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PREPARED BY,
RECORDING REQUESTED BY AND
UPON RECORDING RETURN TO:

Randi B. Margolin, Esq.
Teachers Insurance and
Annuity Association of America
730 Third Avenue
New York, NY 10017



MAIL TO

02-03485 A

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") made this 23 day of July, 2002, by CATELLUS DEVELOPMENT CORPORATION ("Borrower"), a Delaware corporation, having its principal place of business at 201 Mission Street, San Francisco, California 94105, for the benefit of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA ("Lender"), a New York corporation, having an address at 730 Third Avenue, New York, New York 10017.

RECITALS:

- A. Lender agreed to make and Borrower agreed to accept a loan (the "Loan") in the maximum amount of \$166,880,000.00.
- B. To evidence the Loan, Borrower executed and delivered to Lender a promissory note (the "Note"), dated March 28, 2002, in the principal amount of One Hundred Sixty Six Million Eight Hundred Eighty Thousand and No/100 Dollars (\$166,880,000.00) (that amount or so much as is outstanding from time to time is referred to as the "Principal"), promising to pay the Principal with interest thereon to the order of Lender as set forth in the Note, until the Debt (as defined below) has been paid in full, with the balance, if any, of the Debt being due and payable on April 1, 2012 (the "Maturity Date").
- C. Borrower owns the fee interest in the Land (as defined below) together with the improvements located on the Land.
- D. Borrower's obligations under the Note are secured among other things by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing Statement (the "Deed of Trust"), dated the date of this Assignment, that encumbers the land (the "Land") described in Exhibit A, the improvements located on the Land and certain other property, rights and interests of Borrower, all as more particularly described in the Deed of Trust (collectively, the "Property").

Lawyers Title Insurance Corporation

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ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. Capitalized terms used in this Assignment and not specifically defined in this Assignment are defined in Exhibit B of the Deed of Trust.

Section 1.2. Rules of Construction. This Assignment will be interpreted in accordance with the rules of construction set forth in Exhibit C of the Deed of Trust.

ARTICLE II

GRANTING CLAUSES

Section 2.1. Assignment.

(a) In consideration of the Debt, Borrower irrevocably, absolutely, presently, unconditionally and not merely as additional security for the payment and performance of the Obligations, sells, assigns, sets over and delivers to Lender the following property, rights, interests and estates now or in the future owned or held by Borrower (the "Assigned Property"), for Lender's uses and purposes as set forth in this Assignment, subject to the license granted by Lender to Borrower in this Assignment to collect and receive the Rents until the occurrence and during the continuance of an Event of Default:

(i) all present and future leases, subleases, licenses and other agreements relating to the use and occupancy of the Property including all amendments to the leases, subleases, licenses and other agreements in existence on the date of this Assignment (the "Leases");

(ii) the immediate and continuing right to collect and receive all present and future rents, prepaid rents, percentage, participation or contingent rents, issues, profits, proceeds, royalties, revenues, parking fees, security deposits and other consideration under the Leases or otherwise derived from the use and occupancy of the Property, including contributions to expenses by present and future tenants, subtenants, licensees and other occupants of the Property (the "Tenants"), and all other fees, letters of credit, charges, accounts, accounts receivable or payments payable to or for the benefit of Borrower including liquidated damages following a default under a Lease, any fee or premium payable by a Tenant after the cancellation of a Lease, and the proceeds of rental insurance (the "Rents");

(iii) all present and future guarantees, letters of credit, or other credit enhancements given to Borrower in connection with any Tenant's performance under any of the Leases; and

(iv) all rights or causes of action that Borrower now or hereafter may have against any Tenant.

(b) Borrower further assigns, transfers and sets over to Lender all of Borrower's right, title and interest in and to all claims and rights to the payment of money at any time arising in connection with any rejection or breach of any of the Leases by a Tenant or trustee of the Tenant under

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Sections 502(b) and 365 of the Bankruptcy Code, 11 U.S.C. §365, including all rights to recover damages arising out of such breach or rejection, all rights to charges payable by the Tenant or trustee in respect of the leased premises following the entry of an order for relief under the Bankruptcy Code in respect of such lessee and all rentals and other charges outstanding under the Lease as of the date of entry of such order for relief.

(c) Lender's acceptance of this Assignment, with all of the rights, powers, privileges and authority so created, will not, prior to Lender's entry upon and taking possession of the Property, be deemed to constitute Lender a mortgagee-in-possession, will not obligate Lender to appear in or defend any action or proceeding relating to the Leases or to take any action under this Assignment, to expend any money or incur any expenses under the Leases or this Assignment, to perform or discharge any obligation under the Leases or to assume any obligation for security deposits or other deposits delivered to Borrower by any Tenant and not delivered to Lender and Lender will not be liable for any injury or damage to person or property sustained in or about the Property.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.1. Representations, Warranties and Covenants with Respect to Leases. Except as otherwise disclosed in a certified rent roll delivered by Borrower to Lender in connection with this Assignment:

(a) All of the Leases affecting the Property as of the date of this Assignment (the "Existing Leases") are in full force and effect with no defaults or to Borrower's knowledge matters that with the passage of time or giving of notice would constitute a default, there are no existing defenses or offsets to the payment of Rent under the Existing Leases; each Existing Lease represents the entire agreement between the parties as to the leasing and to Borrower's knowledge, all of the Existing Leases are enforceable in accordance with their terms.

(b) Each of the Tenants under the Existing Leases is in occupancy, paying Rent, open and conducting business in its respective leased premises and, to Borrower's knowledge is free from bankruptcy, reorganization or other Proceeding for the relief of debtors under any federal or state insolvency statute.

(c) Borrower has complied with all obligations and satisfied all conditions (including any co-tenancy requirements) under the Existing Leases which Borrower as landlord must have complied with or satisfied on or before the date of this Assignment.

(d) Borrower has not collected and will not collect Rents under the Leases, excluding security deposits, more than one month in advance.

(e) Borrower is the landlord under the Leases, has the authority to assign the Leases and the Rents and there is not and will not be any assignment, pledge or mortgage of the Assigned Property other than this Assignment, except with Lender's prior consent which may be withheld in Lender's sole discretion.

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(f) None of the Leases contains or will contain (i) an option to purchase the Property (including rights of first or last offer); (ii) any rights to set-off against Rents, except any rights to set off included in the Lender-approved form lease; or (iii) any early termination or cancellation rights (including those arising from a failure to meet continuing co-tenancy requirements).

(g) None of the Leases contains or will contain obligations of Borrower to make improvements to the Property, including the respective leased premises, to make any payment or give any credit or allowance to tenants or to pay any leasing commissions arising out of the Leases, except for improvement obligations, payments, credit allowances or leasing commissions provided for in the Lender-approved form lease, obligations which have been satisfied by Borrower prior to the date of this Assignment or which specifically exclude Lender or any other purchaser in foreclosure from liability for such obligations. No leasing commissions are payable and/or unpaid with respect to any of the Leases as of the date of this Assignment. Borrower covenants and agrees that it shall pay all commissions, fees and amounts owing to all financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Leases. Borrower shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by such financial advisors, brokers, underwriters, placement agents, agents and/or finders with respect to the Leases.

(h) Borrower has not and will not discount, compromise or discharge any of Tenants' obligations under the Leases, unless such obligations are insubstantial.

(i) None of the Leases includes or will include percentage or participation rent that is based on net sales figures or net profit amounts.

(j) Borrower as landlord does not and will not have any obligations under the Leases with respect to off-site improvements.

(k) None of the Leases limits or will limit the type or identity of tenant to whom the landlord is permitted to lease or limits the use to which another tenant may put its leased premises, except for limitations on use generally affecting all Tenants.

(l) None of the Tenants has or will have the right to receive or to direct the use of Insurance Proceeds, except for proceeds of the Tenant's own insurance, or to receive or direct the use of Condemnation Awards, except for moving expenses and tenant fixtures costs.

(m) Borrower will perform the landlord's obligations under the Leases and will enforce the material terms of the Leases to be performed by the Tenants.

(n) Borrower has notified the Tenants under all Existing Leases and will notify the Tenants under all Leases executed after the date of this Assignment that:

(i) the Deed of Trust is in existence;

(ii) the Leases and the Rents have been assigned to Lender; and

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(iii) any security deposits made under the Leases have been assigned to Lender.

Lender acknowledges that the subordination, non-disturbance and attornment agreements and estoppel certificates secured by Lender in connection with the Loan Documents shall constitute notice to such Tenants as required herein.

Section 3.2. Prohibition Against Percentage Rents Based on Net Receipts. Borrower will not enter into any lease or approve any sublease that provides for rent based in whole or in part on the income or profits derived from the premises leased or subleased except for percentage rent based on gross (not net) receipts or sales. Borrower will include in each non-residential lease executed after the date hereof and will require each sublease to include:

(a) a prohibition against rent based in whole or in part on the income or profits derived from the leased or subleased premises except for percentage rent based on gross (not net) receipts or sales;

(b) a requirement that if Lender succeeds to the landlord's interests under the Leases and is advised by its counsel that all or any portion of the rent payable under any Lease is or may be deemed to be unrelated business income within the meaning of the Code or regulations issued thereunder, Lender may elect to amend unilaterally the calculation of rent so that none of the rent payable to Lender under the Lease will constitute unrelated business income but the amendment will not increase tenant's payment obligations or other liability under the Lease or reduce the landlord's obligations under the Lease; and

(c) a requirement that if Lender requests, the Tenant will be obligated to execute any document Lender deems necessary to effect the amendment of the Lease as described in subsection (b) above.

Unless otherwise approved by Lender, any Lease entered into after the date of this Assignment that does not include the foregoing provisions will be absolutely void and ineffective as a lease of any right to use or occupy space in the Property.

ARTICLE IV

FUTURE LEASING

Section 4.1. Covenants Regarding Future Leasing.

(a) Borrower will prepare annually a commercially reasonable leasing plan (the "Leasing Plan") appropriate for a property of the type and character of the Property, including a marketing plan and projections for rollovers, vacancies, leasing commission costs, tenant improvement costs and other capital costs.

(b) Borrower will lease the Property in its reasonable discretion in accordance with the Leasing Plan and may enter into new leases and may amend, renew or extend Leases without Lender's prior consent if the following conditions are met:

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(i) there is no Event of Default at the time the new lease, amendment, renewal or extension is executed;

(ii) the fixed minimum rent and other economic terms (including free rent periods and other tenant concessions) of each new lease, amendment, renewal or extension are, in Borrower's reasonable business judgment, at prevailing market terms for similar space in properties comparable to the Property in the same geographic location;

(iii) each new lease is written on a Lender-approved form of lease without material deviation, each renewal or extension is of a Lease written on a Lender-approved form of lease without material deviation and each amendment does not represent a material deviation from a Lender-approved form of lease or, if not the case, then the new lease, amendment, renewal or extension, as the case may be, is submitted to Lender together with Lender's form of subordination, non-disturbance and attornment agreement executed by Tenant;

(iv) each new lease is for less than 35% of the net rentable area of the building affected by the new lease;

(v) Lender has not revoked Borrower's privilege of entering into new leases and amending, renewing or extending Leases without Lender's consent as provided in Sections 4.1(c) and (d) below;

(vi) no lease amendment reduces the initial term of the Lease or any renewal term of the Lease after the renewal has been exercised; and

(vii) no lease amendment reduces the Rent except in connection with an extension or renewal of the Lease that complies with the provisions of this Section.

If the preceding conditions are not met, Borrower may not enter into any new lease or any amendment, renewal or extension of a Lease without Lender's prior consent.

(c) After 60-days' prior notice to Borrower, Lender may revoke Borrower's privilege to enter into new leases and to amend, renew and extend Leases without Lender's prior consent if the ratio of annual gross revenues from the Property after payment of Impositions, Insurance Premiums and operating expenses for the Property to the aggregate of annual Debt Service Payments is less than 1.15:1.00.

(d) Borrower's privilege to enter into new leases and to amend, renew or extend Leases without Lender's prior consent automatically terminates upon the occurrence of an Event of Default.

(e) Not more than 30 days after execution of each new lease and each amendment, renewal or extension of any Lease by Borrower and Tenant, Borrower will deliver to Lender or Lender's designated servicer, an original or a copy certified by Borrower, together with a reasonably detailed lease abstract prepared by Borrower.

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ARTICLE V

TERMINATION, CANCELLATION OR SURRENDER OF LEASES

Section 5.1. Termination, Cancellation or Surrender of Leases, Relocation.

(a) Borrower may terminate or cancel any Lease (which shall include a relocation of a Tenant pursuant to a Lender approved Lease to a premises not at the Property), or may accept surrender of any leased premises prior to the scheduled expiration date of the Lease, in its reasonable discretion and without Lender's prior consent, if the following conditions are met:

- (i) there is no Event of Default at the time of termination, cancellation or surrender;
- (ii) the term of the affected Lease will expire within six months, the tenant is in default under the affected Lease for more than 60 days or Borrower has determined in Borrower's reasonable business judgment that it is economically beneficial to the Property to terminate or cancel the affected Lease and relet the space taking into account the time and costs associated with reletting the space;
- (iii) the affected Lease is for less than 35% of the net rentable area of the building affected by the Lease; and
- (iv) Lender has not revoked Borrower's privilege to terminate or cancel Leases and accept surrender of leases premises as provided in Sections 5.1(b) and (c) below.

If the preceding conditions are not met, Borrower will not terminate or cancel any Lease or accept surrender of any leased premises prior to the scheduled expiration date of the Lease without Lender's prior consent.

(b) After 60-days' prior notice to Borrower, Lender may revoke Borrower's privilege to terminate or cancel Leases and accept surrender of leased premises without Lender's prior consent if the ratio of annual gross revenues from the Property after payment of Impositions, Insurance Premiums and operating expenses for the Property to the aggregate of annual Debt Service Payments is less than 1.15:1.00.

(c) Borrower's privilege to terminate or cancel Leases and accept surrender of leased premises without Lender's prior consent automatically terminates upon the occurrence of an Event of Default.

(d) If any Lease is terminated or cancelled or the leased premises surrendered, Borrower will pay to Lender immediately upon receipt by Borrower any termination, cancellation or surrender fee (the "**Termination Fee**") actually paid by the Tenant to be applied by Lender to any portion of the Debt as selected by Lender in its sole discretion without any prepayment penalty.

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ARTICLE VI

REPORTING

Section 6.1. Reporting.

- (a) Borrower will deliver to Lender within 90 days after the close of each Fiscal Year a then current rent roll for the Property accompanied by a Certification of Rent Roll substantially in the form attached as **Exhibit B**, certified by an officer of Borrower.
- (b) Borrower will deliver to Lender within 30 days after the close of each Fiscal Year operating and capital budgets for the Property for the then current Fiscal Year.
- (c) If Lender requests, Borrower will deliver to Lender within 15 days after the end of each fiscal quarter a certified quarterly cash basis income and expense statement for the Property for the immediately preceding fiscal quarter.
- (d) If Lender requests, Borrower will deliver to Lender within 15 Business Days of the request:
- (i) a certificate disclosing any contracts with affiliates of Borrower in connection with the Property;
 - (ii) a certified rent roll for the Property prepared not more than 5 Business Days before delivery; and
 - (iii) a certified cash basis income and expense statement for the Property prepared for the period requested by Lender or, if not specified, then for the period commencing the later of the beginning of the Fiscal Year in which the request is made or the date of the last certified income and expense statement delivered to Lender and continuing through the last day of the calendar month preceding the request.
- (e) Borrower will deliver promptly to Lender any other information with respect to the operation and management of the Property as Lender may reasonably request from time to time.

ARTICLE VII

LICENSE TO COLLECT, AND APPLICATION OF, RENTS

Section 7.1. License to Collect Rents.

- (a) Lender grants to Borrower a license to collect the Rents as they become due under the Leases, receiving and holding the Rents as a trust fund for the benefit of Lender.
- (b) Borrower will apply the Rents in the following order of priority (i) the payment of Impositions; (ii) the payment of Insurance Premiums; (iii) the payment of the reasonable and customary costs of operating, maintaining and leasing the Property as required by the Loan Documents (other than fees and commissions payable to Borrower or Borrower's affiliates); (iv) the payment of

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Debt Service Payments and other payments required under the Loan Documents; (v) the payment of reasonable and customary fees and commissions to Borrower and Borrower's affiliates in connection with operating, maintaining and leasing the Property; and (vi) maintenance of cash reserves adequate to meet the projected costs of operating, maintaining and leasing the Property from time to time in accordance with its Permitted Use, including projected leasing costs, tenant improvement costs, capital expenditures and reserves for replacements, before using any of the Rents for any other purpose.

(c) If an Event of Default occurs and while such Event of Default continues, Borrower's license to collect the Rents will terminate automatically, without any action required of Lender. If Borrower nevertheless collects any Rents after the license terminates, Borrower nevertheless will hold such Rents as a trust fund for the benefit of Lender and will apply such Rents only to the payments described in clauses (i) - (iv) in the preceding subsection.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1. Events of Default. It is an Event of Default under this Assignment if:

- (a) Borrower fails to pay any amount due, as and when required, under any Loan Document and the failure continues for a period of 5 days;
- (b) there is a default in the performance of any other provision of any Loan Document or if there is any inaccuracy or falsehood in any representation or warranty contained in any Loan Document which default, inaccuracy or falsehood is not remedied within 30 days after Borrower receives notice thereof, provided that if the default, inaccuracy or falsehood is of a nature that it cannot be cured within the 30-day period and during that period Borrower commences to cure, and thereafter diligently continues to cure, the default, inaccuracy or falsehood, then the 30-day period will be extended for a reasonable period not to exceed 120 days after the notice to Borrower; and
- (c) an Event of Default occurs under any other Loan Document.

Section 8.2. Remedies.

- (a) If an Event of Default occurs, Lender may take any of the following actions (the "Assignment Remedies") without notice to Borrower:
- (i) exercise any of the Remedies; and
 - (ii) directly or through a Receiver or as a mortgagee-in-possession as authorized by the court:
 - (A) take possession and control of the Property;
 - (B) manage and operate the Property;
 - (C) redevelop or reconfigure the Property and retain consultants or other professional advisors in connection therewith;

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(D) require Borrower to deliver to Lender or the Receiver all security deposits, all books and records relating to the Property and Borrower and all original counterparts of the Leases;

(E) collect, sue for and give receipts for the Rents and, after paying all expenses of collection, including a Receiver's fee and expenses, any broker's fees and commissions, and any attorneys' fees (including expert fees, disbursements and costs) apply the net collections to the operation, management and leasing of the Property and thereafter as provided in the Loan Documents;

(F) make, modify, enforce, terminate or accept surrender of Leases and evict tenants;

(G) appear in and defend any Proceeding brought in connection with the Assigned Property and bring any Proceeding, in the name and on behalf of Borrower, that Lender, in its sole discretion, determines should be brought to protect the Assigned Property or Lender's interest in the Assigned Property; and

(H) perform any act in the place of Borrower that Lender or the Receiver deems necessary to preserve the value, marketability or rentability of the Property, to increase the gross receipts from the Property or to protect Lender's interest in the Property.

Section 8.3. General Provisions Pertaining to Remedies.

(a) The Assignment Remedies are cumulative and may be pursued concurrently or otherwise, at such time and in such order as Lender may determine in its sole discretion and without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrower.

(b) The enumeration in the Loan Documents of specific rights or powers will not be construed to limit any general rights or powers or impair Lender's rights with respect to the Assignment Remedies.

(c) If Lender exercises any of the Assignment Remedies, Lender will not be deemed a mortgagee-in-possession.

(d) Lender will not be liable for any act or omission of Lender in connection with the exercise of the Assignment Remedies.

(e) Lender's right to exercise any Remedy will not be impaired by Lender's delay in exercising or failure to exercise the Assignment Remedies and will not be construed as extending any cure period or constitute a waiver of the default or Event of Default.

(f) If an Event of Default occurs, Lender's or a Receiver's payment or performance or acceptance of payment or performance will not be deemed a waiver or cure of the Event of Default.

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(g) Lender's or a Receiver's acceptance of partial payment will not extend or affect any grace period or constitute a waiver of a default or Event of Default but will be credited against the unpaid Debt.

(h) If Lender or a Receiver exercises any of the Assignment Remedies, such action will not cure or waive any default, will not waive, modify or affect any notice of default under the Loan Documents and will not invalidate any act done pursuant to a notice of default under the Loan Documents. Once Lender exercises the Assignment Remedies, Lender's enforcement will continue for so long as Lender elects, notwithstanding that the collection and application of the Rents may have cured the original default. If Lender elects to discontinue the exercise of the Assignment Remedies, the Assignment Remedies may be reasserted at any time and from time to time following a subsequent Event of Default.

(i) A demand by Lender or the receiver on any Tenant to pay the Rents to Lender or the receiver by reason of an Event of Default will be sufficient notice to the Tenant to make future payments of Rents to Lender or the receiver without the necessity for consent by Borrower.

Section 8.4. Payment of Expenses. Borrower is obligated to pay all expenses incurred by Lender or the receiver including attorneys fees and expenses relating to (i) any Proceeding or other claim asserted against Lender in connection with the Loan and (ii) the preservation of Lender's security and the exercise of any Assignment Remedies. Notwithstanding the foregoing, Borrower shall not be required to pay expenses incurred as a result of Lender's negligence or default under the Loan Documents or expenses incurred by Lender for routine loan servicing or routine lease review.

Section 8.5. Duty to Defend. If Lender or any of its trustees, officers, participants, employees or affiliates is a party in any Proceeding relating to this Assignment or the Leases and the Rents, Borrower will defend and hold harmless the party with attorneys and other professionals retained by Borrower and approved by Lender. If Lender reasonably determines that the interests of Lender and Borrower in any action or proceeding conflict in such a manner and to such an extent as to require, consistent with applicable standards of professional responsibility, the retention of separate counsel, Lender may engage its own attorneys and other professionals, at Borrower's expense, to defend or assist the party. In either event, Lender's defense in such Proceeding will be controlled by Lender.

Section 8.6. Attorney-In-Fact. Borrower appoints Lender as Borrower's attorney-in-fact to perform, at Lender's election, any actions and to execute and record any instruments necessary to effectuate the actions described in this Article, in each instance only at Lender's election and only to the extent Borrower has failed to comply with the provisions of this Article.

ARTICLE IX

LIMITATION OF LIABILITY

This Assignment is subject to the limitations on liability set forth in the Article of the Deed of Trust entitled "Limitation of Liability."

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ARTICLE X

MISCELLANEOUS

Section 10.1. Further Assurances. Borrower will execute, acknowledge and deliver to Lender, a Receiver or any other entity Lender designates, any additional or replacement documents and perform any additional actions that Lender or the Receiver determines are reasonably necessary to evidence, perfect or protect Lender's interest in the Assigned Property or to carry out the intent or facilitate the performance of the provisions of this Assignment.

Section 10.2. Bankruptcy Proceeding Provisions.

(a) If Borrower receives on account of any Proceeding including any Proceeding under the Bankruptcy Code, any sums relating to the breach or rejection of any of the Leases by a Tenant or trustee of such Tenant under Section 365 of the Bankruptcy Code, including all damages arising out of such breach or rejection, all rights to charges payable by the Tenant or trustee in respect of the leased premises following the entry of an order for relief under the Bankruptcy Code in respect of the Tenant and all rentals and other charges outstanding under the Lease as of the date of entry of such order for relief, Borrower will promptly deposit such sums in a segregated account (the "Account") with a depository and will cause the Account to be designated on the records of the Depository as collateral for the payment and performance of the Debt. Borrower hereby assigns, transfers and sets over to Lender, and grants to Lender a security interest in, all sums in the Account in consideration of the payment and performance of the Debt. Borrower will not withdraw any sums from or further encumber the Account without the Lender's prior consent so long as the Debt remains outstanding, provided that if no Event of Default occurs the Account will be released to Borrower free of the lien and security interest granted hereby on the date on which Borrower enters into a new lease of the leased premises with a tenant and on terms and conditions satisfactory to Lender.

(b) Any proof of claim or similar document filed by the Lender in connection with the breach or rejection of any of the Leases by any lessee thereunder or trustee of any such lessee under Section 365 of the Bankruptcy Code, 11 U.S.C. §365, will for the purpose of perfecting the Lender's rights conferred in Section 2.1 be deemed to constitute a petition by Lender against Borrower for sequestration of rents under the laws of the State or Commonwealth where the Property is located.

Section 10.3. Assignment Terminates Upon Payment in Full. Upon payment and performance in full of the Obligations, this Assignment will terminate, but the affidavit, certificate, letter or statement of any officer of Lender showing any part of the Debt to be unpaid will be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person, firm or corporation, may and is hereby authorized to rely thereon. Upon termination of this Assignment, Lender agrees to execute reasonable documentation necessary to reflect such termination.

Section 10.4. No Further Assignment. Borrower will not further assign or otherwise transfer or encumber its interest in the Assigned Property without Lender's prior consent which may be withheld in Lender's sole discretion. If Lender consents to any further assignment, transfer or encumbrance of the Assigned Property, it will only do so provided that (i) the subordinate assignment restricts the subordinate assignee from subordinating the Leases to any mortgage or other security instrument held by the subordinate assignee and requires the subordinate assignee to subordinate its

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interests to any Leases executed after the date of the subordinate assignment; (ii) the subordinate assignment prohibits the subordinate assignee from taking any action that would terminate, modify or amend or could result in the termination, modification or amendment of any of the Leases; and (iii) the subordinate assignee agrees that if it exercises its remedies under its assignment and either it or any party acting on its behalf collects any Rents, such Rents will be deemed collected for the benefit of Lender and held in trust for Lender and upon written demand, the party holding the Rents collected will immediately pay them to Lender. If any subordinate assignment does not contain the foregoing provisions, to the extent permitted by Law, the subordinate assignee will be deemed bound by such provisions as if set forth in the subordinate assignment or any action taken by subordinate assignee that violates the foregoing provisions will be null and void.

Section 10.5. Applicable Law. The Assignment will be governed by and construed in accordance with the Laws of the State or Commonwealth where the Property is located.

Section 10.6. Deed of Trust Provisions Incorporated. The provisions of the Articles of the Deed of Trust entitled, "Waivers," "Notices" and "Miscellaneous" are applicable to this Assignment and are deemed incorporated by reference as if set forth at length.

Property of Cook County Clerk's Office

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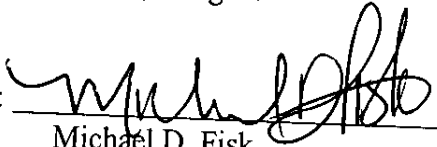
Section 10.7. Covenants Run with the Land. The terms, covenants, conditions and warranties contained in this Assignment and the powers granted hereby will run with the Land, will inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all lessees, sub-tenants and assigns of same, and all subsequent owners of the Property, and all subsequent holders of the Loan Documents.

IN WITNESS WHEREOF, this Assignment has been duly executed by the Borrower the day and year first above written.

CATELLUS DEVELOPMENT CORPORATION,
a Delaware corporation

By: Catellus Commercial Development Corporation, a
Delaware corporation, its agent

By: _____


Michael D. Fisk,
Vice President, Finance

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Exhibit A

LEGAL DESCRIPTION

Real property at 2700 Patriot Boulevard in the City of Glenview, County of Cook, State of Illinois, described as follows:

See Attached

Real Estate Tax No. 04-22-101-039

Property of Cook County Clerk's Office

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Parcel 1

Lot 1 of Prairie Glen Corporate Campus, Phase 1, Unit 1, a resubdivision of a portion of Lot 4 in Glenview Naval Air Station Subdivision No. 2, being a subdivision of part of Sections 15, 21, 22, 23, 26, 27, 28 and 34, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Easement for the benefit of Parcel 1 for ingress and egress over the North 40 Feet of Lot 2 of Prairie Glen Corporate Campus, Phase 1, Unit 1, a resubdivision of a portion of Lot 4 in Glenview Naval Air Station Subdivision No. 2, being a subdivision of part of Sections 15, 21, 22, 23, 26, 27, 28 and 34, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois, as created by said resubdivision recorded as Document Number 0010389642.

ADDRESS: 8700 PATRIOT BLVD., GLENVIEW

TAX # 04-22-151-039

20833722

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Exhibit B

ANNUAL CERTIFICATION OF RENT ROLL

Dated: _____

Teachers Insurance and Annuity
Association of America ("Lender")
730 Third Avenue
New York, NY 10017

Re: TIAA Appl. #AAA-0326
TIAA Mtge. M#000517800

(the "Property")

Ladies and Gentlemen:

1. Pursuant to the documents evidencing and securing the captioned loan (the "Loan Documents"), the undersigned certifies to Lender, as follows:

(a) The leases ("Leases") identified on the rent roll^{1/} attached as Schedule "A" and made a part of this certification constitute all of the existing leases affecting the Property, all other information set forth on the attached rent roll is true and correct and to the best knowledge of the undersigned, the only subleases, licenses or other agreements (the "Other Agreements") relating to the use and occupancy of the Property are as follows:

(b) To the best knowledge of the undersigned, there are no persons or entities in occupancy of all or any portion of the Property except pursuant to the Leases and the Other Agreements.

2. With respect to the Leases and except as set forth on Schedule B^{2/} the undersigned further certifies to Lender as follows:

^{1/} The attached rent roll should detail the following information for each lease: Name of tenant (including d/b/a/), date of lease and any amendments thereto, square footage, fixed rental and all escalations, additional and percentage rent, unrealized concessions (including free rent), security deposit, commencement date, expiration date and the date through which rentals have been paid.

^{2/} Delivery to Lender of this Certification with exceptions listed on Schedule B will not be deemed approval of such matters by Lender and will not affect or impair Lender's rights to exercise its remedies under the Loan Documents if any of the exceptions listed in Schedule B violate any terms or covenants of the Loan Documents.

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(a) Except for those leases approved by Lender in writing, the Leases executed by Borrower subsequent to the later of the date the Loan closed or the date of last Annual Certification of Rent Roll delivered to Lender (the "New Leases"), did not require Lender's prior consent because (i) on the date of execution of each New Lease, no Event of Default existed under the Loan Documents; (ii) each New Lease was written on the lease form approved by Lender without material deviation or if non-conforming, was accompanied by a Subordination, Non-Disturbance and Attornment Agreement signed by tenant and on the form approved by Lender without material deviation; (iii) at the time of execution of each New Lease, the fixed minimum rent and other economic terms (including free rent periods and other tenant concessions) of each New Lease was in Borrower's reasonable business judgment at prevailing market terms for similar space in properties comparable to the Property in the same geographic market; and (iv) each New Lease was for less than 35% of the net rentable area of the building affected by the New Lease.

(b) None of the New Leases contains obligations of Borrower to make any improvements to the Property, including to the respective leased premises, to make any payment or give any credit or allowance to tenants or to pay any leasing commissions arising out of the New Leases, except for such obligations (i) provided for in the Lender-approved form lease; (ii) which Borrower has satisfied prior to the date of this certification; (iii) arising prior to commencement or during the first six months of the term of the Lease; or (iv) which specifically exclude Lender or any other purchaser in foreclosure from liability for such obligations.

(c) None of the New Leases contains (i) an option to purchase all or any portion of or interest in the Property (including rights of first or last offer), (ii) any right to set off against rents, except for any right to set off included in the Lender-approved form lease; or (iii) any early termination or cancellation rights (including those arising from a failure to meet continuing co-tenancy requirements).

(d) None of the New Leases limits the type or identity of tenant to whom the landlord is permitted to lease and does not limit the use to which another tenant may put its space except for limitations on use generally affecting all tenants at the Property.

(e) None of the tenants under the New Leases has the right to receive or direct the use of proceeds of insurance except for proceeds of tenant's own insurance or to receive or direct the use of condemnation awards except for moving expenses and tenant fixture costs.

(f) Borrower has no obligations under the New Leases with respect to off-site improvements.

(g) Each of the Leases is in full force and effect with no defaults or matters that with the passage of time or giving of notice would constitute a default, there are no existing defenses or offsets to the payment of rent; each of the Leases represents the entire agreement between the parties as to the leasing and Borrower has not released, discounted or discharged the tenant from any obligation under the Lease; and to the best knowledge of the undersigned, all of the Leases are enforceable in accordance with their terms.

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(h) Borrower has not modified any of the Leases except as expressly permitted under the Loan Documents.

(i) Each of the tenants under the Leases is in occupancy, paying rent, open and conducting business in its leased premises and, to the best knowledge, of the undersigned is free from pending bankruptcy and from reorganization.

(j) Borrower has not collected rents under the Leases, excluding security deposits, more than one month in advance.

(k) None of the Leases includes percentage or participation rent that is based on net sales figures or net profit amounts.

(l) Borrower has not otherwise assigned the Leases and rents under the Leases and has notified each tenant under the Leases that the Leases and rents have been assigned to Lender.

(m) To the best knowledge of the undersigned, there is no pending action, suit or proceeding against any tenant that would result in termination of any Lease or removal of the tenant, none of the tenants under the Leases have filed suit against Borrower and, to the actual knowledge of the undersigned, no action, suit or proceeding has been threatened against any tenant that would result in termination of any Lease or the removal of the tenant.

Name: _____

Title: _____

Sworn to and Subscribed
before me this ____ day
of _____, _____.

Notary Public

20833722