

RECORDING REQUESTED BY:

WILLIAM T. DALESSI

AND WHEN RECORDED MAIL TO:

RIEDMAN, DALESSI & DYBENS
200 Oceangate, Suite 440
Long Beach, CA 90802

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT OF LESSEE'S INTEREST IN MASTER LEASE

23509

The Assignment of Lessee's interest in Lease (this "Assignment"), made this 1st day of February 1995, by BANCAP MARINA CENTER, INC., a California corporation, ("Assignor"), to HARBOR BANK, a California corporation, ("Assignee").

RECITALS:

A. Assignor, to evidence and secure a loan indebtedness (the "Loan"), has made and delivered to Assignee (i) that certain Loan Agreement of even date herewith ("Loan Agreement"); and (ii) that certain Promissory Note Secured by this assignment of lease of even date herewith in the principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00), (the "Note").

B. The Master Lease ("Lease") being assigned hereby is the Lessee's interest in the Master Lease between the City of Long Beach, a Municipal corporation, as Lessor, and Bancap Marina Center, Inc, a California corporation, as lessee, dated June 29, 1994, of certain real property in the City of Long Beach, County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto, including the improvements now or hereafter located thereon and the easements, rights and appurtenances thereunto belonging (collectively, the "Property").

C. Assignor is the master lessee under that certain lease affecting the Property and described in Exhibit "B" attached hereto.

D. Assignee has required Assignor to enter into this Assignment as a condition to making the Loan.

NOW, THEREFORE, Assignor, in consideration of Assignee's agreement to make the Loan and for other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

1. Assignment. Assignor hereby bargains, sells, transfers, assigns, conveys, sets over and delivers unto Assignee all of the Assignee's right, title, and interest in, to, and under the Lease described in Recital C above.

Nothing in the foregoing or in this Assignment, shall impose upon Assignee any duty to produce rents from the Property or cause Assignee to be a "mortgagee in possession" for any purpose unless and until Assignee actually takes possession of the Property either in person or through an agent or receiver. Possession by a court appointed receiver shall not be considered possession by Assignee.

2. Obligations. Assignor makes the foregoing grant and assignment as security for the payment of the Loan and the payment and performance of all the terms and conditions of Note, the Loan Documents, and any and all amendments, extensions and renewals thereof.

3. Assignor's Representations and Warranties. Assignor hereby represents and warrants to Assignee that (i) that the Lease set forth in Exhibit "B" constitutes all of the lease, licenses and rental agreements presently affecting the Property ; (ii) that Assignor is the sole owner of the entire lessee's interest in the Lease assigned hereby; (iii) that the Lease is in full force and effect and is enforceable in accordance with its terms; (iv) the Lease has not been altered, modified, or amended in any manner whatsoever except as herein expressly mentioned; (v) that Assignor has not heretofore transferred or assigned the Lease or any right or interest therein; (vi) except as required by the terms of the lease Assignor is not indebted to the lessor under the Lease in any manner whatsoever; and (vii) there are no defaults now existing under the Lease and there exists no state of facts which, with the giving of notice or the passage of time or both, would constitute a default under the Lease.

4. Assignor's Covenants. Assignor covenants and agrees as follows:

(a) At Assignor's sole cost and expense to: (i) perform all of the covenants, representations, terms, undertakings, obligations, warranties, and agreements of the lessee under the Lease; (ii) enforce, or secure the performance by the lessor of the covenants, representations, warranties, terms, obligations and agreements contained in the Lease; (iii) except as prohibited by any other provision hereof, enforce and secure all remedies available to Assignor against the lessor in case of default by the lessor under the Lease; (iv) prosecute and defend any legal action, arbitration or other controversy relating to the Lease as to Assignor's interest in the Lease; (v) give prompt notice to Assignee and complete copies of any notice of default with respect to the Lease, whether the default be of the lessor or Assignor; (vi) execute and record such additional assignments of the Lease in form and substance acceptable to Assignee, as Assignee may request; and

(b) Except with Assignee's prior written consent, not to either orally or in writing: (i) enter into, modify or amend the Lease after the date of this Assignment; (ii) execute any other assignment of the Lease or any interest in the Lease; (iii)

violate any of the representations and warranties under the Lease, this Assignment and the Loan Documents; or (iv) create, suffer or permit any release, abatement or reduction of liability of the lessor under the Lease or any right of excuse for any delay or failure of performance of any of the obligations, terms, covenants, agreements, undertakings, representations, or warranties under the Lease. Any such attempted action without Assignee's prior written consent shall be null and void.

5. Defaults and Remedies.

(a) Definition. "Default" shall mean (i) the occurrence or existence of any Event of Default under any of the Loan Documents; or (ii) a breach of any covenant, agreement, term, condition, obligation, representation, warranty or undertaking of Assignor contained in this Assignment.

(b) Remedies. In addition to any and all remedies contained in the Loan Documents, in the event of a Default, Assignee shall have the rights and remedies set forth below and may exercise such rights and remedies prior to, simultaneously with or subsequent to the exercise of any rights and remedies under any of the other Loan Documents either in person or by its agent; with or without bringing any action or proceeding or having a receiver appointed by a court; without regard to the adequacy of the security for the obligations referred to in this Assignment and the Loan Documents; without notice to or demand on Assignor; and without releasing Assignor from any obligations under this Assignment and the Loan Documents; and at Assignor's sole cost and expense to:

(i) Pursue all remedies for the enforcement of the Lease and Assignor's rights in and under the Lease as Assignor might have pursued but for this Assignment; and

(ii) Take possession of the Property, and have, hold, manage and operate the same on such terms and for such period of time as Assignee may deem proper and, either with or without taking possession of the Property, in its own name, make, from time to time, all alterations, renovations, repairs, or replacements thereto or thereof as may seem proper to Assignee.

(c) Notice. The lessor under the lease is hereby irrevocably authorized and notified to rely upon and comply with (and shall be fully protected in so doing) any notice or demand by Assignee for the performance of any of the undertakings of lessor under the Lease, and lessor shall have no right or duty to inquire as to whether any Default, Event of Default, or breach has actually occurred or is then existing.

(d) Proceeds. Assignee shall have the right to apply all amounts received by it pursuant to this Section 5 or any other provision of this Assignment to the payment of any of the following in such amounts and in such order as Assignee shall deem appropriate:

(i) The obligations under this Assignment and the Loan Documents, together with all costs and attorneys' fees;

(ii) All expenses of operating and maintaining the Property, including without limit, the salaries, fees, commissions, and wages of a managing, leasing and/or selling agent and such other employees, agents or independent contractors as Assignee deems necessary or desirable; all taxes, charges, claims, assessments, water rents, sewer rents, any other liens, and premiums for all insurance as Assignee deems necessary or desirable; the cost of all alterations, renovations, repairs or replacement; and all expenses incident to taking and retaining possession of the Property.

6. Exculpation and Indemnification. This Assignment shall not cause Assignee to be (i) a mortgagee in possession; (ii) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Lease; or (iii) responsible or liable for any waste committed on the Property by the lessor, or any other parties, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any representative of lessor, licensee, employee, invitee or other person. Assignee shall not directly or indirectly be liable to Assignor or any other person as a consequence of (a) the exercise of the rights, remedies or powers granted to Assignee in this Assignment; or (b) the failure or refusal of Assignee to perform or discharge any obligation, duty or liability of Assignor under the Lease or by reason of this Assignment, unless such loss is caused by the wilful misconduct and bad faith of Assignee and no such liability shall be asserted or enforced against Assignee, all such liability being expressly waived and released by Assignor. Assignor hereby indemnifies and hold Assignee harmless from and against any and all such liability, loss, damage, cost, or expense (including attorneys' fees) which Assignee might incur or suffer under the Lease or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on Assignee's part to perform or discharge any of the terms, undertakings, obligations, representations, warranties, conditions, covenants or agreements contained in the Lease. Should Assignee incur or suffer any liability, loss, damage, cost or expense (including attorneys' fees) under the Lease or by reason of this Assignment, or in the defense of any such claims or demands, the amount of such liability, loss, damage, cost, expense and attorneys' fees shall be considered an obligation for purposes of Paragraph 2 of this Assignment and Assignor shall pay the same to Assignee upon demand by Assignee together with interest thereon at the Default Rate under the Note from the date of payment thereof by Assignee until reimbursement by Assignor. Upon the failure of Assignor to so pay Assignee, all sums owing under this Assignment and the Loan Documents shall be immediately due and payable, at the

option of Assignee.

7. Transfer. Upon failure to cure any default hereunder within ten (10) days of notice upon assignor, all right, title and interest of Assignor in and to the Lease shall, by virtue of this Assignment, vest in and become the absolute property of the Assignee without any further act or Assignment by the Assignor. Assignor hereby irrevocably appoints Assignee, and its successors and assigns, as its attorney-in-fact (such agency being coupled with an interest), to: (i) execute all instruments of assignment or further assurance in favor of third parties, as may be necessary or desirable for such purpose, and (ii) after such Default under this Assignment, take any other action specified in Section 5(a) through (d), inclusive, hereof; provided, however, that Lender as such attorney-in-fact shall only be accountable for such funds as are actually received by Lender. Nothing contained in this Assignment shall prevent Lender at Lender's sole discretion from terminating any subordinate lease through such action.

8. Satisfaction. Upon payment in full of the principal sum, interest and other indebtedness secured hereby, this Assignment shall be and become null and void; otherwise, it shall remain in full force and effect as herein provided.

9. Conflict. In the event of any conflict in terms and/or conditions between this Assignment and any other agreements between the parties, the terms and/or conditions of this Assignment shall control.

10. Notice. Except as otherwise expressly provided in any of the Loans Documents, all notices to be given under this Assignment shall be deemed served upon receipt by the addressee or, if mailed, upon the first to occur of receipt or the expiration of seventy-two (72) hours after deposit in United States Postal Service certified mail, postage prepaid, addressed to the parties at the addressees appearing below. Such addresses may be changed by notice given in the same manner, provided any such changed address is located in the State of California.

Assignor: Bancap Marina Center, Inc.
6265 East Second Street
Long Beach, CA 90803

Assignee: Harbor Bank
11 Golden Shore
Long Beach, CA 90801

11. Attorneys' Fees. If any legal action or proceeding is brought by either Assignor or Assignee to enforce or construe a provision of this Assignment or any other Loan Documents, the unsuccessful party in such action or proceeding, whether or not such action or proceedings is settled, or prosecuted to final judgment, shall pay all of the attorneys' fees and costs incurred by the prevailing party. If Assignor shall become subject to any

case or proceeding under the Bankruptcy Reform Act, as amended or recodified from time to time, Assignor shall pay to Assignee on demand all attorneys' fees, costs, and expenses which Assignee may incur to obtain relief from any provision of the Act which delays or otherwise impairs Assignee's exercise of any right or remedy under this Assignment or any of the Loan Documents or to obtain adequate protection for any of Assignee's rights or collateral.

12. Successors. Subject to the limitations elsewhere contained in this Assignment and the Loan Documents, the terms of this Assignment shall be binding upon and inure to the benefit of the heirs, successors, and assigns of Assignor and Assignee, including without limit, any subsequent owner of the interest in the lease. There are no third party beneficiaries of this Assignment.

13. Time of Essence. Time is of the essence of each term of this Assignment.

14. Governing Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of California, except to the extent federal laws preempt the laws of the State of California. In any action brought or arising out of this Assignment, Assignor and the officers of Assignor executing this Assignment on behalf of Assignor hereby consent to the jurisdiction of any federal or state court within the State of California and also consent to the service of process by any means authorized by California.

15. No Waiver. No exercise of any right or remedy hereunder shall preclude the exercise of any other right or remedy or the later exercise of the same right or remedy. Waivers and approvals under this assignment shall be in writing and unless otherwise expressly stated, waivers and approvals shall apply only to the specific circumstances addressed.

16. Interest. If Assignee expends funds in exercising any of Assignee's rights or remedies under this Assignment, such sums, including attorneys' fees, shall be considered an obligation for purposes of this Assignment and shall be secured by this Assignment and any such sums shall bear interest at the per annum rate specified under the Note.

17. Definitions: Other Obligors. The term "lessor" as used in this Assignment shall refer to the City of Long Beach, and any successor in interest to it as lessor. The term "lessee" and "lessees" shall include any tenants and licensees and any other parties in a similar position and shall also include any guarantors or other obligors of the Lease. All persons and entities identified by the designation "Assignor," including without limitation, all general partners or joint venturers (if any) of Assignor, are jointly and individually bound to perform each and every obligation of Assignor under this Assignment and are jointly and individually liable to Assignee for such

performance.

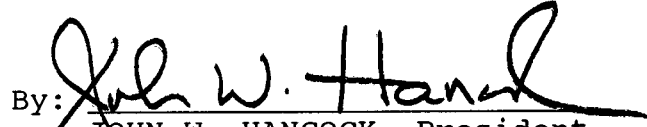
18. Estoppel Certificate. Within ten (10) days after request by Assignee, Assignor shall deliver to Assignee and to any party designated by Assignee, estoppel certificates executed by Assignor and by the lessor, in recordable form, certifying (if such be the case): that this Assignment and the Lease, as applicable, are in full force and effect; the date of lessee's most recent payment of rent; that there are no defenses or offsets outstanding claimed by any party under this Assignment or the Lease, and any other information reasonably requested by Assignee.

19. Effective Date. The date of this Assignment is for reference purposes only. This Assignment shall be effective upon its recordation in the Official Records of the County of Los Angeles, State of California.

20. Entire Agreement; Incorporation. This Assignment contains or expressly incorporates by reference the entire and exclusive agreement of the parties with respect to the matters contemplated herein, and supersedes all prior negotiations related thereto, and this Assignment shall not be amended or modified in any way except by written instrument which is executed by all parties hereto.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Rents, Leases and Profits as of the date appearing on the first page of this Assignment.

BANCAP MARINA CENTER, INC.,
A CALIFORNIA CORPORATION,

By: 
JOHN W. HANCOCK, President

By: 
WHITNEY LATIMER, Secretary

This assignment to HARBOR BANK, a California corporation, by BANCAP MARINA CENTER, INC., a California corporation, Lessee, of its interest in the Master Lease described herein is approved by the City of Long Beach, a Municipal corporation, Master Lessor, effective as of the date hereof.

DATED: 1/26/95
APPROVED AS TO FORM

CITY OF LONG BEACH,
A MUNICIPAL CORPORATION,

1/24, 1995
JOHN R. CALHOUN, City Attorney
By [Signature]
DEPUTY CITY ATTORNEY

By: [Signature]
~~JAMES HANKLA, City Manager~~
HENRY TABADA
ASSISTANT CITY MANAGER

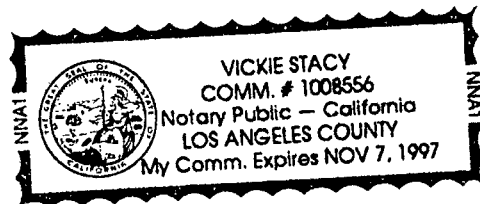
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

On January 23, 1995, before me, the undersigned notary public, personally appeared JOHN W. HANCOCK and WHITNEY LATIMER, personally known to me (or proven 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.

Vickie Stacy



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

On January 26, 1995, before me, the undersigned notary public, personally appeared Henry TABADA personally known to me (or proven to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument; and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Linda C. Ramsay

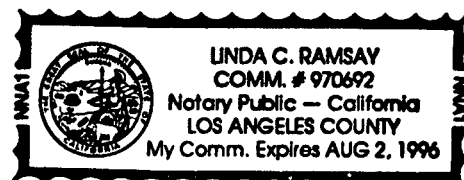


EXHIBIT "A"

LEGAL DESCRIPTION OF MARINE BAZAAR LEASE AREA

That portion of Lot 2, Tract No. 1077 in the City of Long Beach, County of Los Angeles, State of California, as recorded in Book 18, Page 195 of Maps in the office of the County Recorder of said County, described as follows:

Beginning at the intersection of the centerline of Marina Drive, varying in width, and the centerline of Studebaker Road, 100 feet in width, both as shown on Parcel Map 11290 recorded in Book 147, Pages 94 and 95 of Maps in the office of said County Recorder; thence South $42^{\circ}18'10''$ East 119.57 feet along said centerline of Marina Drive; thence South $47^{\circ}41'50''$ West 30.50 feet to the back of the westerly curb of said Marina Drive as shown on Drawing No. H-88, Sheet 2 on file in the office of the City Engineer of said City, said point being the TRUE POINT OF BEGINNING; thence South $48^{\circ}12'30''$ West 5.80 feet; thence South $75^{\circ}41'24''$ West 1.16 feet; thence South $0^{\circ}11'59''$ West 81.57 feet to the back of the southerly curb of the northerly parking lot as shown on Drawing No. H-128, Sheet 16 on file in the office of the City Engineer of said City; thence North $89^{\circ}56'21''$ West 105.31 feet along said back of curb to an angle point; thence South $41^{\circ}45'32''$ West 22.60 feet along said back of curb to an angle point; thence North $89^{\circ}54'42''$ West 62.06 feet along said back of curb to Point A, said point being on the back of the westerly curb of said northerly parking lot; thence South $41^{\circ}54'42''$ East 9.81 feet along the southeasterly prolongation of last said back of curb; thence South $46^{\circ}59'12''$ West 10.51 feet; thence South $41^{\circ}44'32''$ East 4.58 feet; thence South $52^{\circ}26'52''$ West 0.93 feet to the westerly edge of the Marina retaining wall as shown on said Drawing No. H-88, Sheet 2; thence South $42^{\circ}12'14''$ East 134.77 feet along said westerly edge to an angle point; thence South $50^{\circ}26'57''$ West 134.77 feet along said westerly edge; thence South $88^{\circ}34'04''$ East 3.10 feet; thence South $39^{\circ}10'31''$ East 7.93 feet to Point B, said point being on the back of the westerly curb of the southerly parking lot as shown on Sheet 15 of said Drawing No. H-128; thence North $49^{\circ}45'05''$ East 5.05 feet along last said back of curb to the back of the northerly curb of said southerly parking lot; thence South $39^{\circ}37'02''$ East 18.67 feet along last said back of curb to an angle point; thence South $89^{\circ}50'12''$ East 50.08 feet along last said back of curb to an angle point; thence South $40^{\circ}46'57''$ East 22.51 feet along last said back of curb to an angle point; thence South $89^{\circ}49'34''$ East 120.13 feet along last said back of

curb; thence South 2°23'40" East 59.13 feet to the back of the westerly curb of said Marina Drive; thence North 50°38'38" East 22.28 feet along last said back of curb to the beginning of a tangent curve, concave to the west, having a radius of 227.50 feet; thence continuing northerly 369.05 feet along last said back of curb and said curve through a central angle of 92°56'48"; thence North 42°18'10" West 77.78 feet along last said back of curb to the TRUE POINT OF BEGINNING.

AND that portion of said Lot 2, described as follows:

Beginning at Point A; thence North 41°54'42" West 17.50 feet along the back of the westerly curb of said northerly parking lot; thence North 48°05'18" East 2.00 feet to a point on a line parallel with and northeasterly 2.00 feet from said back of curve, said point being the TRUE POINT OF BEGINNING; thence South 41°54'42" East 17.50 feet along said parallel line; thence North 48°05'18" East 10.00 feet to a line parallel with and northeasterly 12.00 feet from said back of curb; thence North 41°54'42" West 17.50 feet along last said parallel line; thence South 48°05'18" West 10.00 feet to the TRUE POINT OF BEGINNING.

ALSO AND that portion of said Lot 2, described as follows:

Beginning at Point B; thence South 49°45'05" West 13.70 feet along the back of the westerly curb of said southerly parking lot; thence South 40°14'15" East 2.00 feet to a point on a line parallel with and southeasterly 2.00 feet from said back of curb, said point being the TRUE POINT OF BEGINNING; thence South 49°45'05" West 17.50 feet along said parallel line; thence South 40°14'55" East 10.00 feet to a line parallel with and southeasterly 12.00 feet from said back of curb; thence North 49°45'05" East 17.50 feet along last said parallel line; thence North 40°14'55" West 10.00 feet to the TRUE POINT OF BEGINNING.

MARINE BAZAAR LEASE AREA


C.L.B. SURVEY SECTION

TOTAL AREA OF PROPOSED
LEASE = 68,920.3 sq. ft.



LEGEND

- 1 S48°12'30"W, 5.80
- 2 S75°41'24"W, 1.16
- 3 S41°54'42"E, 9.81
- 4 S46°59'12"W, 1051
- 5 S41°44'32"E, 4.58
- 6 S52°26'52"W, 0.93
- 7 S88°34'04"E, 3.10
- 8 S39°10'31"E, 7.93
- 9 N49°45'05"E, 5.05

 10' X 17.5' TRASH
BIN AREA

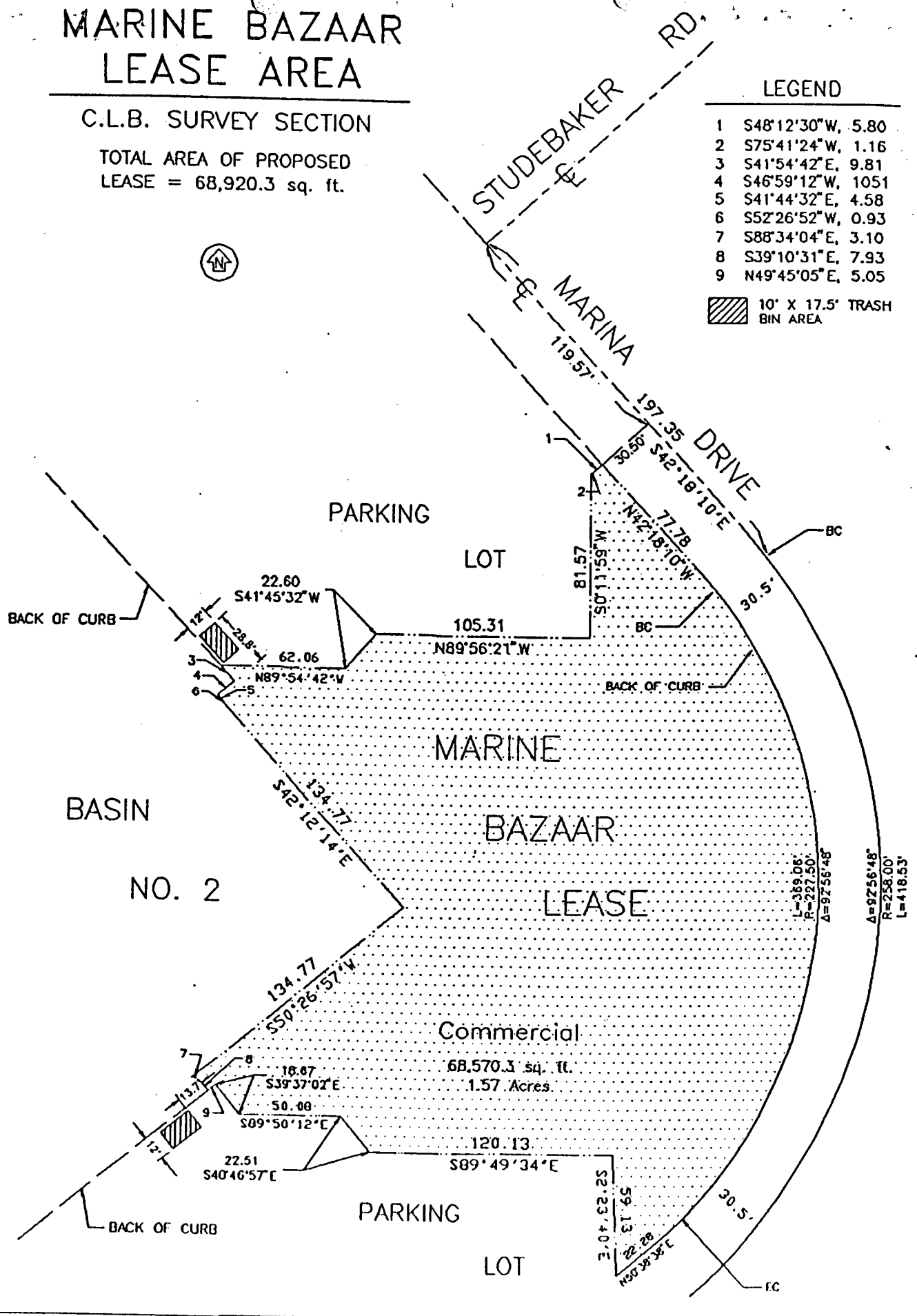


EXHIBIT "B"

Description of Lease

The Master Lease, dated June 29, 1994, between the City of Long Beach, as Lessor, and Bancap Marina Center, Inc., a California corporation, as Master Lessee, pursuant to minute order adopted by the City Council of the City of Long Beach, on February 1, 1994, which Master Lease is of the property shown in the diagram on Exhibit "B" of the Master Lease, a copy of which is attached hereto as a part of Exhibit "A" hereof. Said Master Lease is for a term commencing July 1, 1994, and terminating on June 30, 2019. Said Master Lease is incorporated herein by reference.