary for a loan in the principal amount of up to \$28,500,000.00 (the "Loan"), for the purpose of refinancing the existing loan secured by the lessee's interest under the Lease (and for other purposes, as set forth in the Loan Documents for the Loan). The Loan will be secured by, among other things, a Deed of Trust, Security Agreement and Fixture Filing (Leasehold Estate) (the "Deed of Trust") dated as of even date herewith executed by Tenant for the benefit of Beneficiary, and will be evidenced and otherwise governed by the "Loan Documents" described in the Deed of Trust. The Deed of Trust shall be recorded concurrently herewith and shall encumber the leasehold estate (as well as other collateral) and all other present and future rights of Tenant under the Lease and in the Property.

C. A condition to Beneficiary's making of the Loan is Landlord's agreement to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree in favor of Beneficiary as follows:

1. Consent to Encumbrance of Leasehold Estate.

Landlord hereby consents to the Deed of Trust and the hypothecation thereunder of the leasehold estate and all other present and future rights of Tenant in, to and under the Lease and the Property. Landlord also consents to the assignment to Beneficiary of all of Tenant's rights and interests in all present and future subleases of the Property and any improvements thereon and all rentals to become due thereunder as security for the Loan. Landlord further hereby confirms and agrees that the Beneficiary shall be deemed an "Approved Leasehold Mortgagee" under the Lease, and shall be entitled to all the rights and privileges of an Approved Leasehold Mortgagee under the Lease; and the Deed of Trust shall constitute an "Approved Leasehold Mortgage" under the Lease for the entire term of the Loan, notwithstanding any provisions of the Lease which may construed to the contrary (including, without limitation, Section 21 thereof).

2. No Subordination of Leasehold Interest.

Unless Beneficiary otherwise consents in writing, Tenant's leasehold interest shall not be subordinate to any mortgage or deed of trust hereafter imposed on the fee interest in the Property; and all potential future mortgagees encumbering the fee interest or other lienholders are hereby put on notice that any such fee mortgage or other lien shall be subordinate to the Lease, as modified by this Consent, and to the rights of Beneficiary hereunder and under the documents referenced herein.

3. Representations and Warranties.

Landlord and Tenant (each for itself only) represent, warrant and certify to Beneficiary that: (a) a true and correct copy of the Lease, and any and all supplements and amendments thereto and modifications thereof, has been delivered to Beneficiary pursuant to a separate certificate; (b) the Lease is genuine, valid and enforceable in accordance with its terms, is in full force and effect as of the date hereof, and has not been supplemented, modified, amended (except as indicated in the certificate delivered to Beneficiary) or terminated; (c) neither Landlord nor Tenant has given or received notice of the occurrence of a default under the Lease, and to the best knowledge of each, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof; (d) rent owing under the Lease which is due as of the date of

the execution hereof has been paid in full, and to the best knowledge of each, Tenant is in compliance with all other obligations of the lessee under the Lease; (e) the term of the Lease expires on December __, 2045; and (f) there are no agreements between Landlord and Tenant affecting the Property other than the Lease; (g) neither Landlord's fee interest nor Tenant's leasehold interest in the Property are subject to any deed of trust, mortgage, or other lien (other than the existing deed of trust held by Teachers Insurance and Annuity Association of America which is to be reconveyed substantially concurrently with the recordation hereof). (h) all tenants as of the date hereof (including without limitation the dry cleaning plant) constitute approved uses under the Lease; and (i) all necessary FAA consents referenced in Section 9.F(2)(r) of the Lease were obtained, and will be obtained in connection with any new construction (as required). Tenant (and Landlord, to the best of its knowledge) further represent, warrant and certify to Beneficiary that: (a) Tenant has not assigned, transferred or hypothecated its interest under the Lease (except by the existing deed of trust held by Teachers Insurance and Annuity Association of America) and (b) there are no subleases, licenses, or other agreements (except the Lease) which create rights of occupancy with respect to the Property, which have not been disclosed to Beneficiary in writing.

4. Performance of Obligations Under the Lease.

Tenant agrees to perform all obligations of the lessee under the Lease without notice or demand from Beneficiary. Any default by Tenant under the Lease shall automatically be a default under the Deed of Trust and shall entitle Beneficiary to institute foreclosure proceedings thereunder, and Beneficiary may enter into possession of the Property and take whatever steps it deems necessary to correct the default under the Lease. Any expenses incurred by Beneficiary in connection with the enforcement of its rights hereunder or in curing any default under the Lease, including without limitation reasonable attorneys' fees and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, shall bear interest at the "Default Rate" (as defined in the Loan Agreement described in the Deed of Trust) and shall be secured by the Deed of Trust.

5. Beneficiary's Expenses. If Beneficiary acquires any leasehold estate in the Property (whether as purchaser upon the foreclosure of the Deed of Trust, by deed in lieu of foreclosure, or under any provision of the Lease), all expenses incurred by Beneficiary in connection therewith, including without limitation all rental payments and other sums then due under the Lease, reasonable attorneys' fees, and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, and shall bear interest at the Default Rate.

6. Consent to Prior Assignments. Landlord consents to any and all prior assignments of the lessee's interest under the Lease by or through which such interest has been transferred to Tenant.

7. Acquisition of Fee Title and Other Interests by Tenant. The parties hereto intend and agree that in the event Tenant acquires fee title to the Property, or any other interest in the Property not currently held by Tenant, the Deed of Trust shall automatically encumber such interests in the Property in a first lien position, if and when acquired by Tenant, without the necessity of any further documents or action. Notwithstanding the foregoing, Tenant, as a condition to acquiring any such interest, shall execute such documents and take such actions as may be requested by Beneficiary to evidence that the lien of the Deed of Trust encumbers such interest in the Property.

8. Waiver re Bankruptcy. Subject to the terms of the Lease as modified by this Consent, unless Beneficiary otherwise consents in writing, Landlord and Tenant each hereby waives, and agrees not to assert or otherwise take the benefit of, Section 365(d)4, or any other applicable provisions, of the United States Bankruptcy Code (11 U.S.C. § 101 et. seq.), which may cause the termination of the Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise.

9. Notice Procedure. Any notices required herein or under the Lease shall be personally delivered or mailed, postage prepaid, certified mail, return receipt requested, with a copy via regular mail, addressed as follows:

If to Beneficiary:

If to Landlord: City of Torrance
3031 Torrance Boulevard
Torrance, California 90503

If to Tenant:

c/o La Caze Development Company
2601 Airport Drive, Suite 300
Torrance, California 90505
Attn: Mr. Norman R. La Caze

or to such other address as may be designated by the parties in the manner provided above for giving notice. Notices shall be deemed given upon personal delivery or upon receipt or refusal to accept receipt, as evidenced by the return receipt.

10. Execution of New Consent With Subsequent Lender. Landlord and Tenant agree that they shall execute an agreement containing the same substantive terms, provisions and

agreements (including without limitation this provision) as are set forth in this Consent with and in favor of any lender (including without limitation Beneficiary) which (a) provides Tenant with a loan to repay the Loan, or (b) finances all or part of the purchase of Tenant's interest in the Lease (whether such leasehold interest is being sold by Tenant or is sold by Beneficiary or its nominee following a foreclosure under the Deed of Trust). Such agreement shall be provided upon the written request of any such lender and within thirty calendar days of Landlord's and Tenant's receipt of such written request.

11. Miscellaneous. The parties hereto acknowledge that this Consent is a material inducement to Beneficiary to make the Loan to Tenant, and that Beneficiary would not be willing to extend credit upon the security of Tenant's leasehold estate in the absence hereof. Beneficiary is an intended beneficiary of this Consent and the leasehold mortgagee protection provisions of the Lease, and may enforce in its favor all provisions hereof and thereof. This Consent shall inure to the benefit of and be binding upon the successors and assigns of Landlord, Tenant, and Beneficiary. All rights of Beneficiary hereunder may be assigned by Beneficiary without notice to the parties hereto and shall inure to the benefit of Beneficiary's successors and assigns. This Consent may not be supplemented, modified, amended or terminated without Beneficiary's prior written consent. In the event of a conflict between the Lease and this Consent, the provisions of this Consent shall control. Notice of acceptance hereof by Beneficiary is hereby waived. This Consent may be executed and recorded in counterparts.

12. WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS CONSENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS CONSENT, THE DEED OF TRUST OR THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO (INCLUDING WITHOUT LIMITATION BENEFICIARY) OR ANY OF THEM WITH RESPECT TO THIS CONSENT, THE DEED OF TRUST, THE OBLIGATIONS SECURED THEREBY, THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS CONSENT (INCLUDING WITHOUT LIMITATION BENE-

FICIARY) MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

"Landlord":

THE CITY OF TORRANCE, a municipal corporation

By _____

[Printed Name and Title]

By _____

[Printed Name and Title]

"Tenant":

a California limited liability company

By _____

[Printed Name and Title]

By _____

[Printed Name and Title]

EXHIBIT "A"

DESCRIPTION OF LEASE

That certain Lease dated as of October 21, 1987, by and between the City of Torrance (the "City"), as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, [a memorandum of] which was recorded November 3, 1987, in the Official Records of Los Angeles County, California as Instrument No. 87-1761480, as amended by Amendment No. 1 thereto dated August 28, 1990, and by _____
[describe latest amendment].

EXHIBIT "B"

LEGAL DESCRIPTION OF PROPERTY

That certain real property located in the County of Los Angeles, State of California, more particularly described as follows:

"

EXHIBIT "B"

CERTIFICATE RE LEASE
(City of Torrance Ground Lease)

THIS CERTIFICATE RE LEASE ("Certificate") is made as of December __, 1995, by the CITY OF TORRANCE, a municipal corporation ("Landlord") and _____, a California limited liability company ("Tenant"), in favor of ("Beneficiary").

RECITALS

A. In connection with the loan by Beneficiary to Tenant in the amount of \$28,500,000 (the "Loan"), Landlord and Tenant have entered into that certain Consent to Encumbrance of Leasehold Estate (the "Consent") dated as of even date herewith, which Consent is to be recorded in the Official Records of Los Angeles County, California.

B. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain Lease dated as of October 21, 1987, by and between Landlord, as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, [a memorandum of] which was recorded November 3, 1987, in the Official Records of Los Angeles County, California, as Instrument No. 87-1761480, as amended by amendment number 1 thereto dated August 28, 1990 and by _____ [describe latest amendment] (the "Lease").

C. A condition to Beneficiary's making of the Loan is Landlord and Tenant making the certifications, representations and warranties set forth herein.

NOW, THEREFORE, Landlord and Tenant certify, represent and warrant as follows:

1. Recitals. The Recitals set forth above are true, accurate and correct.

2. Lease. A true, correct and complete copy of the Lease, together with any and all supplements and amendments thereto, and modifications thereof, including all such amendments and modifications listed in Paragraph B above, is attached hereto as Exhibit "A."

Landlord and Tenant make the above certifications, representations and warranties, intending to bind themselves and their heirs and successors, for the benefit of Beneficiary, with the understanding that Beneficiary will rely thereon in making the Loan. This Certificate shall insure to the benefit of Beneficiary and all of Beneficiary's successors, transferees

and assignees. This Certificate may be executed in counterparts.

"Landlord":

THE CITY OF TORRANCE, a municipal corporation

By _____

[Printed Name and Title]

By _____

[Printed Name and Title]

"Tenant":

a California limited liability company

By _____

[Printed Name and Title]

By _____

[Printed Name and Title]

EXHIBIT "A"

DESCRIPTION OF LEASE

[Attach complete copy of Lease and all amendments.]

EXHIBIT "A"

RECOGNITION AND ATTORNMENT AGREEMENT

THIS AGREEMENT made this ____ day of _____, 1996, by and among the CITY OF TORRANCE, a municipal corporation, having an office at 3031 Torrance Boulevard, Torrance, California 90503 (hereinafter called "Owner"), ROLLING HILLS PLAZA SHOPPING CENTER, a California limited partnership, having an office at 2601 Airport Drive, Suite 300, Torrance, California 90505 (hereinafter called "Lessee"), and AMERICAN MULTI-CINEMA, INC., a Missouri corporation, with an office at Suite 1700, 106 West 14th Street, Kansas City, Missouri 64105 (hereinafter called "Sublessee").

WITNESSETH:

A. Owner is the owner in fee of the parcel of land more particularly described on Exhibit A attached hereto and made a part hereof, lying and being in the City of Torrance, Los Angeles County, California (hereinafter referred to as the "Shopping Center Land").

B. By lease dated October 21, 1987, as amended by Amendment No. 1 to Lease dated August 28, 1990 and by Second Amendment dated January 23, 1996, between Owner and Lessee (hereinafter called the "Ground Lease"), Owner demised the Shopping Center Land to Lessee and Lessee leased the Shopping Center Land from Owner.

C. Lessee proposes to sublease to Sublessee a portion of the Shopping Center Land, together with improvements which are to be constructed thereon by Lessee pursuant to a certain lease dated June 1, 1984 between Lessee and Sublessee as amended by Lease Modification Agreement dated June 22, 1994 and Restatement of Lease Modification Agreement dated October 16, 1995 (the "Occupancy Lease").

NOW, THEREFORE, in consideration of the premises and to induce Lessee and Sublessee to enter into the Occupancy Lease, the parties hereto mutually covenant and agree as follows:

1. Owner warrants and represents that (a) Owner is the owner in fee of the Shopping Center Land and of the Lessor's interest in the Ground Lease; (b) Owner has full right and lawful authority to execute and deliver this Agreement; (c) the Ground Lease is in full force and effect and has not been amended, and no default exists thereunder either in payment of rent or in the performance of any other covenant of the Lessee thereunder and that all conditions precedent to the commencement of the term of the Ground Lease have been satisfied; (d) the execution and delivery by Lessee of the Occupancy Lease will not constitute a violation of any term, covenant or condition of the Ground Lease; (e) Owner has a copy of the Occupancy Lease and has reviewed and

Original

G-053

approved such Lease; and (f) the Ground Lease expires not sooner than December 31, 2045 and that Owner will not enter into any agreement or take any action that will cause the Ground Lease to expire earlier than December 31, 2045.

2. Lessee warrants and represents (a) that it is the owner of the Lessee's interest under the Ground Lease; (b) it has full right and lawful authority to execute the Occupancy Lease and this Agreement; and (c) the Ground Lease expires not sooner than December 31, 2045 and that Lessee shall not enter into any agreement or take any action that will cause the Ground Lease to expire sooner than December 31, 2045.

3. Owner hereby approves the Occupancy Lease. Owner acknowledges that Lessee has the full right and power to enter into the Occupancy Lease upon the terms, covenants and conditions set forth therein, it being agreed by Owner and Lessee that if the Sublessee shall execute the Occupancy Lease, the Ground Lease shall (notwithstanding anything to the contrary therein contained) be deemed amended to the extent, if any, required to permit the Lessee to assume the obligations and to grant to the Sublessee the rights, powers, privileges and immunities provided for in the Occupancy Lease.

4. Owner agrees that, so long as the Ground Lease has not expired, terminated or been canceled, Owner shall do nothing to disturb or otherwise affect in any manner the quiet possession of the Sublessee under the Occupancy Lease. Owner further agrees that Lessee and the Sublessee shall have the right to amend the Occupancy Lease from time to time.

5. Owner agrees with Sublessee that in the event, for any reason whatsoever, the Ground Lease terminates or is canceled during the term of the Occupancy Lease, including any extension thereof, whether as the result of a default by the Lessee thereunder, notice by Lessee of cancellation thereof or otherwise:

(a) The Occupancy Lease shall continue for the duration of its terms and any extensions thereof (subject, however, to the rights of the landlord and tenant under the Occupancy Lease to terminate the Occupancy Lease as therein set forth) as a direct lease between Owner and Sublessee with the same force and effect as if Owner had originally entered into such Occupancy Lease as landlord thereunder;

(b) Sublessee shall not be named or joined in any action or proceeding by Owner under the Ground Lease to recover possession of the Shopping Center Land or any part thereof or for any other relief from Lessee;

(c) Sublessee shall perform all the covenants and agreements of the Occupancy Lease on its part to be performed for the direct benefit of Owner and Owner shall perform all the covenants and agreements of the Occupancy Lease to be performed on the part of the landlord thereunder for the direct benefit of the Sublessee;

(d) Owner shall give Sublessee prompt notice in writing of such event (together with essential details and dates); and

(e) From and after receipt by Sublessee of such notice, the payment by Sublessee to Owner of rentals and other payments then due or thereafter becoming due to Lessee under the Occupancy Lease shall constitute full performance of all obligations with respect to such payments actually made by Sublessee but, prior to the receipt of such notice, Sublessee shall have no obligation to make any payment to Owner and shall be deemed to have fully performed in respect of any sums theretofore paid to Lessee in accordance with the provisions of the Occupancy Lease.

6. Owner and Lessee covenant and agree that the Ground Lease will not be modified or amended in any manner affecting Sublessee without the prior written consent of Sublessee.

7. Owner hereby waives any and all liens, claims, demands or rights including, but not limited to, rights of levy, execution, sale and distraint for unpaid rent, or any other rent, interest or lien which Owner now has or may hereafter acquire in any and all trade fixtures and equipment, signs, appliances, furniture and other personalty installed at any time by Sublessee on the premises leased by Sublessee pursuant to the Occupancy Lease including, without limitation, lighting fixtures, projection and sound equipment and seats (all of the foregoing being collectively referred to as "Sublessee's Property"). In connection with the financing by Sublessee of "Sublessee's Property" (by granting a security interest therein or entering into an equipment lease therefor), Owner agrees to execute and deliver to Sublessee an Owner's waiver and all other documents reasonably required by such lessor or the holder of a security interest in Sublessee's Property.

8. Owner hereby acknowledges and agrees that it will not cause or suffer the creation of a mortgage or other security interest affecting the Shopping Center Land (and any attempt to do so shall be deemed null and void) unless the rights and interests acquired under such mortgage or security interest ("Owner Mortgage") by the holder thereof is subject and subordinate to the rights and interests of the Lessee under the Ground Lease and the rights and interest of Sublessee pursuant to the Occupancy Lease and this Agreement; provided, however, an

Owner Mortgage may be superior to the Ground Lease and Occupancy Lease if there shall be recorded in the appropriate real property records of Los Angeles County, California, an agreement, in form and substance satisfactory to Lessee and Sublessee, whereby the holder of the Owner Mortgage, its successors and assigns, agrees that the foreclosure of the Owner Mortgage shall not affect the right to possession of the Shopping Center Land of Lessee and Sublessee pursuant to the Ground Lease and Occupancy Lease, respectively, nor any of the rights, privileges, interests or easements granted to them under the Ground Lease, the Occupancy Lease and this Agreement.

9. Any notice or demand provided for in this Agreement shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, postage prepaid to a party at its address first hereinabove given or to such other address as any such party may designate by notice to the other parties. Any such notice shall be deemed given on the third business day following the day on which the same is deposited in a regularly maintained post office box or Post Office of the United States Postal Service.

10. All parties to this Agreement agree to execute such further instruments as may be reasonably requested by another party hereto in order to carry out this Agreement in accordance with the tenor and purpose hereof.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or partners and their seals to be affixed and attested as of the day and year first above written.

CITY OF TORRANCE, a municipal corporation

By: Dee Hardison
Name: Dee Hardison
Its: Mayor

"Owner"

ROLLING HILLS PLAZA SHOPPING CENTER

By: _____
Name: _____
Its: _____

"Lessee"

ATTEST
SUE HERBERS
CITY CLERK

Sue Herbers

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

by William G. Quale
Assistant City Attorney

AMERICAN MULTI-CINEMA, INC.

ATTEST:

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

"Sublessee"

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 1996, before me, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that he is the _____ of _____, a _____, and that he executed the foregoing instrument on behalf of said _____, and such person duly acknowledged the execution of the same to be the act and deed of said _____.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

Notary Public
My Commission Expires:

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 1996, before me, a Notary Public in and for said County and State, personally appeared _____, known to me to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that he is the _____ of ROLLING HILLS PLAZA SHOPPING CENTER, a California limited partnership, and that he executed the foregoing instrument on behalf of said _____, and such person duly acknowledged the execution of the same to be the act and deed of said _____.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

Notary Public
My Commission Expires:

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 1996, before me, a Notary Public in and for said County and State, personally appeared _____ and _____, to me known to be the _____ and _____ of AMERICAN MULTI-CINEMA, INC., a corporation, and who executed as such officers the foregoing instrument on behalf of said corporation, and such persons duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

Notary Public

My Commission Expires:

f:\lrf\wec\amc\rollhill\rolling6.raa
January 31, 1996

EXHIBIT A

LEGAL DESCRIPTION OF ENTIRE PREMISES

All that certain real property situated in the City of Torrance, County of Los Angeles, State of California described as follows:

That portion of Lot 1, of Tract No. 9765, in said City, County and State, as shown on map recorded in Book 170, Pages 10, 11, and 12 of Maps in the office of the County Recorder of said County, described as follows:

Beginning at a point; in the Easterly line of said Lot 1 located on the Northerly line of Pacific Coast Highway, 100 feet wide, as described in deed to the State of California recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the True Point of Beginning; thence N 89°39'00" W a distance of 26.46 feet to a point, said point being the beginning of a tangent curve, concave to the North having a radius of 1096.28 feet; thence Westerly along said curve, through a central angle of 41°03'41", an arc length of 785.66 feet to a point; thence N 48°35'19" W a distance of 894.75 feet to a point; thence N 02°00'11" E a distance of 25.30 feet to a point; thence N 52°35'31" E a distance of 1319.25 feet to a point; thence S 37°24'29" E a distance of 246.00 feet to a point; thence N 52°35'31" E a distance of 286.78 feet to a point; thence S 00°20'45" W a distance of 1671.63 feet to the True Point of Beginning.

In addition, that portion of the Rancho Los Palos Verdes, in said City, County and State, as per map recorded in Book 2, Page 545 of Patents, in the office of the County Recorder of said County as allotted to Orin S. Weston by decree of distribution in the estate of B.S. Weston recorded in Book 2838 page 230, of deeds, records of said County, being a portion of that 20-foot strip of land conveyed to Standard Oil Company in deed recorded in Book 6265 page 311 of deeds, records of said County, described as follows:

Beginning at a point; in the Westerly line of said strip of land, located on the Northerly line of Pacific Coast Highway, 100 feet wide, as described in deed to the State of California recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the True Point of Beginning; thence N 00°20'45" E a distance of 1671.63 feet to a point; thence S 89°39'15" E a distance of 20.00 feet to a point; thence S 00°20'45" W a distance of 1671.63 feet to a point; thence N 89°39'00" W a distance of 20.00 feet to the True Point of Beginning.

The total area described within the two descriptions is 35.21 acres.

96 324133

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

SHEPPARD, MULLIN, RICHTER
& HAMPTON
4695 MacArthur Court
Seventh Floor
Newport Beach, CA 92660
Attn: Steven W. Cardoza, Esq.

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
FEB 29 1996 AT 8 A.M.

COPY

FEE \$52.00 | 16

(SPACE ABOVE LINE FOR RECORDER'S USE ONLY)
D.A. FEE Code 20 \$ 2.00

CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE

(City of Torrance)

THIS CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE (this "Consent"), dated as of February 7, 1996, is made by the CITY OF TORRANCE, a municipal corporation ("Landlord"), and ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Tenant"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation ("Beneficiary").

This Consent is made with reference to the following facts:

A. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain ground lease described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Lease"). A copy of the Lease has concurrently herewith been delivered to the Beneficiary together with a certificate certifying such copy to be true and correct. The Lease covers the real property (the "Property") described in Exhibit "B" attached hereto and made a part hereof.

B. Tenant has applied to Beneficiary for a loan in the principal amount of up to \$28,500,000.00 (the "Loan"), for the purpose of refinancing the existing loan secured by the lessee's interest under the Lease (and for other purposes, as set forth in the Loan Documents for the Loan). The Loan will be secured by, among other things, a Deed of Trust, Security Agreement and Fixture Filing (Leasehold Estate) (the "Deed of Trust") dated as of even date herewith executed by Tenant for the benefit of Beneficiary, and will be evidenced and otherwise governed by the "Loan Documents" described in the Deed of Trust. The Deed of Trust shall be recorded concurrently herewith and shall encumber the leasehold estate (as well as other collateral) and all other present and future rights of Tenant under the Lease and in the Property.

2/23/98

Neil Fellows
Ernest T. G. Copy

COPY

COPY

C. A condition to Beneficiary's making of the Loan is Landlord's agreement to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree in favor of Beneficiary as follows:

1. Consent to Encumbrance of Leasehold Estate. Landlord hereby consents to the Deed of Trust and the hypothecation thereunder of the leasehold estate and all other present and future rights of Tenant in, to and under the Lease and the Property. Landlord also consents to the assignment to Beneficiary of all of Tenant's rights and interests in all present and future subleases of the Property and any improvements thereon and all rentals to become due thereunder as security for the Loan. Landlord further hereby confirms and agrees that the Beneficiary shall be deemed an "Approved Leasehold Mortgagee" under the Lease, and shall be entitled to all the rights and privileges of an Approved Leasehold Mortgagee under the Lease; and the Deed of Trust shall constitute an "Approved Leasehold Mortgage" under the Lease for the entire term of the Loan, notwithstanding any provisions of the Lease which may construed to the contrary (including, without limitation, Section 21 thereof).

2. No Subordination of Leasehold Interest. Unless Beneficiary otherwise consents in writing, Tenant's leasehold interest shall not be subordinate to any mortgage or deed of trust hereafter imposed on the fee interest in the Property; and all potential future mortgagees encumbering the fee interest or other lienholders are hereby put on notice that any such fee mortgage or other lien shall be subordinate to the Lease, as modified by this Consent, and to the rights of Beneficiary hereunder and under the documents referenced herein.

3. Representations and Warranties. Landlord and Tenant (each for itself only) represent, warrant and certify to Beneficiary that: (a) a true and correct copy of the Lease, and any and all supplements and amendments thereto and modifications thereof, has been delivered to Beneficiary pursuant to a separate certificate; (b) the Lease is genuine, valid and enforceable in accordance with its terms, is in full force and effect as of the date hereof, and has not been supplemented, modified, amended (except as indicated in the certificate delivered to Beneficiary) or terminated; (c) neither Landlord nor Tenant has given or received notice of the occurrence of a default under the Lease, and to the best knowledge of each, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof; (d) rent owing under the Lease which is due as of the date of

the execution hereof has been paid in full, and to the best knowledge of each, Tenant is in compliance with all other obligations of the lessee under the Lease; (e) the term of the Lease expires on December 31, 2045; and (f) there are no agreements between Landlord and Tenant affecting the Property other than the Lease; (g) neither Landlord's fee interest nor Tenant's leasehold interest in the Property are subject to any deed of trust, mortgage, or other lien (other than the existing deed of trust held by Teachers Insurance and Annuity Association of America which is to be reconveyed substantially concurrently with the recordation hereof); (h) all tenants as of the date hereof (including without limitation the dry cleaning plant) constitute approved uses under the Lease; and (i) all necessary FAA consents referenced in Section 9.F(2)(f) of the Lease were obtained, and will be obtained in connection with any new construction (as required). Tenant (and Landlord, to the best of its knowledge) further represent, warrant and certify to Beneficiary that: (a) Tenant has not assigned, transferred or hypothecated its interest under the Lease (except by the existing deed of trust held by Teachers Insurance and Annuity Association of America) and (b) there are no subleases, licenses, or other agreements (except the Lease) which create rights of occupancy with respect to the Property, which have not been disclosed to Beneficiary in writing. Landlord further represents and agrees in favor of Beneficiary as follows: (a) space within the Property has previously been used, and portions continue to be used, for dry cleaning plant and related dry cleaning operations, and Landlord agrees that such past use and continuing use does not constitute a default under the Lease; (b) Landlord acknowledges that certain environmental contamination has arisen from such dry cleaning operations, and Landlord does not intend to use such contamination as a basis for asserting that a default has occurred under the Lease so long as Tenant or Beneficiary (and/or Tenant's successors or assigns) proceeds with reasonable diligence to formulate a remediation plan and commence remediation as more fully described in the immediately following clause (c); (c) Landlord acknowledges that Tenant is formulating a remediation plan to address the contamination referred in the immediately preceding clause (b) in accordance with requirements and recommendations of the Los Angeles County Fire Department (which will be subject to the review and approval of Beneficiary), and that Tenant intends to begin the remediation of the environmental contamination resulting from the dry cleaning plant and related dry cleaning operations in accordance with such plan within a reasonable time period after completing such plan and obtaining any necessary approvals. Landlord further represents and agrees in favor of Beneficiary, with respect to that certain Ground Lease dated as of May 15, 1984, by and between Murvale Company, a corporation, and Chevron U.S.A. Inc., a corporation, as lessor, and Rolling Hills Plaza, a California limited partnership, as lessee, which was recorded on October 30, 1990, in the Official Records of

Los Angeles County, California as Instrument No. 90-1831777, as amended (the "Chevron/Murvale Lease"), as follows: Should the Chevron/Murvale Lease terminate, or should the Tenant otherwise lose its rights to the use of the parking spaces covered by the Chevron/Murvale Lease, (a) it is the Landlord's intent to allow Tenant (including its successors and assigns, including Beneficiary should it succeed to Tenant's interest) to obtain a variance of any current parking requirements in connection with the Property, or to work with the Tenant (including its successors and assigns, including Beneficiary should it succeed to Tenant's interests) in exploring ways to maintain the Property's compliance with all City requirements relating to parking and the number of available parking spaces without significantly interrupting or altering the operation or use of the Property, and (b) no violation of any applicable set back requirements shall occur.

4. Performance of Obligations Under the Lease.

Tenant agrees to perform all obligations of the lessee under the Lease without notice or demand from Beneficiary. Any default by Tenant under the Lease shall automatically be a default under the Deed of Trust and shall entitle Beneficiary to institute foreclosure proceedings thereunder, and Beneficiary may enter into possession of the Property and take whatever steps it deems necessary to correct the default under the Lease. Any expenses incurred by Beneficiary in connection with the enforcement of its rights hereunder or in curing any default under the Lease, including without limitation reasonable attorneys' fees and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, shall bear interest at the "Default Rate" (as defined in the Loan Agreement described in the Deed of Trust) and shall be secured by the Deed of Trust.

5. Beneficiary's Expenses. If Beneficiary acquires any leasehold estate in the Property (whether as purchaser upon the foreclosure of the Deed of Trust, by deed in lieu of foreclosure, or under any provision of the Lease), all expenses incurred by Beneficiary in connection therewith, including without limitation all rental payments and other sums then due under the Lease, reasonable attorneys' fees, and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, and shall bear interest at the Default Rate.

6. Consent to Prior Assignments. Landlord consents to any and all prior assignments of the lessee's interest under the Lease by or through which such interest has been transferred to Tenant.

7. Acquisition of Fee Title and Other Interests by Tenant. The parties hereto intend and agree that in the event Tenant acquires fee title to the Property, or any other

interest in the Property not currently held by Tenant, the Deed of Trust shall automatically encumber such interests in the Property in a first lien position, if and when acquired by Tenant, without the necessity of any further documents or action. Notwithstanding the foregoing, Tenant, as a condition to acquiring any such interest, shall execute such documents and take such actions as may be requested by Beneficiary to evidence that the lien of the Deed of Trust encumbers such interest in the Property.

8. Waiver re Bankruptcy. Subject to the terms of the Lease as modified by this Consent, unless Beneficiary otherwise consents in writing, Landlord and Tenant each hereby waives, and agrees not to assert or otherwise take the benefit of, Section 365(d)4, or any other applicable provisions, of the United States Bankruptcy Code (11 U.S.C. § 101 et seq.), which may cause the termination of the Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise.

9. Notice Procedure. Any notices required herein or under the Lease shall be personally delivered or mailed, postage prepaid, certified mail, return receipt requested, with a copy via regular mail, addressed as follows:

If to Beneficiary: General Electric Capital Corporation
Commercial Real Estate Financing
7700 Irvine Center Drive, Suite 500
Irvine, California 92718
Attn: Region Manager, Portfolio
Management Operations

If to Landlord: City of Torrance
3031 Torrance Boulevard
Torrance, California 90503

If to Tenant: Rolling Hills Plaza Venture 96, LLC
c/o La Caze Development Company
2601 Airport Drive, Suite 300
Torrance, California 90505
Attn: Mr. Norman R. La Caze

or to such other address as may be designated by the parties in the manner provided above for giving notice. Notices shall be deemed given upon personal delivery or upon receipt or refusal to accept receipt, as evidenced by the return receipt.

10. Execution of New Consent With Subsequent Lender. Landlord and Tenant agree that they shall execute an agreement containing the same substantive terms, provisions and agreements (including without limitation this provision) as are

set forth in this Consent with and in favor of any lender (including without limitation Beneficiary) which (a) provides Tenant with a loan to repay the Loan, or (b) finances all or part of the purchase of Tenant's interest in the Lease (whether such leasehold interest is being sold by Tenant or is sold by Beneficiary or its nominee following a foreclosure under the Deed of Trust). Such agreement shall be provided upon the written request of any such lender and within thirty calendar days of Landlord's and Tenant's receipt of such written request.

11. Miscellaneous. The parties hereto acknowledge that this Consent is a material inducement to Beneficiary to make the Loan to Tenant, and that Beneficiary would not be willing to extend credit upon the security of Tenant's leasehold estate in the absence hereof. Beneficiary is an intended beneficiary of this Consent and the leasehold mortgagee protection provisions of the Lease, and may enforce in its favor all provisions hereof and thereof. This Consent shall inure to the benefit of and be binding upon the successors and assigns of Landlord, Tenant, and Beneficiary. All rights of Beneficiary hereunder may be assigned by Beneficiary without notice to the parties hereto and shall inure to the benefit of Beneficiary's successors and assigns. This Consent may not be supplemented, modified, amended or terminated without Beneficiary's prior written consent. In the event of a conflict between the Lease and this Consent, the provisions of this Consent shall control. Notice of acceptance hereof by Beneficiary is hereby waived. This Consent may be executed and recorded in counterparts.

12. WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS CONSENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS CONSENT, THE DEED OF TRUST OR THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO (INCLUDING WITHOUT LIMITATION BENEFICIARY) OR ANY OF THEM WITH RESPECT TO THIS CONSENT, THE DEED OF TRUST, THE OBLIGATIONS SECURED THEREBY, THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS CONSENT (INCLUDING WITHOUT LIMITATION BENEFICIARY) MAY

FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

"Landlord":

THE CITY OF TORRANCE, a municipal corporation

By: Dee Hardison

Dee Hardison, Mayor
[Printed Name and Title]

ATTEST
By: Sue Herbers

Sue Herbers, City Clerk
[Printed Name and Title]

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

By: William G. Quale

William G. Quale
Assistant City Attorney

"Tenant":

ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company

BY: Rolling Hills Plaza Shopping Center, a California Limited Partnership, Managing Member

By: La Caze Partnership, a California Limited Partnership, General Partner

By: Norman R. La Caze
Norman R. La Caze,
Trustee of the La Caze Family Trust, u/d/t dated July 6, 1987, General Partner

By: Carole J. La Caze
Carole J. La Caze,
Trustee of the La Caze Family Trust, u/d/t dated July 6, 1987, General Partner

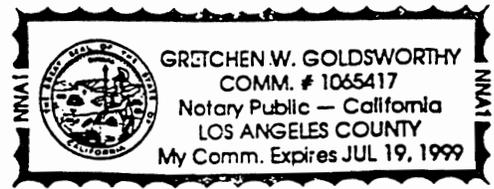
8

STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 15 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Norman R. La Caze personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacit(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy Seal:

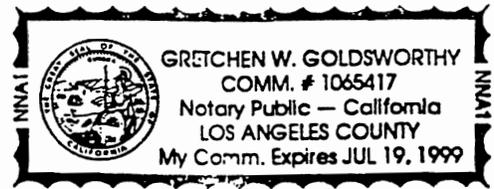


STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 15 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Carole J. La Caze personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacit(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy Seal:



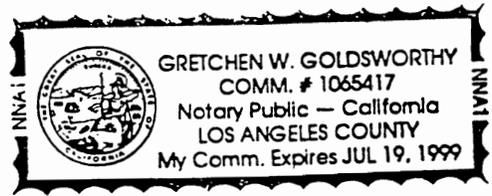
STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 23 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Dee Hardison personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~s~~ whose name~~s~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy

Seal:



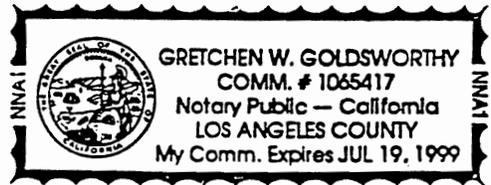
STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 23 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Sue Herbers personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in ~~his~~/~~her~~/~~their~~ authorized capacit(ies), and that by ~~his~~/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature: *Gretchen W. Goldsworthy*

Seal:



)

EXHIBIT "A"

DESCRIPTION OF LEASE

That certain Lease dated as of October 21, 1987, by and between the City of Torrance (the "City"), as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, which was recorded November 3, 1987, in the Official Records of Los Angeles County, California as Instrument No. 87-1761480, as amended by Amendment No. 1 thereto dated August 28, 1990, and by that certain Second Amendment to Lease dated January 23, 1996.

96 324133

12

EXHIBIT "B"

LEGAL DESCRIPTION OF PROPERTY

That certain real property located in the County of Los Angeles, State of California, more particularly described as follows:

PARCEL 1:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 210.00 FEET; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 209.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 188.68 FEET TO THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2 IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 193.04 FEET; THENCE SOUTH 01 DEGREES 50 MINUTES 10 SECONDS WEST 25.39 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION ALONG PACIFIC COAST HIGHWAY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID NORTHEASTERLY LINE, SOUTH 48 DEGREES 45 MINUTES

20 SECONDS EAST, 470.93 FEET; THENCE NORTH 45 DEGREES 36 MINUTES 26 SECONDS WEST, 59.01 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1,828.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3 DEGREES 08 MINUTES 54 SECONDS, AN ARC DISTANCE OF 100.45 FEET TO A POINT OF TANGENCY WITH A LINE BEARING SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST, THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST, 300.00 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 101 DEGREES 11 MINUTES 01 SECONDS, AN ARC DISTANCE OF 44.15 FEET TO A POINT OF TANGENCY WITH A LINE BEARING NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST, SAID LINE BEING THE SOUTHEASTERLY LINE OF THAT PARCEL OF LAND DESCRIBED, AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2, SAID LINE BEING NOW RECOGNIZED AND ACCEPTED AS THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD (100.00 FEET WIDE); THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST, ALONG SAID SOUTHEASTERLY LINE, A DISTANCE OF 16.55 FEET; THENCE SOUTH 1 DEGREES 50 MINUTES 10 SECONDS WEST, 25.39 FEET TO THE POINT OF BEGINNING.

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

4

PARCEL 2:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 545.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 700.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 125.00 FEET; THENCE SOUTH 41 DEGREES 14 MINUTES 40 SECONDS WEST 74.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 263.58 FEET; THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 138.64 FEET; THENCE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 85.69 FEET; THENCE SOUTH 41 DEGREES 16 MINUTES 35 SECONDS WEST 90.44 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 156.18 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY, THENCE ALONG SAID SOUTHEASTERLY LINE NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST 932.23 FEET; THENCE SOUTH 37 DEGREE 34 MINUTES 19 SECONDS EAST 246.00 FEET; THENCE NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST 286.66 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 1; THENCE ALONG SAID EASTERLY LINE SOUTH 00 DEGREES 11 MINUTES 20 SECONDS WEST 1,671.69 FEET TO THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY; THENCE ALONG SAID NORTHERLY LINE NORTH 89 DEGREES 48 MINUTES 35 SECONDS WEST 26.53 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1,096.28 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 03 MINUTES 15 SECONDS, A LENGTH OF 785.52 FEET- THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 349.67 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OF OFFICIAL RECORDS.

15

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT, FOR THE PASSAGE AND PARKING OF VEHICLES AND FOR INGRESS AND EGRESS, OVER AND APPURTENANT TO THAT PORTION OF LOT 1 OF TRACT NO. 9765, IN THE CITY OF TORRANCE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170 PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS SET OUT AND DELINEATED IN THAT CERTAIN DOCUMENT ENTITLED "OPERATION AND EASEMENT AGREEMENT OF ROLLING HILLS PLAZA," RECORDED OCTOBER 30, 1990, AS INSTRUMENT NO. 90-1831780, OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THAT PORTION OF THE RANCHO LOS PALOS VERDES, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 545 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS ALLOTTED TO ORIN S. WESTON BY DECREE OF DISTRIBUTION IN THE ESTATE OF B.S. WESTON RECORDED IN BOOK 2838 PAGE 230, OF DEEDS, RECORDS OF SAID COUNTY, BEING A PORTION OF THAT 20-FOOT STRIP OF LAND CONVEYED TO STANDARD OIL COMPANY IN DEED RECORDED IN BOOK 6265 PAGE 311 OF DEEDS, RECORDS OF SAID COUNTY, BOUNDED SOUTHERLY BY THE NORTH LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 12743 PAGE 23 OF OFFICIAL RECORDS OF SAID COUNTY AND BOUNDED NORTHERLY BY A LINE AT RIGHT ANGLES WITH THE WEST LINE OF SAID 20-FOOT STRIP DISTANT NORTHERLY ALONG SAID WEST LINE 1,671.69 FEET FROM SAID NORTH LINE OF SAID PACIFIC COAST HIGHWAY.

96 324133

4

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B)(1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

96 324133

CERTIFICATE RE LEASE
(City of Torrance Ground Lease)

THIS CERTIFICATE RE LEASE ("Certificate") is made as of February 7, 1996, by the CITY OF TORRANCE, a municipal corporation ("Landlord"), and ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Tenant"), in favor of K/B OPPORTUNITY FUND III, L.P., a Delaware limited partnership ("Beneficiary").

RECITALS

A. In connection with the loan by Beneficiary to Tenant in the amount of \$20,000,000 (the "Loan"), Landlord and Tenant have entered into that certain Consent to Encumbrance of Leasehold Estate (the "Consent") of even date herewith, which Consent is to be recorded in the Official Records of Los Angeles County, California.

B. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain Lease dated as of October 21, 1987, by and between Landlord, as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, a memorandum of which was recorded November 3, 1987, in the Official Records of Los Angeles County, California, as Instrument No. 87-1761480, as amended by Amendment No. 1 thereto dated August 28, 1990, and by the Second Amendment to Lease dated January 23, 1996 (the "Lease").

C. A condition to Beneficiary's making of the Loan is Landlord and Tenant making the certifications, representations and warranties set forth herein.

NOW, THEREFORE, Landlord and Tenant certify, represent and warrant as follows:

1. Recitals. The Recitals set forth above are true, accurate and correct.

2. Lease. A true, correct and complete copy of the Lease, together with any and all supplements and amendments thereto, and modifications thereof, including all such amendments and modifications listed in Paragraph B above, is attached hereto as Exhibit "A".

Landlord and Tenant make the above certifications, representations and warranties, intending to bind themselves and their heirs and successors, for the benefit of Beneficiary, with the understanding that Beneficiary will rely thereon in making the Loan. This Certificate shall inure to the benefit of

Beneficiary and all of Beneficiary's successors, transferees and assignees. This Certificate may be executed in counterparts..

"Landlord":

THE CITY OF TORRANCE, a municipal corporation

By *Lee Hudson*
Its Mayor

ATTEST
SUE HERBERS
CITY CLERK

Sue Herbers

"Tenant":

ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company

By: Rolling Hills Plaza Shopping Center, a California limited partnership, Manager

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

By *William G. Quale*
William G. Quale
Assistant City Attorney

By: LA CAZE PARTNERSHIP, a California limited partnership, general partner

By *Norman R. La Caze*
Norman R. La Caze, Trustee of the La Caze Family Trust U/A dated July 6, 1987, partner

By *Carole J. La Caze*, Trustee
Carole J. La Caze, Trustee of the La Caze Family Trust U/A dated July 6, 1987, partner

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

MAYER, BROWN & PLATT
350 South Grand Avenue
25th Floor
Los Angeles, California 90071
Attn: L. Bruce Fischer, Esq.

(SPACE ABOVE LINE FOR RECORDER'S USE ONLY)

CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE
(City of Torrance)

THIS CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE (this "Consent"), dated as of February 7, 1996, is made by the CITY OF TORRANCE, a municipal corporation ("Landlord"), and ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Tenant"), in favor of K/B OPPORTUNITY FUND III, L.P., a Delaware limited partnership ("Beneficiary").

This Consent is made with reference to the following facts:

A. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain ground lease described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Lease"). A copy of the Lease has concurrently herewith been delivered to the Beneficiary together with a certificate certifying such copy to be true and correct. The Lease covers the real property (the "Property") described in Exhibit "B" attached hereto and made a part hereof.

B. Tenant has applied to Beneficiary for a loan in the principal amount of up to \$20,000,000.00 (the "Loan"), for the purpose of refinancing the existing loan secured by the lessee's interest under the Lease (and for other purposes, as set forth in the Loan Documents for the Loan). The Loan will be secured by, among other things, a Deed of Trust, Security Agreement and Fixture Filing (Leasehold Estate) (the "Deed of Trust") dated as of even date herewith, executed by Tenant for the benefit of Beneficiary, and will be evidenced and otherwise governed by the "Loan Documents" described in the Deed of Trust. The Deed of Trust shall be recorded concurrently herewith and shall encumber the leasehold estate (as well as other collateral) and all other present and future rights of Tenant under the Lease and in the Property.

C. A condition to Beneficiary's making of the Loan is Landlord's agreement to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree in favor of Beneficiary as follows:

1. Consent to Encumbrance of Leasehold Estate. Landlord hereby consents to the Deed of Trust and the hypothecation thereunder of the leasehold estate and all other present and future rights of Tenant in, to and under the Lease and the Property. Landlord also consents to the assignment to Beneficiary of all of Tenant's rights and interests in all present and future subleases of the Property and any improvements thereon and all rentals to become due thereunder as security for the Loan. Landlord further hereby confirms and agrees that the Beneficiary shall be deemed an "Approved Leasehold Mortgagee" under the Lease, and shall be entitled to all the rights and privileges of an Approved Leasehold Mortgagee under the Lease; and the Deed of Trust shall constitute an "Approved Leasehold Mortgage" under the Lease for the entire term of the Loan, notwithstanding any provisions of the Lease which may construed to the contrary (including, without limitation, Section 21 thereof).

2. No Subordination of Leasehold Interest. Unless Beneficiary otherwise consents in writing, Tenant's leasehold interest shall not be subordinate to any mortgage or deed of trust hereafter imposed on the fee interest in the Property; and all potential future mortgagees encumbering the fee interest or other lienholders are hereby put on notice that any such fee mortgage or other lien shall be subordinate to the Lease, as modified by this Consent, and to the rights of Beneficiary hereunder and under the documents referenced herein.

3. Representations and Warranties. Landlord and Tenant (each for itself only) represent, warrant and certify to Beneficiary that: (a) a true and correct copy of the Lease, and any and all supplements and amendments thereto and modifications thereof, has been delivered to Beneficiary pursuant to a separate certificate; (b) the Lease is genuine, valid and enforceable in accordance with its terms, is in full force and effect as of the date hereof, and has not been supplemented, modified, amended (except as indicated in the certificate delivered to Beneficiary) or terminated; (c) neither Landlord nor Tenant has given or received notice of the occurrence of a default under the Lease, and to the best knowledge of each, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof; (d) rent owing under the Lease which is due

as of the date of the execution hereof has been paid in full, and to the best knowledge of each, Tenant is in compliance with all other obligations of the lessee under the Lease; (e) the term of the Lease expires on December 31, 2045; and (f) there are no agreements between Landlord and Tenant affecting the Property other than the Lease; (g) neither Landlord's fee interest nor Tenant's leasehold interest in the Property are subject to any deed of trust, mortgage, or other lien (other than (i) the existing deed of trust held by Teachers Insurance and Annuity Association of America which is to be reconveyed substantially concurrently with the recordation hereof, and (ii) the deed of trust held by General Electric Capital Corporation which is to be recorded substantially concurrently herewith). Tenant (and Landlord, to the best of its knowledge) further represent, warrant and certify to Beneficiary that: (a) Tenant has not assigned, transferred or hypothecated its interest under the Lease (except by (i) the existing deed of trust held by Teachers Insurance and Annuity Association of America, and (ii) the deed of trust held by General Electric Capital Corporation) and (b) there are no subleases, licenses, or other agreements (except the Lease) which create rights of occupancy with respect to the Property, which have not been disclosed to Beneficiary in writing.

4. Performance of Obligations Under the Lease. Tenant agrees to perform all obligations of the lessee under the Lease without notice or demand from Beneficiary. Any default by Tenant under the Lease shall automatically be a default under the Deed of Trust and shall entitle Beneficiary to institute foreclosure proceedings thereunder, and Beneficiary may enter into possession of the Property and take whatever steps it deems necessary to correct the default under the Lease. Any expenses incurred by Beneficiary in connection with the enforcement of its rights hereunder or in curing any default under the Lease, including, without limitation, reasonable attorneys' fees and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, shall bear interest at the "Default Rate" (as defined in the Loan Agreement described in the Deed of Trust) and shall be secured by the Deed of Trust.

5. Beneficiary's Expenses. If Beneficiary acquires any leasehold estate in the Property (whether as purchaser upon the foreclosure of the Deed of Trust, by deed in lieu of foreclosure, or under any provision of the Lease), all expenses incurred by Beneficiary in connection therewith, including, without limitation, all rental payments and other sums then due under the Lease, reasonable attorneys' fees, and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, and shall bear interest at the Default Rate.

6. Consent to Prior Assignments. Landlord consents to any and all prior assignments of the lessee's interest under the

Lease by or through which such interest has been transferred to Tenant.

7. Acquisition of Fee Title and Other Interest by Tenant. The parties hereto intend and agree that in the event Tenant acquires fee title to the Property, or any other interest in the Property not currently held by Tenant, the Deed of Trust shall automatically encumber such interests in the Property in a second lien position, if and when acquired by Tenant, without the necessity of any further documents or action. Notwithstanding the foregoing, Tenant, as a condition to acquiring any such interest, shall execute such documents and take such actions as may be requested by Beneficiary to evidence that the lien of the Deed of Trust encumbers such interest in the Property.

8. Waiver re Bankruptcy. Subject to the terms of the Lease as modified by this Consent, unless Beneficiary otherwise consents in writing, Landlord and Tenant each hereby waives, and agrees not to assert or otherwise take the benefit of, Section 365(d)4, or any other applicable provisions, of the United States Bankruptcy Code (11 U.S.C. § 101 et. seq.), which may cause the termination of the Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise.

9. Notice Procedure. Any notices required herein or under the Lease shall be personally delivered or mailed, postage prepaid, certified mail, return receipt requested, with a copy via regular mail, addressed as follows:

If to Beneficiary: K/B Opportunity Fund III, L.P.
c/o K/B Realty Advisors
4343 Von Karman Avenue
Newport Beach, CA 92660
Attn: Charles J. Schreiber, Jr.

If to Landlord: City of Torrance
3032 Torrance Boulevard
Torrance, California 90503

If to Tenant: Rolling Hills Plaza Venture 96, LLC
c/o La Caze Development Company
2601 Airport Drive, Suite 300
Torrance, California 90505
Attn: Mr. Norman R. La Caze

or to such other address as may be designated by the parties in the manner provided above for giving notice. Notices shall be deemed given upon personal delivery or upon receipt or refusal to accept receipt, as evidenced by the return receipt.

10. Execution of New Consent With Subsequent Lender.

Landlord and Tenant agree that they shall execute an agreement containing the same substantive terms, provisions and agreements (including without limitation this provision) as are set forth in this Consent with and in favor of any lender (including without limitation Beneficiary) which (a) provides Tenant with a loan to repay the Loan, or (b) finances all or part of the purchase of Tenant's interest in the Lease (whether such leasehold interest is being sold by Tenant or is sold by Beneficiary or its nominee following a foreclosure under the Deed of Trust). Such agreement shall be provided upon the written request of any such lender and within thirty calendar days of Landlord's and Tenant's receipt of such written request.

11. Miscellaneous. The parties hereto acknowledge that this Consent is a material inducement to Beneficiary to make the Loan to Tenant, and that Beneficiary would not be willing to extend credit upon the security of Tenant's leasehold estate in the absence hereof. Beneficiary is an intended beneficiary of this consent and the leasehold mortgagee protection provisions of the Lease, and may enforce in its favor all provisions hereof and thereof. This Consent shall inure to the benefit of and be binding upon the successors and assigns of Landlord, Tenant, and Beneficiary. All rights of Beneficiary hereunder may be assigned by Beneficiary without notice to the parties hereto and shall inure to the benefit of Beneficiary's successors and assigns. This Consent may not be supplemented, modified, amended or terminated without Beneficiary's prior written consent. In the event of a conflict between the Lease and this Consent, the provisions of this consent shall control. Notice of acceptance hereof by Beneficiary is hereby waived. This consent may be executed and recorded in counterparts.

12. WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS CONSENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS CONSENT, THE DEED OF TRUST OR THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO (INCLUDING WITHOUT LIMITATION BENEFICIARY) OR ANY OF THEM WITH RESPECT TO THIS CONSENT. THE DEED OF TRUST, THE OBLIGATIONS SECURED THEREBY, THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE: AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OR ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS CONSENT (INCLUDING WITHOUT LIMITATION BENEFICIARY) MAY FILE AN ORIGINAL COUNTERPART OR A

COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE
CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO
TRIAL BY JURY.

"Landlord":

THE CITY OF TORRANCE, a municipal
corporation

By *Sue Herbers*
Its Mayor

ATTEST
SUE HERBERS
CITY CLERK

[Signature]

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

by *[Signature]*
William G. Quale
Assistant City Attorney

"Tenant":

ROLLING HILLS PLAZA VENTURE 96, LLC, a
California Limited Liability Company

By: Rolling Hills Plaza Shopping
Center, a California limited
partnership, Manager

By: LA CAZE PARTNERSHIP, a
~~California limited~~
partnership, general partner

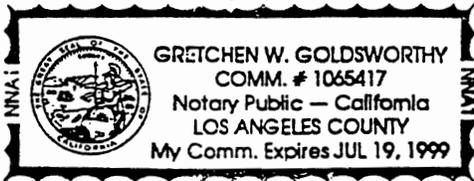
By *[Signature]*
Norman R. La Caze, Trustee
of the La Caze Family Trust
U/A dated July 6, 1987,
partner

By *[Signature]*
Carole J. La Caze, Trustee
of the La Caze Family Trust
U/A dated July 6, 1987,
partner

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

On February 8, 1996, before me, Gretchen W. Goldsworthy, a Notary Public, personally appeared Norman R. La Caze, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

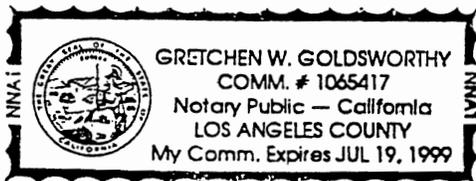


Gretchen W. Goldsworthy
Notary Public

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

On February 8, 1996, before me, Gretchen W. Goldsworthy, a Notary Public, personally appeared Carole J. La Caze, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



Gretchen W. Goldsworthy
Notary Public

STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 23 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Dee Hardison personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy

Seal:



STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 23 day of February, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Sue Herbers personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy

Seal:

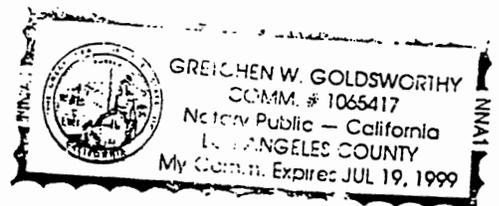


EXHIBIT "A"

DESCRIPTION OF LEASE

That certain Lease dated as of October 21, 1987, by and between the City of Torrance (the "City"), as landlord, and Rolling Hills Plaza Shopping Center, a California limited partnership (predecessor to Tenant), as tenant, a memorandum of which was recorded November 3, 1987, in the Official Records of Los Angeles County, California, as Instrument No. 87-1761480, as amended by Amendment No. 1 thereto dated August 28, 1990, and by Second Amendment to Lease dated January 23, 1996.

EXHIBIT "A"

EXHIBIT B

DESCRIPTION

PARCEL 1:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 210.00 FEET; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 209.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 188.68 FEET TO THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2 IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 193.04 FEET; THENCE SOUTH 01 DEGREES 50 MINUTES 10 SECONDS WEST 25.39 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION ALONG PACIFIC COAST HIGHWAY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID NORTHEASTERLY LINE, SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST, 470.93 FEET; THENCE NORTH 45 DEGREES 36 MINUTES 26 SECONDS WEST, 59.01 FEET TO A POINT OF TANGENCY WITH CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1,828.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3 DEGREES 08 MINUTES 54 SECONDS, AN ARC DISTANCE OF 100.45 FEET TO A POINT OF TANGENCY WITH A LINE BEARING SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST, 300.00 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 101 DEGREES 11 MINUTES 01 SECONDS, AN ARC DISTANCE OF 44.15 FEET TO A POINT OF TANGENCY WITH A LINE BEARING NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST, SAID LINE BEING THE SOUTHEASTERLY LINE OF THAT PARCEL OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2, SAID LINE BEING NOW RECOGNIZED AND ACCEPTED AS THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD (100.00 FEET); THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST, ALONG SAID SOUTHEASTERLY LINE, A DISTANCE OF 16.55 FEET; THENCE SOUTH 1 DEGREES 50 MINUTES 10 SECONDS WEST, 25.39 FEET TO THE POINT OF BEGINNING.

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE

DESCRIPTION

PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINERAL FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 545.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 700.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 125.00 FEET; THENCE SOUTH 41 DEGREES 14 MINUTES 40 SECONDS WEST 74.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 263.58 FEET; THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 138.64 FEET; THENCE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 85.69 FEET; THENCE SOUTH 41 DEGREES 16 MINUTES 35 SECONDS WEST 90.44 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 156.18 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST 932.23 FEET; THENCE SOUTH 37 DEGREES 34 MINUTES 19 SECONDS EAST 246.00 FEET; THENCE NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST 286.66 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 1; THENCE ALONG SAID EASTERLY LINE SOUTH 00 DEGREES 11 MINUTES 20 SECONDS WEST 1,671.69 FEET TO THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY; THENCE ALONG SAID NORTHERLY LINE NORTH 89 DEGREES 48 MINUTES 35 SECONDS WEST 26.53 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1,096.28 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 03 MINUTES 15 SECONDS, A LENGTH OF 785.52 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 349.67 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED

DESCRIPTION

PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS. TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID LAND. TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINERAL FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT, FOR THE PASSAGE AND PARKING OF VEHICLES AND FOR INGRESS AND EGRESS, OVER AND APPURTENANT TO THAT PORTION OF LOT 1 OF TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170 PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS SET OUT AND DELINEATED IN THAT CERTAIN DOCUMENT ENTITLED "OPERATION AND EASEMENT AGREEMENT OF ROLLING HILLS PLAZA," RECORDED OCTOBER 30, 1990 AS INSTRUMENT NO. 90-1831780, OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THAT PORTION OF THE RANCHO LOS PALOS VERDES, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 545 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS ALLOTTED TO ORIN S. WESTON BY DECREE OF DISTRIBUTION IN THE ESTATE OF B.S. WESTON RECORDED IN BOOK 2838 PAGE 230, OF DEEDS, RECORDS OF SAID COUNTY, BEING A PORTION OF THAT 20-FOOT STRIP OF LAND CONVEYED TO STANDARD OIL COMPANY IN DEED RECORDED IN BOOK 6265 PAGE 311 OF DEEDS, RECORDS OF SAID COUNTY, BOUNDED SOUTHERLY BY THE NORTH LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 12743 PAGE 23 OF OFFICIAL RECORDS OF SAID COUNTY AND BOUNDED NORTHERLY BY A LINE AT RIGHT ANGLES WITH THE WEST LINE OF SAID 20-FOOT STRIP DISTANT NORTHERLY ALONG SAID WEST LINE 1,671.69 FEET FROM SAID NORTH LINE OF SAID PACIFIC COAST HIGHWAY.

EXCEPT FROM SAID LAND ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED ON MAY 13, 1948 IN BOOK 27145 PAGE 362, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED, AND ALL PETROLEUM IN SAID

DESCRIPTION

LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINERAL FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTATING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING, REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Rolling Hills Plaza Venture 96, LLC
c/o La Caze Development Company
2601 Airport Drive
Suite 300
Torrance, California 90505

The Assignor and the Assignee in this conveyance are comprised of the same parties who continue to hold the same proportionate interests in the property, R & T 11923 (d).

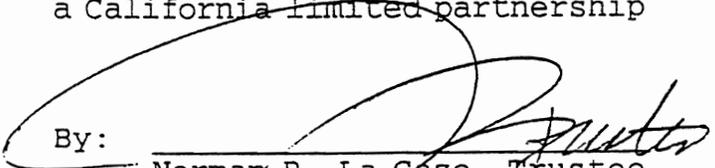
ASSIGNMENT OF CITY OF TORRANCE GROUND LEASE

For valuable consideration, receipt and adequacy of which are hereby acknowledged, ROLLING HILLS PLAZA SHOPPING CENTER, a California limited partnership ("Assignor") hereby assigns to ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Assignee") all right, title and interest of Assignor in and to that certain Ground Lease dated October 21, 1987, and recorded November 3, 1987 as Instrument No. 87-1761480, Official Records of Los Angeles County, as amended August 28, 1990, and January 23, 1996, by and between Assignor, as Lessee and The City of Torrance, a municipal corporation, as Lessor upon that property the legal description of which is attached hereto as Exhibit "A".

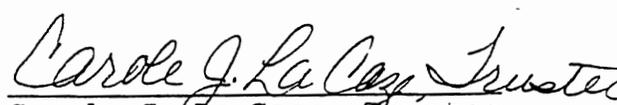
Dated: Feb 23, 1996

ROLLING HILLS PLAZA SHOPPING CENTER,
a California limited partnership

BY: La Caze Partnership,
a California limited partnership

By: 

Norman R. La Caze, Trustee
of the La Caze Family Trust
General Partner

By: 

Carole J. La Caze, Trustee
of the La Caze Family Trust
General Partner

6-053

The foregoing Assignment of City of Torrance Ground Lease, is hereby consented to by the City of Torrance.

CITY OF TORRANCE

By: Dee Harrison

Its: mayor

ATTEST:

Dee Harrison
CITY CLERK

APPROVED AS TO FORM:

JOHN L. FELLOWS III
CITY ATTORNEY

By: William G. Quale
William G. Quale
Assistant City Attorney

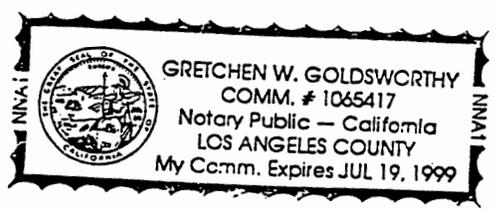
STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 15 day of February, 199⁶, before me, the undersigned, a Notary Public in and for said State, personally appeared Norman R. La Caze personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacit(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy

Seal:



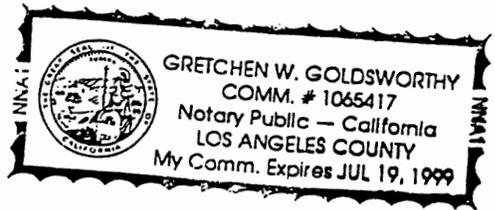
STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 15th day of February, 199⁶, before me, the undersigned, a Notary Public in and for said State, personally appeared Carol J. La Caze personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacit(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Gretchen W. Goldsworthy

Seal:



PARCEL 1

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County, said point being the True Point of Beginning; thence along said Northerly line South $48^{\circ}45'20''$ East 210.00 feet; thence North $41^{\circ}14'40''$ East 209.00 feet; thence North $48^{\circ}45'20''$ West 188.68 feet to the Southeasterly line of Crenshaw Boulevard 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2 in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeasterly line South $52^{\circ}25'41''$ West 193.04 feet; thence South $01^{\circ}50'10''$ West 25.39 feet to the True Point of Beginning. Contains 1.00+/- Acres.

Excepting therefrom that portion along Pacific Coast Highway and adjacent thereto to Parcel 1 more particularly described as follows:

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map filed in Book 170, Pages 10 to 12 inclusive, of Maps, in the Office of the County Recorder of said County, being described as follows:

Beginning at a point in the Northeasterly line of Pacific Coast Highway, 100.00 feet wide, as described in deed to the State of California, recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as parcel "D" under parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Northeasterly line, South $48^{\circ}45'20''$ East, 470.93 feet; thence North $45^{\circ}36'26''$ West, 59.01 feet to a point of tangency with a curve concave Southwesterly and having a radius of 1828.00 feet; thence Northwesterly along said curve, through a central angle of $3^{\circ}08'54''$, an arc distance of 100.45 feet to a point of tangency with a line bearing South $48^{\circ}45'20''$ East; thence North $48^{\circ}45'20''$ West, 300.00 feet to a point of tangency with a curve concave Easterly and having a radius of 25.00 feet; thence Northwesterly, Northerly and Northeasterly along said curve, through a central angle of $101^{\circ}11'01''$, an arc distance of 44.15 feet to a point of tangency with a line bearing North $52^{\circ}25'41''$ East, said line being the Southeasterly line of that parcel of land described as Parcel "A" under said Parcels 8-40, 9-2, said line being now recognized and accepted as the Southeasterly line of Crenshaw Boulevard (100.00 feet wide); thence South $52^{\circ}25'41''$ West, along said Southeasterly line, a distance of 16.55 feet; thence South $1^{\circ}50'10''$ West, 25.39 feet to the point of beginning, containing therein 0.059+/- Acres.

PARCEL 2

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County; thence along said Northerly line South $48^{\circ}45'20''$ East 545.00 feet to the True Point of Beginning; thence North $41^{\circ}14'40''$ East 700.00 feet; thence North $48^{\circ}45'20''$ West 125.00 feet; thence South $41^{\circ}14'40''$ West 74.00 feet; thence North $48^{\circ}45'20''$ West 263.58 feet; thence South $52^{\circ}25'41''$ West 138.64 feet; thence South $48^{\circ}45'20''$ East 85.69 feet; thence South $41^{\circ}16'35''$ West 90.44 feet; thence North $48^{\circ}45'20''$ West 156.18 feet to a point in the Southeasterly line of Crenshaw Boulevard, 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeasterly line North $52^{\circ}25'41''$ East 932.23 feet; thence south $37^{\circ}34'19''$ East 246.00 feet; thence North $52^{\circ}25'41''$ East 286.66 feet to a point in the Easterly line of said Lot 1; thence along said Easterly line South $00^{\circ}11'20''$ West 1671.69 feet to the Northerly line of Pacific Coast Highway; thence along said Northerly line North $89^{\circ}48'35''$ West 26.53 feet to the beginning of a tangent curve concave Northerly; thence Westerly along said curve, having a radius of 1096.28 feet, through a central angle of $41^{\circ}03'15''$, a length of 785.52 feet; thence North $48^{\circ}45'20''$ West 349.67 feet to the True Point of Beginning. Contains 27.50+/- Acres.

AFTER RECORDING RETURN TO:
Hollywood Entertainment Corporation
25600 S.W. Parkway Center Drive
Wilsonville, Oregon 97070
Attn: Donald J. Ekman, Esq.

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

THIS AGREEMENT is entered into as of the Effective Date (as hereinafter defined) by and between the CITY OF TORRANCE, a Municipal Corporation, having an office address of 3031 Torrance Boulevard, Torrance, California 90503 ("Prime Lessor") and HOLLYWOOD ENTERTAINMENT CORPORATION, an Oregon corporation, having an office address of 25600 S.W. Parkway Center Drive, Wilsonville, Oregon 97070 ("Tenant").

W I T N E S S E T H:

WHEREAS, Prime Lessor is the sole owner of fee simple title to a certain tract of land located in Torrance, Los Angeles County, California, as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "Center"); and

WHEREAS, Prime Lessor has leased the Center and the improvements located thereon to Rolling Hills Plaza Shopping Center, a California limited partnership, predecessor in interest to Rolling Hills Plaza Venture 96, LLC, a California limited liability company ("Landlord"), pursuant to a certain Lease, dated October 21, 1987, as amended by that certain Amendment No. 1 to Lease, dated August 28, 1990, and that certain Second Amendment to Lease, dated January 23, 1996 (the Lease and any and all amendments thereto are collectively referred to as the "Prime Lease"); and

WHEREAS, Landlord subleased a portion of the Center, as more particularly described on Exhibit "B" attached hereto and incorporated herein ("Premises") to Tenant pursuant to that certain Lease Agreement, dated January 31, 1997 (together with any and all amendments thereto, the "Lease");

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth the parties hereto do hereby covenant and agree as follows:

1. Provided Tenant is not in default under any of the terms, covenants or conditions of the Lease beyond applicable notice and curative periods, all rights of Tenant under the Lease and Tenant's possession of the Premises demised under the Lease shall not be affected or disturbed by Prime Lessor in the exercise of any of its rights under the Prime Lease, and the Lease and Tenant's right of possession of the Premises demised under the Lease shall continue in accordance with the terms of the Lease between Tenant and Prime Lessor, or any successor to Prime Lessor's interest.

e:\lacaze\ldc04\hollywd.nda.1

Original

C 053

2. In the event of the expiration or termination of the Prime Lease, Tenant shall attorn to any successor to Prime Lessor's interest, and the Lease shall continue in accordance with its terms between Tenant and Prime Lessor or such successor, or at the election of Prime Lessor, Tenant shall execute a new lease with Prime Lessor, or its designee, on the same terms, covenants and conditions as in the Lease for the remaining term of the Lease.

3. Prime Lessor and its successors shall not be bound by any payment of rent or additional rent made by Tenant to Landlord for more than one month in advance or by any amendment to or modification of the Lease made without the consent of Prime Lessor.

4. The foregoing provisions shall be self-operative. Nevertheless, Tenant agrees to execute and deliver to Prime Lessor, or to any party to whom Tenant has agreed to attorn, such other instrument as any party shall request in order to effectuate said provisions.

5. This Agreement shall expire on the later of (i) the last day of Primary Term (as defined in the Lease) or (ii) the last day of the last Option Period (as defined in the Lease) exercised by Tenant.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement to be effective as of the latest of the dates set forth next to their signatures hereto (the "Effective Date").

PRIME LESSOR:
CITY OF TORRANCE, a Municipal Corporation

Dated: _____

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

ATTEST
SUE HERBERS
CITY CLERK

By: _____
Heather K. Whitham
Deputy City Attorney

TENANT:
HOLLYWOOD ENTERTAINMENT CORPORATION,
a Oregon corporation

Dated: _____

By: _____

Name: _____

Title: _____

STATE OF _____)
)
COUNTY OF _____)

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

WITNESS my hand and official seal.

CAPACITY CLAIMED BY SIGNER:

____ INDIVIDUAL(S)

____ CORPORATE OFFICER(S)

____ PARTNER(S) _____ LIMITED
_____ GENERAL

____ ATTORNEY-IN-FACT
____ TRUSTEE(S)

____ OTHER: _____

SIGNER IS REPRESENTING:

PARCEL 1

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County, said point being the True Point of Beginning; thence along said Northerly line South $48^{\circ}45'20''$ East 210.00 feet; thence North $41^{\circ}14'40''$ East 209.00 feet; thence North $48^{\circ}45'20''$ West 188.68 feet to the Southeasterly line of Crenshaw Boulevard 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2 in complaint in Case No: 572730 of the Superior Court of said County; thence along said Southeasterly line South $52^{\circ}25'41''$ West 193.04 feet; thence South $01^{\circ}50'10''$ West 25.39 feet to the True Point of Beginning. Contains 1.00+/- Acres.

Excepting therefrom that portion along Pacific Coast Highway and adjacent thereto to Parcel 1 more particularly described as follows:

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map filed in Book 170, Pages 10 to 12 inclusive, of Maps, in the Office of the County Recorder of said County, being described as follows:

Beginning at a point in the Northeasterly line of Pacific Coast Highway, 100.00 feet wide, as described in deed to the State of California, recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as parcel "D" under parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Northeasterly line, South $48^{\circ}45'20''$ East, 470.93 feet; thence North $45^{\circ}36'26''$ West, 59.01 feet to a point of tangency with a curve concave Southwesterly and having a radius of 1828.00 feet; thence Northwesterly along said curve, through a central angle of $3^{\circ}08'54''$, an arc distance of 100.45 feet to a point of tangency with a line bearing South $48^{\circ}45'20''$ East; thence North $48^{\circ}45'20''$ West, 300.00 feet to a point of tangency with a curve concave Easterly and having a radius of 25.00 feet; thence Northwesterly, Northerly and Northeasterly along said curve, through a central angle of $101^{\circ}11'01''$, an arc distance of 44.15 feet to a point of tangency with a line bearing North $52^{\circ}25'41''$ East, said line being the Southeasterly line of that parcel of land described as Parcel "A" under said Parcels 8-40, 9-2, said line being now recognized and accepted as the Southeasterly line of Crenshaw Boulevard (100.00 feet wide); thence South $52^{\circ}25'41''$ West, along said southeasterly line, a distance of 16.55 feet; thence South $1^{\circ}50'10''$ West, 25.39 feet to the point of beginning, containing therein 0.059+/- Acres.

EXHIBIT "A"
I.D. #671
October 19, 1987

PARCEL 2

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County; thence along said Northerly line South $48^{\circ}45'20''$ East 545.00 feet to the True Point of Beginning; thence North $41^{\circ}14'40''$ East 700.00 feet; thence North $48^{\circ}45'20''$ West 125.00 feet; thence South $41^{\circ}14'40''$ West 74.00 feet; thence North $48^{\circ}45'20''$ West 263.58 feet; thence South $52^{\circ}25'41''$ West 138.64 feet; thence South $48^{\circ}45'20''$ East 85.69 feet; thence South $41^{\circ}16'35''$ West 90.44 feet; thence North $48^{\circ}45'20''$ West 156.18 feet to a point in the Southeasterly line of Crenshaw Boulevard, 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeasterly line North $52^{\circ}25'41''$ East 932.23 feet; thence south $37^{\circ}34'19''$ East 246.00 feet; thence North $52^{\circ}25'41''$ East 286.66 feet to a point in the Easterly line of said Lot 1; thence along said Easterly line South $00^{\circ}11'20''$ West 1671.69 feet to the Northerly line of Pacific Coast Highway; thence along said Northerly line North $89^{\circ}48'35''$ West 26.53 feet to the beginning of a tangent curve concave Northerly; thence Westerly along said curve, having a radius of 1096.28 feet, through a central angle of $41^{\circ}03'15''$, a length of 785.52 feet; thence North $48^{\circ}45'20''$ West 349.67 feet to the True Point of Beginning. Contains 27.50+/- Acres.

EXHIBIT "A"
I.D. #671
October 19, 1987

THIRD AMENDMENT TO LEASE

This third amendment to lease is made and entered into this as of July 15, 1997, between the City of Torrance, a Municipal corporation ("CITY"), and Rolling Hills Plaza Shopping Center, a California limited partnership, ("LESSEE").

RECITALS:

as Manager of Rolling Hills Plaza Venture 96, LLC, a California Limited Liability Company

The parties to this lease entered into the lease on October 21, 1987; and the lease was amended once, effective August 1, 1990, and a second time, effective January 23, 1996; and the parties now wish to further amend this lease.

AGREEMENT.

The parties agree as follows:

- 1. Paragraph 3 is amended to read as follows: "OPTION TO EXTEND: If LESSEE sells or refinances the leasehold on or before December 31, 2000, upon request of LESSEE, CITY will extend the term of the leasehold to a date not later than fifty years from the date of sale or refinance. This option to extend the lease will only be granted one time, and then only if the lease is in full force and effect and all the terms of the lease are being met by LESSEE."

This amendment to lease is effective as of the date first written above.

CITY OF TORRANCE,
a Municipal corporation

ROLLING HILLS PLAZA VENTURE 96, LLC,
a California Limited Liability Company
By: ROLLING HILLS SHOPPING CENTER,
a California limited partnership

By: LA CAZE PARTNERSHIP, a California limited partnership, general partner

By: Norman R. La Caze, Trustee of the La Caze Family Trust U/A dated July 6, 1987. Partner

Dee Hardison
Dee Hardison, Mayor

ATTEST:
Sue Herbers
Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

BY: Heather K. Whitham
Heather K. Whitham,
Deputy City Attorney

s:\data\law\word\rollam.doc

PG 053

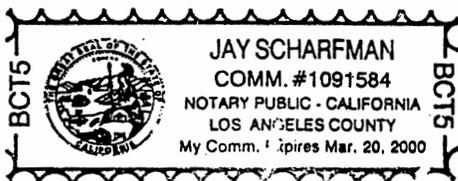
Original

ACKNOWLEDGMENT

State of California }
 }
County of Los Angeles }

on July 23, 1997, before me, Jay Scharfman, Notary Public, Dee Hardison, Mayor and Sue Herbers, City Clerk of the City of Torrance personally appeared and personally known to me to be the persons whose names are subscribed to the attached document and acknowledged to me that they executed the document in their authorized capacities, and that by their signatures on the instrument, the persons executed the instrument.

WITNESS my hand and official seal.



Jay Scharfman
Jay Scharfman
Notary Public

This acknowledgement is attached to the following document:

Title of Document: 3rd AMENDMENT TO LEASE
ROLLING HILLS PLAZA

Number of Pages: 5

Dated: 7/15/97

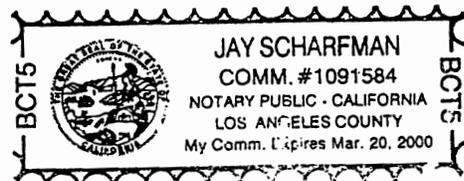
STATE OF CALIFORNIA)
)SS
COUNTY OF LOS ANGELES)

On this 23 day of JULY, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared NORMAN A LACAZE personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~s~~ whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacit~~ies~~, and that by his/~~her/their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Jay Scharfman

Seal:



RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

WELLS FARGO BANK
Attn: Helene Maidan
333 South Grand Avenue, Suite 900
Los Angeles, CA 90071

SPACE ABOVE FOR RECORDING PURPOSES ONLY

CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE
(City of Torrance)

THIS CONSENT TO ENCUMBRANCE OF LEASEHOLD ESTATE (this "Consent"), dated as of July 15, 1997 is made by the CITY OF TORRANCE, a municipal corporation ("Landlord") and ROLLING HILLS PLAZA VENTURE 96, LLC, a California Limited Liability Company ("Tenant"), in favor of WELLS FARGO BANK, National Association ("Beneficiary").

This Consent is made with reference to the following facts:

A. Landlord is the current holder of the lessor's interest and Tenant is the current holder of the lessee's interest under that certain ground lease described in Exhibit "A" attached hereto and incorporated herein by this reference as the same may be modified, amended, supplemented or restated (the "Lease"). A copy of the Lease has concurrently herewith been delivered to the Beneficiary together with a certificate certifying such copy to be true and correct. The Lease covers the real property (the "Property") described in Exhibit "B" attached hereto and made a part hereof.

B. Tenant has applied to Beneficiary for a loan in the principal amount of up to \$ _____ (the "Loan"), for the purpose of, among other reasons, refinancing the existing loan in the principal amount of \$20,000,000.00 and providing additional funds for certain rehabilitation work at the Property (the "Original Loan") made by K/B OPPORTUNITY FUND III, L.P., a Delaware partnership (the "Original Lender").

C. The Original Loan is secured by, among other things, (1) that certain Deed of Trust, Security Agreement and Fixture Filing dated as of February 7, 1996 (the "Original Deed of Trust") executed by Tenant for the benefit of Original Lender as beneficiary thereunder and (2) that certain Pledge and Security Agreement, dated as of February 7, 1996 from Rolling Hills Plaza Shopping Center, a California limited partnership, Norman R. La Caze, Trustee of the La Caze Family Trust U/A dated July 6, 1987, and Carole J. La Caze, Trustee of the La Caze Family Trust U/A dated July 6, 1987 (collectively, the "Members") to Original Lender, as the same may be amended, modified and restated (the "Pledge Agreement"), pursuant to which the Members pledged to Original Lender their respective membership interests in Borrower (collectively, the "Pledged Member Interests"), and is evidenced and otherwise governed by the loan documents described in the Deed of Trust (the "Original Loan Documents"). The Original Deed of Trust encumbers the leasehold estate (as well as other collateral) and all other present and future rights of Tenant under the Lease and in the Property.

D. Beneficiary intends to acquire all of Original Lender's right, title and interest in and to the Original Loan Documents pursuant to that certain Assignment of Beneficial Interest in Mortgage Loan Documents (the "Assignment") of even date herewith. In connection with Beneficiary's acquisition of the

C 053

Original Loan Documents, Tenant has or will execute and/or deliver to Beneficiary, among other things, (1) that certain Amended and Restated Promissory Note of even date herewith (the "Amended Note") and (2) that certain Omnibus Amendment to Loan Agreement of even date herewith (the "Omnibus Amendment"), which shall be recorded concurrently herewith and pursuant to which certain modifications will be made to the Original Deed of Trust and the other Original Loan Documents. The Original Deed of Trust and the Original Loan Documents as amended by the Omnibus Amendment shall be referred to herein respectively as the "Deed of Trust" and the "Loan Documents".

E. A condition to Beneficiary's making of the Loan is Landlord's agreement to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree in favor of Beneficiary as follows:

1. Consent to Encumbrance of Leasehold Estate. Landlord hereby consents to Beneficiary's acquisition of all of Original Lender's right, title and interest in the Original Deed of Trust and the Original Loan Documents and Tenant's execution and delivery to Beneficiary of the Amended Note and the Omnibus Amendment, and the hypothecation thereunder of the leasehold estate and all other present and future rights of Tenant in, to and under the Lease and the Property. Landlord also consents to the assignment to Beneficiary of all of Tenant's rights and interests in all present and future subleases of the Property and any improvements thereon and all rentals to become due thereunder as security for the Loan. Landlord further hereby confirms and agrees that Beneficiary shall be deemed an "Approved Leasehold Mortgagee" under the Lease, and shall be entitled to all the rights and privileges of an Approved Leasehold Mortgagee under the Lease; and the Deed of Trust shall constitute an "Approved Leasehold Mortgage" under the Lease for the entire term of the Loan, notwithstanding any provisions of the Lease which may be construed to the contrary (including, without limitation, Section 21 thereof). Landlord also agrees to perform all obligations of the lessor under the Lease without notice or demand from Beneficiary.

2. Transfer By Foreclosure And By Beneficiary. Notwithstanding anything to the contrary in the Lease, Landlord's consent shall not be required for a transfer of Tenant's rights in and under this Lease and the Property by judicial foreclosure, trustee's sale, deed in lieu of foreclosure or by the exercise by Beneficiary of its rights under the Pledge Agreement to, (a) in the case of a transferee other than Beneficiary or a wholly-owned subsidiary, affiliate, nominee or designee of Beneficiary (hereinafter a "Beneficiary Party"), (i) any transferee of such Beneficiary Party (the "First Unaffiliated Transferee") and (ii) any transferee or assignee of such First Unaffiliated Transferee, or (b)(i) a Beneficiary Party, (ii) any First Unaffiliated Transferee, and (iii) any transferee or assignee of any First Unaffiliated Transferee.

3. Transfer By Tenant. Notwithstanding anything to the contrary in the Lease, Landlord shall not unreasonably withhold its consent thereto so long as the financial statements of such subsequent transferee shall be reasonably acceptable to Landlord and so long as such subsequent transferee is, or hires a qualified, reputable commercial shopping center manager/owner.

4. No Subordination of Leasehold Interest. Unless Beneficiary otherwise consents in writing, Tenant's leasehold interest shall not be subordinate to any mortgage or deed of trust hereafter imposed on the fee interest in the Property, and all potential future mortgagees encumbering the fee interest or other lienholders are hereby put on notice that any such fee mortgage or other lien shall be subordinate to the Lease, as modified by this Consent, and to the rights of Beneficiary hereunder and under the documents referenced herein.

5. Representations and Warranties. Landlord and Tenant (each for itself only) represent, warrant and certify to Beneficiary that: (a) a true and correct copy of the Lease, and any and all supplements and amendments thereto and modifications thereof, has been delivered to Beneficiary pursuant to a separate certificate, (b) the Lease is genuine, valid and enforceable in accordance with its terms, is in full force and effect as of the date hereof, and has not been supplemented, modified, amended (except as indicated in the certificate delivered to Beneficiary) or terminated, (c) neither Landlord nor Tenant has given or received notice of the occurrence of a default under the Lease, and to the best knowledge of each, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof and there is no event or condition which, with the passage of time or the giving of notice or both, would constitute a breach or default under the Lease, (d) rent owing under the Lease which is due as of the date of the execution hereof has been paid in full, and to the best knowledge of each, Tenant is in compliance with all other obligations of the lessee under the Lease, (e) the term of the Lease expires on December 31, 2045, and (f) there are no agreements between Landlord and Tenant affecting the Property other than the Lease, (g) neither Landlord's fee interest nor Tenant's leasehold interest in the Property are subject to any deed of trust, mortgage, or other lien other than as stated herein and the existing deed of trust held by General Electric Capital Corporation dated as of February 7, 1996. Tenant (and Landlord, to the best of its knowledge) further represent, warrant and certify to Beneficiary that: (a) Tenant has not assigned, transferred or hypothecated its interest under the Lease (except by (i) the existing deed of trust held by General Electric Capital Corporation) and (b) there are no subleases, licenses, or other agreements (except the Lease) which create rights of occupancy with respect to the Property, which have not been disclosed to Beneficiary in writing.

6. Performance of Obligations Under the Lease. Tenant agrees to perform all obligations of the lessee under the Lease without notice or demand from Beneficiary. Any default by Tenant under the Lease shall automatically be a default under the Deed of Trust and shall entitle Beneficiary to institute foreclosure proceedings thereunder, and Beneficiary may enter into possession of the Property and take whatever steps it deems necessary to correct the default under the Lease. Any expenses incurred by Beneficiary in connection with the enforcement of its rights hereunder or in curing any default under the Lease, including, without limitation, reasonable attorneys' fees and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, shall bear interest at the "Default Rate" (as defined in the Loan Documents) and shall be secured by the Deed of Trust.

7. Beneficiary's Expenses. If Beneficiary acquires any leasehold estate in the Property (whether as purchase upon the foreclosure of the Deed of Trust, by deed in lieu of foreclosure, or under any provision of the Lease), all expenses incurred by Beneficiary in connection therewith, including, without limitation, all rental payments and other sums then due under the Lease, reasonable attorneys' fees, and attendant expenses, shall be due and payable by Tenant to Beneficiary immediately and without demand, and shall bear interest at the Default Rate.

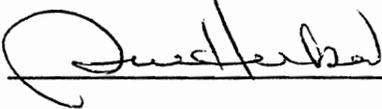
8. Consent to Prior Assignments. Landlord consents to any and all prior assignments of the Lessee's interest under the Lease by or through which such interest has been transferred to Tenant.

9. Acquisition of Fee Title and Other Interest by Tenant. The parties hereto intend and agree that in the event Tenant acquires fee title to the Property, or any other interest in the Property not currently held by Tenant, the Deed of Trust shall automatically encumber such interests in the Property in a second lien position, if and when acquired by Tenant, without the necessity of any further documents or action. Notwithstanding the foregoing, Tenant, as a condition to acquiring any such interest, shall execute such documents and take such actions as may be requested by Beneficiary to evidence that the lien of the Deed of Trust encumbers such interest in the Property.

Landlord, Tenant, and Beneficiary. All rights of Beneficiary hereunder may be assigned by Beneficiary without notice to the parties hereto and shall inure to the benefit of Beneficiary's successors and assigns. This Consent may not be supplemented, modified, amended or terminated without Beneficiary's prior written consent. In the event of a conflict between the Lease and this Consent, the provisions of this Consent shall control. Notice of acceptance hereof by Beneficiary is hereby waived. This Consent may be executed and recorded in counterparts.

"LANDLORD"

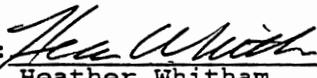
Attest
SUE HERBERS
CITY CLERK



THE CITY OF TORRANCE,
a municipal corporation

By: Dee Henderson
Its: MAYOR

Approved as to form
JOHN L. FELLOWS III
CITY ATTORNEY

By: 
Heather Whitham
Deputy City Attorney

"TENANT"

ROLLING HILLS PLAZA VENTURE 96, LLC,
a California Limited Liability Company

By: Rolling Hills Plaza Shopping Center,
a California limited partnership
Manager

By: La Caze Partnership
a California limited partnership
General Partner

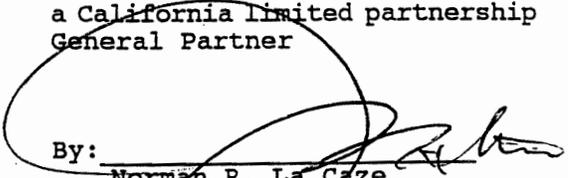
By: 
Norman R. La Caze
Trustee of the
La Caze Family Trust
U/A dated July 6, 1987
Partner

EXHIBIT "A"

That certain Ground Lease dated October 21, 1987 by and between the City of Torrance, as Lessor, and Rolling Hills Plaza Shopping Center, as Lessee, and recorded November 3, 1987 as Instrument No. 87-1761480 of Official Records of Los Angeles County as amended by Amendment No. 1 to Lease dated August 28, 1990, Second Amendment to Lease dated January 23, 1996, and Third Amendment to Lease dated July 15, 1997.

PARCEL 1

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County, said point being the True Point of Beginning; thence along said Northerly line South $48^{\circ}45'20''$ East 210.00 feet; thence North $41^{\circ}14'40''$ East 209.00 feet; thence North $48^{\circ}45'20''$ West 188.68 feet to the Southeasterly line of Crenshaw Boulevard 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2 in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeasterly line South $52^{\circ}25'41''$ West 193.04 feet; thence South $01^{\circ}50'10''$ West 25.39 feet to the True Point of Beginning. Contains 1.00+/- Acres.

Excepting therefrom that portion along Pacific Coast Highway and adjacent thereto to Parcel 1 more particularly described as follows:

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map filed in Book 170, Pages 10 to 12 inclusive, of Maps, in the Office of the County Recorder of said County, being described as follows:

Beginning at a point in the Northeasterly line of Pacific Coast Highway, 100.00 feet wide, as described in deed to the State of California, recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as parcel "D" under parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Northeasterly line, South $48^{\circ}45'20''$ East, 470.93 feet; thence North $45^{\circ}36'26''$ West, 59.01 feet to a point of tangency with a curve concave Southwesterly and having a radius of 1828.00 feet; thence Northwesterly along said curve, through a central angle of $3^{\circ}08'54''$, an arc distance of 100.45 feet to a point of tangency with a line bearing South $48^{\circ}45'20''$ East; thence North $48^{\circ}45'20''$ West, 300.00 feet to a point of tangency with a curve concave Easterly and having a radius of 25.00 feet; thence Northwesterly, Northerly and Northeasterly along said curve, through a central angle of $101^{\circ}11'01''$, an arc distance of 44.15 feet to a point of tangency with a line bearing North $52^{\circ}25'41''$ East, said line being the Southeasterly line of that parcel of land described as Parcel "A" under said Parcels 8-40, 9-2, said line being now recognized and accepted as the Southeasterly line of Crenshaw Boulevard (100.00 feet wide); thence South $52^{\circ}25'41''$ West, along said Southeasterly line, a distance of 16.55 feet; thence South $1^{\circ}50'10''$ West, 25.39 feet to the point of beginning, containing therein 0.059+/- Acres.

EXHIBIT "B"
I.D. #671
October 19, 1987

PARCEL 2

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most Southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County; thence along said Northerly line South $48^{\circ}45'20''$ East 545.00 feet to the True Point of Beginning; thence North $41^{\circ}14'40''$ East 700.00 feet; thence North $48^{\circ}45'20''$ West 125.00 feet; thence South $41^{\circ}14'40''$ West 74.00 feet; thence North $48^{\circ}45'20''$ West 263.58 feet; thence South $52^{\circ}25'41''$ West 138.64 feet; thence South $48^{\circ}45'20''$ East 85.69 feet; thence South $41^{\circ}16'35''$ West 90.44 feet; thence North $48^{\circ}45'20''$ West 156.18 feet to a point in the Southeasterly line of Crenshaw Boulevard, 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeasterly line North $52^{\circ}25'41''$ East 932.23 feet; thence south $37^{\circ}34'19''$ East 246.00 feet; thence North $52^{\circ}25'41''$ East 286.66 feet to a point in the Easterly line of said Lot 1; thence along said Easterly line South $00^{\circ}11'20''$ West 1671.69 feet to the Northerly line of Pacific Coast Highway; thence along said Northerly line North $89^{\circ}48'35''$ West 26.53 feet to the beginning of a tangent curve concave Northerly; thence Westerly along said curve, having a radius of 1096.28 feet, through a central angle of $41^{\circ}03'15''$, a length of 785.52 feet; thence North $48^{\circ}45'20''$ West 349.67 feet to the True Point of Beginning. Contains 27.50+/- Acres.

EXHIBIT "B"
I.D. #671
October 19, 1987

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

LA CAZE DEVELOPMENT COMPANY
Attn: Mr. Norman J. La Caze
2601 Airport Drive, Suite 300
Torrance, CA 90505

SPACE ABOVE FOR RECORDING PURPOSES ONLY

RECIPROCAL EASEMENT AND PARKING AGREEMENT

THIS RECIPROCAL EASEMENT AND PARKING AGREEMENT is made as of this ^{15th} day of July, 1997 by and between ROLLING HILLS PLAZA VENTURE 96, LLC, a California limited liability company ("RHP") and DANIEL F. SELLECK dba S & S AUTO CENTER ("Auto Center"). This instrument is, for convenience, hereinafter referred to as an "Agreement".

R E C I T A L S :

A. RHP is the ground lessee under that certain lease with the City of Torrance dated October 21, 1987 and recorded November 3, 1987 as Instrument No. 87-1761480, as amended, of certain real property in the City of Torrance, County of Los Angeles, State of California, legally described in Exhibit "A", attached hereto and incorporated herein by reference (the "RHP Property").

B. Auto Center is the ground lessee under that certain Lease No. 5 with the City of Torrance dated February 1, 1964, as amended of certain adjacent real property in the City of Torrance, County of Los Angeles, State of California, legally described in Exhibit "A-1" attached hereto and incorporated herein by reference (the "Auto Center Property").

C. The RHP Property (sometimes referred to herein as "Shopping Center") is improved, and is currently operated by RHP as a retail and mixed use shopping center as depicted on Exhibit "B".

D. The Auto Center Property is currently operated by Auto Center as an automobile service center, as depicted on Exhibit "B", and is herein referred to as "Auto Center".

E. The RHP Property and the Auto Center Property shall sometimes be referred to herein collectively as the "Properties" or "Property".

F. RHP and Auto Center desire to grant to each other certain easement rights for vehicular and pedestrian ingress and egress and for parking (hereinafter collectively referred to as "Easements") for the mutual benefit of each Property. Such Easements are intended to run with the land and to inure to and pass with said land and to apply to and bind the respective successors in interest thereof, and all and each thereof is imposed upon said land as a mutual and reciprocal equitable servitude in favor of said Property and any portion thereof.

G. RHP desires access to the Auto Center Property on Friday, Saturday and Sunday evenings after 6:00 p.m., for the purpose of valet parking

C-053

on Friday and Saturday evenings and general parking on Friday, Saturday and Sunday evenings for portions of the Shopping Center;

H. Auto Center agrees to the use of the Auto Center Property for such parking.

NOW, THEREFORE, in consideration of the premises, the covenants and agreements hereinafter set forth and in furtherance of the understanding of the parties hereto, it is agreed as follows:

1. Auto Center agrees that each Friday, Saturday and Sunday evening from and after 6:00 p.m. (the expected closing time for business of the Auto Center Property), the cars parked in the area marked "Valet Area" shall be relocated to the westerly boundary of the Auto Center Property. Auto Center shall use commercially reasonable efforts to cause its tenants, their employees and patrons to relocate any cars from such "Valet Area" to the westerly boundary of the Auto Center Property.

Auto Center also agrees that it shall not cause or permit any of the following:

(i) the parking of automobiles on the RHP Property, except for limited, temporary purposes as may be specifically permitted in this Agreement;

(ii) any automobile or other vehicles, equipment or property to be parked, placed, maintained or left on the RHP Property or any portion thereof; and

(iii) any mechanical or other repair or maintenance work or auto body work to be performed on any portion of the RHP Property.

2. In consideration for Auto Center's agreement to permit the parking on the Auto Center Property, RHP agrees to:

(i) paint the two (2) buildings located on the Auto Center Property in the same colors that the buildings located on the RHP Property are being painted;

(ii) slurry and stripe the parking lot asphalt surfaces on the Auto Center Property;

(iii) install new landscaping between the Properties;

(iv) remove the fence separating the two (2) Properties;

(v) construct the two (2) driveway accesses on the Auto Center Property, as in the locutions marked "Driveway" on Exhibit "B".

The foregoing work shall be done at no cost or expense to Auto Center.

3. In addition, in further consideration for the agreements herein to Auto Center, RHP agrees that in the event Auto Center changes the use of the Auto Center Property and provided Auto Center has the then required parking on the Auto Center Property for such change of use, Auto Center may use the RHP Property for overflow parking.

I. CONSTRUCTION.

1. RHP shall coordinate all construction work to be performed on the Auto Center Property with Auto Center to assure Auto Center that such installation is performed during such hours and at such times and in such manner

so as to minimize any interruption or inconvenience to the business conducted on the Auto Center Property;

2. Such work, once commenced, shall be accomplished expeditiously and diligently;

3. RHP shall at its sole cost and expense repair any and all damage caused by such work and shall restore the portion of both Properties upon which such work is performed to the condition existing immediately prior to beginning such work;

4. RHP shall indemnify and hold Auto Center harmless from all costs, damage, loss, liability and claims whatsoever arising in connection with such work.

II. EASEMENTS.

RHP and Auto Center do hereby establish, for the benefit and for the use of their respective successors, assigns, heirs, executors, administrators, tenants, subtenants, employees, agents, customers and invitees, and in common with others entitled to use the same, reciprocal non-exclusive easements for ingress and egress by vehicular and pedestrian traffic between the Properties, and between the Properties and the adjoining streets, and the right of vehicular parking upon, over and across that portion of the common area within each Property, designated as parking areas, and for access to driveways and service areas, as the same may from time to time be established within the Property for the limited purposes specifically set forth herein.

No barrier or obstruction on or about any common area shall be maintained in such manner as would make reasonable ingress and egress to and from the Properties difficult or impossible.

III. VALET AREA MAINTENANCE.

During such times as RHP is using the Valet Area, RHP shall maintain or cause to be maintained the Valet Area in good and clean condition and repair, said maintenance to include without limitation the provision of sweeping and litter removal, and landscaping, resurfacing, striping, repairs to and replacing of asphalt paving as necessary in the mutual agreement of RHP and Auto Center so as to maintain a smooth and level surface and uniform striping of said parking area.

IV. INSURANCE.

1. At all times during the term of this Agreement, RHP and Auto Center shall each maintain comprehensive general liability insurance; for the mutual and common benefit of, and which shall name as additional insured as their interests may appear, each other, with limits of liability of not less than One Million Dollars (\$1,000,000.00) insuring the operation, possession, repair, maintenance or use of the Valet Area. Each policy shall provide not less than thirty (30) days advance written notice to the other owner and additional insured parties of the effective date of cancellation thereof. Any such insurance policies shall be primary and non-contributing with any other insurance which may be carried by Auto Center or RHP.

2. RHP, as to the RHP Property and Auto Center, as to the Auto Center Property, do hereby agree to indemnify, defend and hold each other harmless from and against all claims and all costs, damages and expenses and liabilities (including reasonable attorneys' fees) incurred in connection with all claims, including any action or proceedings brought thereon, arising from or as a result of the death of or any accident, injury, loss or other damage to any natural person or the property of any person, occurring in or on its respective Property.

V. MISCELLANEOUS PROVISIONS.

1. In the event that suit is brought for the enforcement or interpretation of this Agreement or as the result of any alleged breach, the prevailing party or parties shall be entitled to be paid court costs, including reasonable attorneys' fees, by the losing party or parties and any judgment or decree rendered shall include an award of attorneys' fees.

2. The captions heading the various sections of this Agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective sections.

3. This Agreement and the application or interpretation thereof shall be governed exclusively by its terms and by the laws of the State of California.

4. RHP and Auto Center agree to execute such other and further documents and instruments reasonably requested by the other party to more clearly evidence and carry out the provisions of this Agreement.

5. Nothing contained in this Agreement shall be deemed or construed, either by RHP and Auto Center or by any third party, to create the relationship of principal and agent or create any partnership, joint venture or other association between RHP and Auto Center.

6. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Property to the general public or for the general public or for any public purpose whatsoever; it being the intention of the parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

7. Time is of the essence of this Agreement.

VI. NOTICES.

All notices, consents, requests, demands, approvals, waivers and other communications desired or required to be given hereunder (referred to collectively as "notices") shall be in writing and signed by the party so giving the notice, and shall be effective when personally delivered or seventy-two (72) hours after deposit in the United States mail, as certified or registered mail, return receipt requested, first-class postage and fees prepaid, or overnight courier with return receipt, addressed as follows:

If to RHP:

Rolling Hills Plaza Venture 96, LLC
c/o La Caze Development Company
2601 Airport Drive, Suite 300
Torrance, CA 90505

If to Auto Center:

S & S Auto Center
c/o Selleck Development Corp.
2660 Townsgate Road #250
Westlake Village, CA 91361

Anyone entitled to receive notice hereunder may, from time to time, change his or its address for receiving notices by giving written notice thereof in the manner outlined above.

VII. TERM AND TERMINATION.

A. Except as otherwise provided, each easement hereinabove set forth, shall run with the land and be binding upon the parties for a period of ten (10) years from the recording date hereof.

Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall automatically terminate immediately upon the termination of either the RHP Lease or the Auto Center Lease, by expiration of the Lease Term or for any other reason.

B. This Agreement shall be recorded in the Official Records, Los Angeles County.

C. This Agreement may only be amended or terminated by the written agreement of RHP, Auto Center and the City of Torrance. Any document amending this Agreement shall be duly acknowledged and recorded in the office of the County Recorder of Los Angeles County.

D. The Easements set forth herein are intended to run with the land and to inure to and pass with said land and to apply to and bind the respective successors in interest thereof, and all and each thereof is imposed upon said land as a mutual and reciprocal equitable servitude in favor of said Property and any portion thereof.

IN WITNESS WHEREOF, this Agreement is executed by the parties as of the day and year first above written.

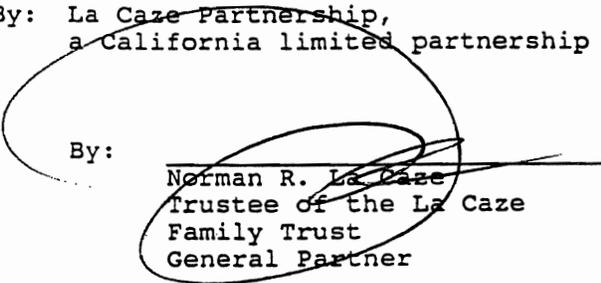
"RHP"

ROLLING HILLS PLAZA VENTURE 96, LLC,
a California limited partnership

BY: Rolling Hills Plaza Shopping Center
a California limited partnership

By: La Caze Partnership,
a California limited partnership

By:


Norman R. La Caze
Trustee of the La Caze
Family Trust
General Partner

"AUTO CENTER"

S & S AUTO CENTER,
a California limited partnership

By:

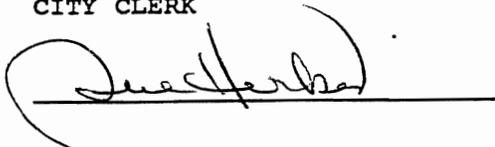

Daniel F. Selleck

Its: _____

CONSENT OF CITY OF TORRANCE

The City of Torrance ("City") is the fee owner and the ground lessor of the RHP Property and the Auto Center Property and, by execution hereof, hereby consents to this Agreement and subjects its fee simple interest in the RHP Property and Auto Center Property to this Agreement. By consenting to this Agreement, the City does not assume, and hereby expressly disclaims, any liability or obligation, and the City's consent hereto is expressly conditioned upon such disclaimer.

ATTEST
SUE HERBERS
CITY CLERK



APPROVED AS TO FORM
JOHN L. FELLOWS III
CITY ATTORNEY

By: 
Heather K. Whitham

Its: Assistant City Attorney
Deputy

CITY OF TORRANCE, a municipal corporation

By: 

Name: DEE HARDISON

Its: MAYOR

"City"

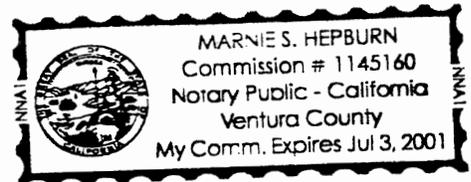
STATE OF CALIFORNIA)
)SS
COUNTY OF VENTURA)

On this 23rd day of JULY, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL F. SELLEN personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]

Seal:



STATE OF)
)SS
COUNTY OF)

On this ___ day of _____, 199 , before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

Seal:

EXHIBIT "A"

Legal Description of Shopping Center

PARCEL 1

Rolling Hills Tract 1

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County, said point being the True Point of Beginning; thence along said Northerly line South $48^{\circ}45'20''$ East 210.00 feet; thence North $41^{\circ}14'40''$ East 209.00 feet; thence North $48^{\circ}45'20''$ West 188.68 feet to the southeasterly line of Crenshaw Boulevard 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2 in complaint in Case No. 572730 of the Superior Court of said County; thence along said southeasterly line South $52^{\circ}25'41''$ West 193.04 feet; thence South $01^{\circ}50'10''$ West 25.39 feet to the True Point of Beginning. Contains 1.00 +/- Acres.

Excepting therefrom that portion along Pacific Coast Highway and adjacent thereto to Parcel 1 more particularly described as follows:

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map filed in Book 170, Pages 10 to 12 inclusive, of Maps, in the Office of the County Recorder of said County, being described as follows:

Beginning at a point in the Northeasterly line of Pacific Coast Highway, 100.00 feet wide, as described in deed to the State of California, recorded in Book 12743, Page 23 of Official Records, in the office of the County Recorder of said County, said point being the most southerly corner of the land described as parcel "D" under parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Northeasterly line, South $48^{\circ}45'20''$ East, 470.93 feet; thence North $45^{\circ}36'26''$ West, 59.01 feet to a point of tangency with a curve concave southwesterly and having a radius of 1828.00 feet; thence Northwesterly along said curve, through a central angle of $3^{\circ}08'54''$, an arc distance of 100.45 feet to a point of tangency with a line bearing South $48^{\circ}45'20''$ East; thence North $48^{\circ}45'20''$ West, 300.00 feet to a point of tangency with a curve concave Easterly and having a radius of 25.00 feet; thence Northwesterly, Northerly and Northeasterly along said curve, through a central angle of $101^{\circ}11'01''$, an arc distance of 44.15 feet to a point of tangency with a line bearing North $52^{\circ}25'41''$ East, said line being the southeasterly line of that parcel of land described as Parcel "A" under said Parcels 8-40, 9-2, said line being now recognized and accepted as the southeasterly line of Crenshaw Boulevard (100.00 feet wide); thence South $52^{\circ}25'41''$ West, along said southeasterly line, a distance of 16.55 feet; thence South $1^{\circ}50'10''$ West, 25.39 feet to the point of beginning, containing therein 0.059 +/- Acres.

PARCEL 2

That portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per map recorded in Book 170, Pages 10, 11 and 12 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northerly line of Pacific Coast Highway, 100.00 feet wide, as described in the deed to the State of California, recorded in Book 12743, Page 23 of Official Records in the office of the County Recorder of said County, said point being the most southerly corner of the land described as Parcel "D" under Parcels 8-40, 9-2, in complaint in case no. 572730 of the Superior Court of said County; thence along said Northerly line South $48^{\circ}45'20''$ East 545.00 feet to the True Point of Beginning; thence North $41^{\circ}14'40''$ East 700.00 feet; thence North $48^{\circ}45'20''$ West 125.00 feet; thence South $41^{\circ}14'40''$ West 74.00 feet; thence North $48^{\circ}45'20''$ West 263.51 feet; thence South $52^{\circ}25'41''$ West-138.64 feet; thence South $48^{\circ}45'20''$ East 85.69 feet; thence South $41^{\circ}16'35''$ West 90.44 feet; thence North $48^{\circ}45'20''$ West 156.18 feet to a point in the Southeastery line of Crenshaw Boulevard, 100.00 feet wide, said strip of land described as Parcel "A" under said Parcels 8-40, 9-2, in complaint in Case No. 572730 of the Superior Court of said County; thence along said Southeastery line North $52^{\circ}25'41''$ East 93.23 feet; thence south $37^{\circ}34'19''$ East 246.00 feet; thence North $52^{\circ}25'41''$ East-286.66 feet to a point in the Easterly line of said Lot 1; thence along said Easterly line South $00^{\circ}11'20''$ West 1671.69 feet to the Northerly line of Pacific Coast Highway; thence along said Northerly line North $89^{\circ}48'35''$ West 26.53 feet to the beginning of a tangent curve concave Northerly; thence Westerly along said curve, having a radius of 1096.38 feet, through a central angle of $41^{\circ}03'15''$, a length of 785.52 feet; thence North $48^{\circ}45'20''$ West 349.67 feet to the True Point of Beginning. Contains 27.50+/- Acres.

Rolling Hills Tract 2

The surface rights only to the certain land situated in the City of Torrance, County of Los Angeles, State of California, described as follows to-wit:

That portion of the twenty (20) foot wide strip of land described in the Deed to the Murvale Company, dated November 13, 1967, and recorded November 28, 1967, in Book D3842, at Page 453, Official Records of said County, and more particularly described as follows:

That certain portion of said twenty (20) foot wide strip of land 1687+ feet in length, situated easterly of Crenshaw Boulevard, northerly of Pacific Coast Highway and westerly adjacent to the boundary line of the City of Lomita and to that area shaded in grey, as shown on a drawing marked Exhibit "A", page 4, attached hereto and made a part hereof.

Sublease Tract

LEGAL DESCRIPTION

The land referred to in this description is situated in the City of Torrance, County of Los Angeles, State of California, described as follows:

That portion of Lot 1 of Tract 9765, in the City of Torrance, as per map recorded in book 170 pages 10 to 12 inclusive of Maps, in the office of the County Recorder of said County, ascribed as follows:

Commencing at the centerline intersection of Pacific Coast Highway and Crenshaw Boulevard; thence, South 48°11'20" East 113.78 feet along said centerline of Pacific Coast Highway to a point; thence, North 41°22'23" East 103.81 feet to a point; said point being the TRUE POINT OF BEGINNING; thence, continuing North 41°22'23" East 99.00 feet; thence, South 48°11'23" East 99.00 feet; thence, South 41°22'23" West 99.00 feet; thence, North 48°11'13" West 99.00 feet to the TRUE POINT OF BEGINNING.

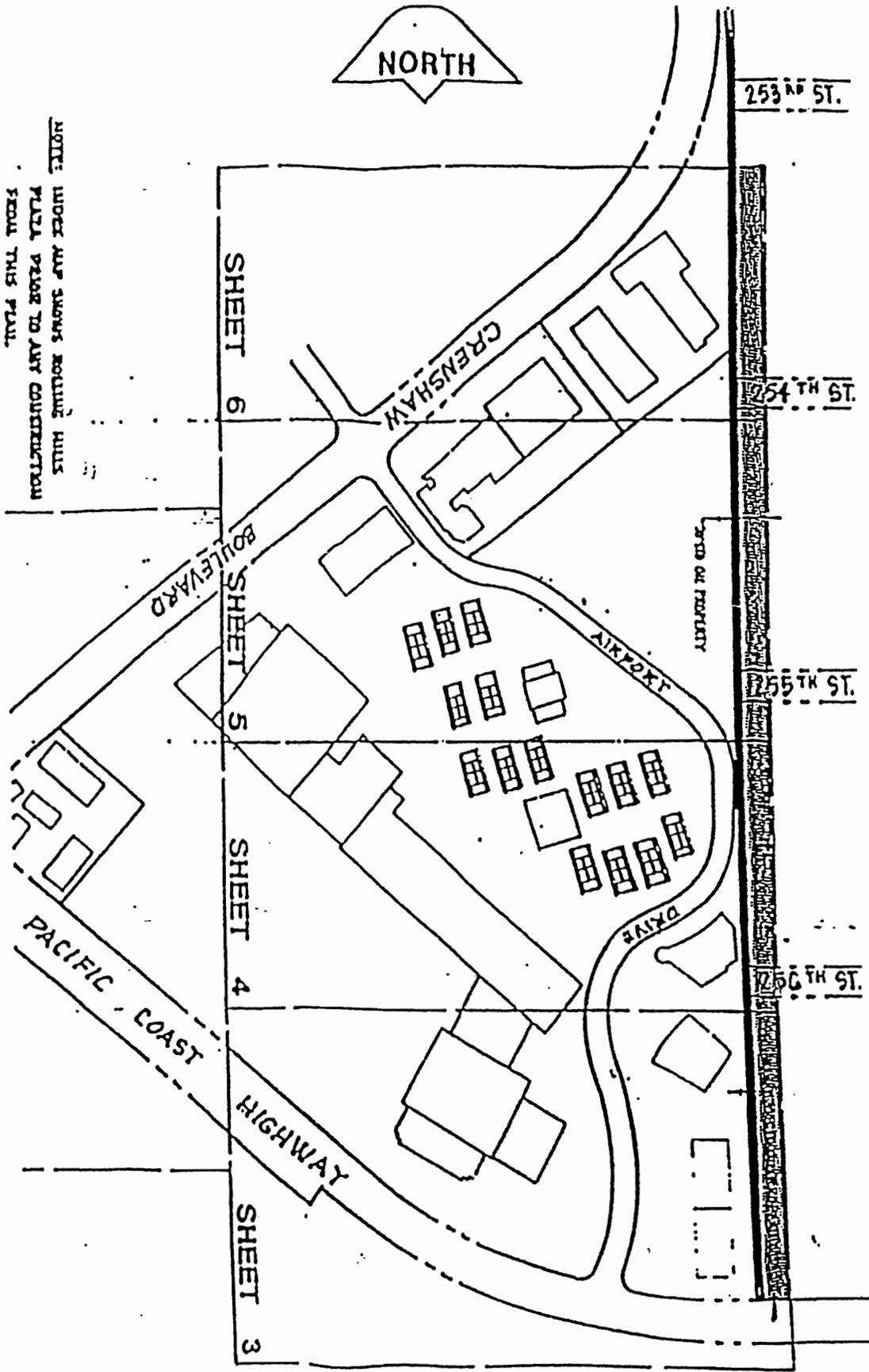
LEGAL DESCRIPTION

(Schwartz Tract)

An exclusive easement, right and privilege of parking and for ingress and egress over and appurtenant to that portion of Lot 1, Tract No. 9765, in the City of Torrance, County of Los Angeles, State of California, as per Map recorded in Book 170, Pages 10-12 of Maps, in the Office of the County Recorder of said County, as set out and delineated in that certain Document No. 4367, recorded July 22, 1959, Official Records of said County, entitled "Parking Lot Agreement and Grant of Easements and Parking Rights", and as amended by documents recorded July 25, 1961 as Instrument No. 4263; and as amended by documents recorded January 9, 1962 as Instrument No. 4822; and as amended by documents recorded May 3, 1962 as Instrument No. 5244, and by Documents No. 85-728683, recorded June 24, 1985, all of Official Records of said County.



NOTE: UNDER MAP SHOWS ROUTINE HILLS
PLATA PRIOR TO ANY CONSTRUCTION
FROM THIS PLATA.



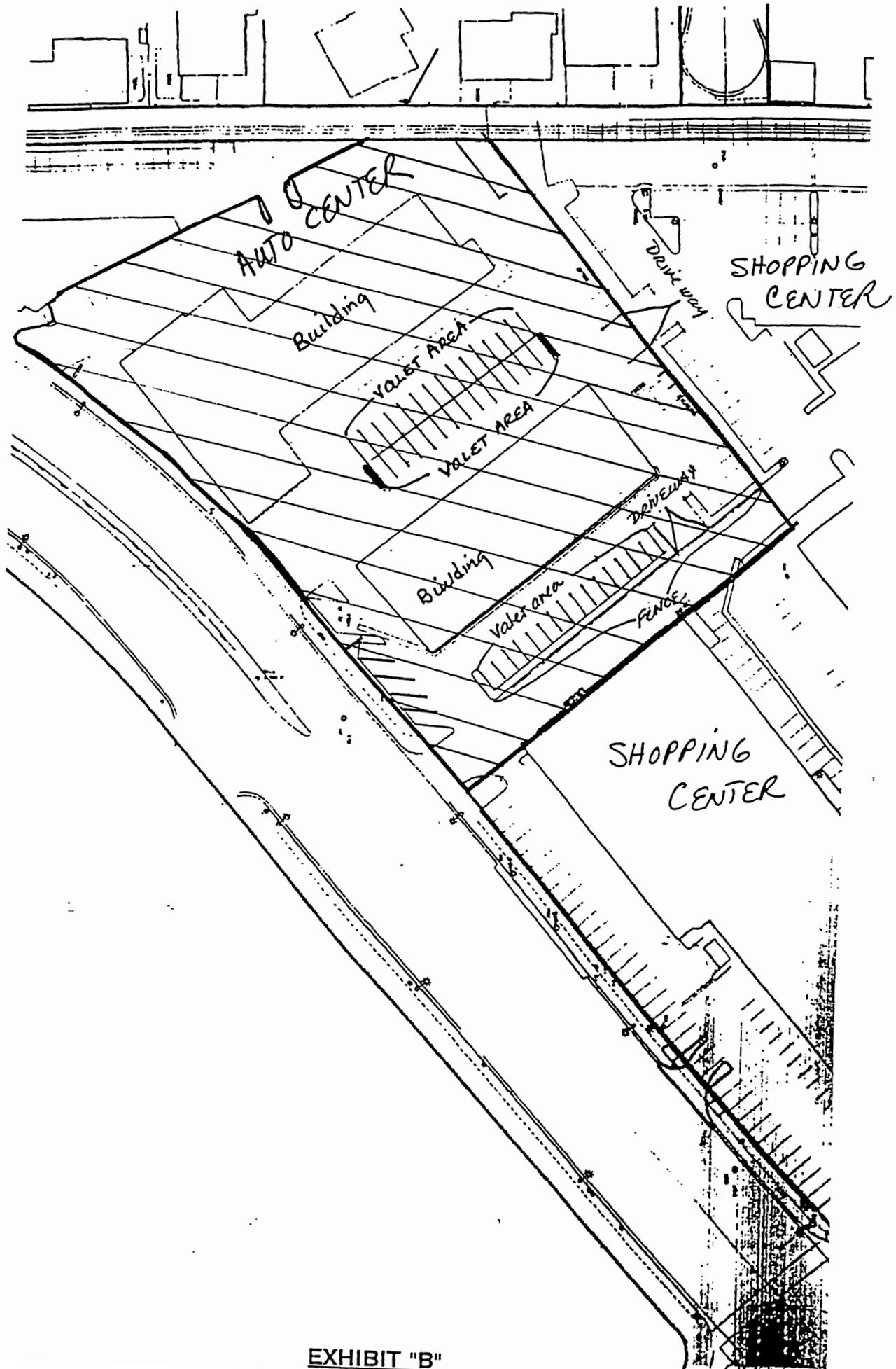


EXHIBIT "B"

Legal Description of Auto Center
 SCHEDULE A (CONTINUED)

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, OF TRACT 9765, IN THE CITY OF TORRANCE, AS SHOWN ON MAP RECORDED IN BOOK 170 PAGES 10 THROUGH 12 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, 100 FEET WIDE, DESCRIBED AS PARCEL "A" UNDER PARCELS 8-40 AND 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; DISTANT NORTHEASTERLY THEREON NORTH 52 DEGREES 25' 41" EAST 693.53 FEET FROM THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER SAID PARCELS 8-40 AND 9-2, SAID POINT OF BEGINNING BEING ALSO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS MODIFIED PARCEL "Y" IN THE 5TH AMENDMENT TO LEASE NO. 4 RECORDED MAY 3, 1962 AS INSTRUMENT NO. 5243, OFFICIAL RECORDS, THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD NORTH 52 DEGREES 25' 41" EAST, 625.97 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, NORTH 52 DEGREES 25' 41" EAST, 134.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 700.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 52 DEGREES 14' 21", AN ARC DISTANCE OF 638.22 FEET TO THE END THEREOF, SAID END BEING TANGENT WITH THE EASTERLY LINE OF SAID LOT 1 OF SAID TRACT NO. 9765; THENCE SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 0 DEGREES 11' 20" WEST 654.39 FEET TO 118 INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND DISTANT SOUTHEASTERLY MEASURED AT RIGHT ANGLES 246.00 FEET FROM THE BEFORE MENTIONED SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, HAVING A BEARING OF NORTH 52 DEGREES 25' 41" EAST, THENCE SOUTHEASTERLY ALONG SAID PARALLEL LINE SOUTH 52 DEGREES 25' 41" WEST, 206.67 FEET TO A POINT ON A LINE WHICH BEARS SOUTH 37 DEGREES 34' 19" EAST, AND PASSES THROUGH THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE NORTH 37 DEGREES 34' 19" WEST 246.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, OF TRACT NO. 9765, IN THE CITY OF TORRANCE, AS SHOWN ON MAP RECORDED IN BOOK 170 PAGES 10, 11 AND 12 OF MAPS, RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD, 100 FEET WIDE, DESCRIBED AS PARCEL "A" UNDER PARCELS 8-40 AND 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON NORTH 50

DEGREES 25' 41" EAST, A DISTANCE OF 693.55 FEET FROM THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER SAID PARCELS 8-40 AND 9-2, SAID POINT OF BEGINNING BEING ALSO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED AS MODIFIED PARCEL "Y" IN THE 5TH AMENDMENT TO LEASE NO. 4 RECORDED MAY 3, 1962 AS INSTRUMENT NO. 5243, THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD NORTH 52 DEGREES 25' 41" EAST, A DISTANCE OF 759.97 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 700 FEET, THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19 DEGREES 24' 10", AN ARC DISTANCE OF 237.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32 DEGREES 50' 11" AN ARC DISTANCE OF 401.14 FEET TO A POINT OF TANGENCY WITH THE EASTERLY LINE OF SAID LOT 1 OF TRACT 9765; THENCE SOUTH 0 DEGREES 11' 20" WEST A DISTANCE OF 590 FEET TO A POINT OF INTERSECTION WITH A LINE BEARING SOUTH 25 DEGREES 28' 40" EAST, THENCE NORTHEASTERLY ALONG SAID LINE 195 FEET TO A POINT OF INTERSECTION WITH A LINE HAVING A BEARING NORTH 37 DEGREES 34' 19" WEST, THENCE NORTHWESTERLY ALONG SAID LINE 43 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM ALL URANIUM, THROUGH AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE REGULARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA RECORDED ON MAY 13, 1943 IN BOOK 27145 PAGE 362, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIME TO ENTER UPON THE LANDS PROSPECT FOR MINE FOR AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED.

ALL RIGHTS OF ENTRY UPON THE SURFACE OF SAID LAND TO PROSPECT FOR, MINE OR REMOVE MINERALS OR PETROLEUM FROM SAID LAND, OR IN ANYWISE MAKE USE OF THE SURFACE OF SAID LAND FOR WORKING REMOVING OR TRANSPORTATION OF MATERIALS AND SUPPLIES IN CONNECTION WITH SUCH MINING OPERATIONS, AS RESERVED IN THE ABOVE MENTIONED DEED, WERE QUITCLAIMED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE ADMINISTRATION OF GENERAL SERVICES, TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY DEED RECORDED AUGUST 29, 1955 AS INSTRUMENT NO. 3042 IN BOOK 48802 PAGE 55, OFFICIAL RECORDS.

ALL RIGHT, TITLE AND INTEREST IN AND TO ALL MINERALS AND

PETROLEUM IN, OR UNDER SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, TOGETHER WITH THE RIGHT TO ENTER UPON SAID PROPERTY TO PROSPECT FOR, MINE FOR, OR REMOVE SUCH MINERALS AND PETROLEUM, AND TOGETHER WITH THE RIGHT TO DRILL FROM LANDS ON THE TORRANCE MUNICIPAL AIRPORT, OR FROM ADJACENT PREMISES, INTO AND THROUGH THE SUBSURFACE TO A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID PROPERTY, WERE QUITCLAIMED BY UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE ADMINISTRATOR OF GENERAL SERVICES, TO CITY OF TORRANCE, A MUNICIPAL CORPORATION, BY QUITCLAIM DEED RECORDED MAY 31, 1961 AS INSTRUMENT NO. 2843, OFFICIAL RECORDS.