

TERMINATION AND SURRENDER OF LEASE AGREEMENT

THIS TERMINATION AND SURRENDER OF LEASE AGREEMENT ("Agreement") is entered into as of the 8th day of ~~September~~ ^{October}, 2012, by and between Price Charities, a California nonprofit, public benefit corporation, hereinafter referred to as "Landlord", and City of San Diego, solely in its capacity as the designated successor agency to the Redevelopment Agency of the City of San Diego, a former public body, corporate and politic (the "Successor Agency"), hereinafter referred to as "Tenant."

RECITALS

A. Landlord and Tenant entered into a written Lease Agreement dated May 27, 2003, amended by that First Amendment to Office Lease Agreement dated August 18, 2006, for the lease of certain office space currently identified as "Suite 535," hereinafter referred to as the "Demised Premises," in what is commonly referred to as "City Heights Center," an office building located at 4305 University Avenue, San Diego, CA 92105 ("the Lease").

B. Tenant's predecessor agency, the former Redevelopment Agency of the City of San Diego, has been dissolved and therefore no longer requires the use of the Demised Premises for the balance of the term of the Lease.

C. In the interest of mutual cooperation, and to potentially save Tenant a portion of the balance of the liability under the Lease, Landlord has identified a substitute tenant, who is willing to replace Tenant for a period that covers the balance of the term of the Lease at a rental rate of \$1.75 per rentable square foot per month and for some additional tenant improvements to the Demised Premises at Landlord's expense. In consideration for being released from any future liability under the Lease, Tenant is agreeing to provide, and Landlord's willing to accept, a lump sum payment for the approximate shortfall in rental payments which is anticipated based on the terms of the new lease agreement with the substitute tenant and which is substantially less than the total liability of Tenant under the Lease.

D. By this Agreement, Landlord and Tenant desire to terminate the Lease, and Tenant desires to surrender the Demised Premises to Landlord, who desires to accept said surrender and to release Tenant from its obligations under the Lease, subject to the terms, covenants and conditions set forth below.

TERMS

NOW, THEREFORE, for and in consideration of the Demised Premises and the mutual promises contained herein, the parties hereto agree as follows:

1. Defined Terms. All capitalized terms utilized in this Agreement, unless otherwise provided for herein, shall have the meanings ascribed to them in the Lease.



2. Termination. Landlord and Tenant hereby agree to terminate the Lease, and Landlord shall release Tenant from its obligations thereunder, as of the close of the business day of September 30, 2012, which is hereinafter referred to as the "Effective Date." Such termination shall be contingent upon Tenant's timely satisfaction, in full, of each of the following conditions:

a. Payment of Rent. Tenant has made full payment to Landlord of all Rent and other charges, including utilities and Tenant's Share of Direct Expenses, as estimated in the detailed accounting in the attached Schedule A, due and owing under the Lease up to and including the Effective Date.

b. Payment of Utilities and Direct Expenses. Tenant shall make full payment to Landlord of all utility charges and Direct Expenses incurred by Tenant, up to and including the Effective Date, within ten (10) business days of receipt of invoice even if the invoice is received after the Effective Date. All amounts based on Direct Expenses as incurred by Tenant are listed in the attached Schedule A. To the extent certain utility charges are unknown until receipt of invoice; such items are identified on Schedule A and provide the estimated amount to be charged.

c. Payment of Termination Fee. Tenant shall make full payment of the negotiated sum in the amount of Twenty-Seven Thousand, Six Hundred and Three Dollars and 12/100 (\$27,603.12) no later than October 1, 2012 ("Termination Fee").

3. Surrender of the Demised Premises. Tenant hereby surrenders and sets over the Demised Premises unto Landlord in such condition as required under the Lease, who hereby accepts said surrender and Demised Premises, as of the Effective Date, provided that Tenant shall do all of the following on or before the Effective Date:

a. Removal by Tenant from the Demised Premises at its expense of any and all of its trade fixtures, signs, equipment and other movable personal property.

b. Repair by Tenant of any damage occasioned to the Demised Premises by reason of its removal of any such trade fixtures, signs, equipment and other movable personal property.

4. Lease Contingency. Tenant and Landlord acknowledge and agree that this Agreement is contingent upon Landlord and the San Diego Organizing Project entering into an agreement to lease office space in Suite 535 at City Heights Center (the "New Lease") and the New Lease is contingent upon this Agreement being fully executed.

5. Release. Upon the Effective Date, provided that all obligations, contingencies, and conditions of this Agreement are fully executed, Tenant and Landlord hereby generally release and discharge the other and all of its officers, directors, shareholders, agents, representatives, employees, subsidiaries, and attorneys, both present and past, of and from any and all claims, debts, liabilities, obligations, and causes of action of any kind or nature, whether known or unknown, based on, arising out of, or connected with, either directly or indirectly, any term, provision, matter, fact, event or occurrence related to or



contained in the Lease, or to any landlord/tenant relationship between Tenant and Landlord. This general release shall be governed by the laws of the State of California.

Tenant acknowledges and agrees that foregoing general release shall apply to all claims of every nature and kind whatsoever, and hereby releases any and all rights under Section 1542 of the California Civil Code, which Tenant has or may have against Landlord or its officers, directors, shareholders, agents, representatives, employees, subsidiaries, and attorneys. The California Civil Code Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Tenant understands that Section 1542 gives Tenant the right not to release existing claims of which they are not now aware, unless they voluntarily choose to waive this right. Having been so apprised, Tenant nevertheless hereby voluntarily elects to, and does waive the rights described in Section 1542, and elects to assume all risks for claims that exist in their favor, known or unknown, which arise or are related to the Demised Premises.

6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

7. Submission of Agreement. Landlord's submission of this Agreement to Tenant for examination does not constitute an offer, or an option, by Landlord to terminate the Lease for the Demised Premises, and this Agreement shall be effective only upon its mutual execution and delivery by Landlord and Tenant.

8. Entire Agreement. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Agreement, and that this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, made by or between Landlord and Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret, construe, supplement or contradict this Agreement. All negotiations and oral agreements acceptable to the parties have been merged into and are included in this Agreement.

9. Attorney Fees. If at any time after the Effective Date of this Agreement, either Landlord or Tenant institute any action or proceeding against the other relating to the provision of

Two handwritten signatures in black ink, one appearing to be a stylized 'B' and the other a more complex cursive signature, both written over horizontal lines.

this Agreement or any default hereunder, the nonprevailing party in such action or proceeding shall reimburse the prevailing party for the reasonable expenses of attorney fees and all costs and disbursements incurred therein by the prevailing party. Subject to the provisions of local law, the prevailing party shall recover all such fees or costs in the action or proceeding itself without the necessity for a cross-action by the prevailing party.

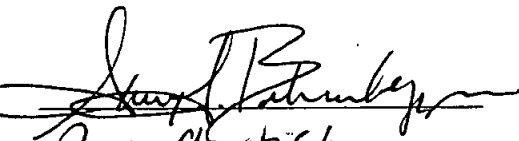
10. Warranty of Authority. Tenant and Landlord each warrant and represent that the party signing this Agreement on behalf of each has authority to enter into this Agreement and to bind Tenant and Landlord, respectively, to the terms, covenants, and conditions contained herein. Each party shall deliver to the other, upon request, documents reasonably requested by the other evidencing such authority.

11. Counterparts. To facilitate execution, this Agreement may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Additionally, the parties hereto covenant and agree that, for purposes of facilitating the execution of this Agreement, a facsimile or electronic delivery signature shall be deemed to be an original signature. Notwithstanding the foregoing, originals of this Agreement shall be delivered from each signing party within fourteen (14) days of execution.

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

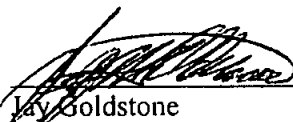
LANDLORD:

Price Charities, a California nonprofit
Public Benefit Corporation

BY: 
Price Charities
Executive Vice President

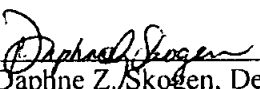
TENANT:

CITY OF SAN DIEGO, solely in its
capacity as the designated successor agency
to the Redevelopment Agency of the City of
San Diego, a former public body, corporate
and politic

BY: 
Jay Goldstone
Chief Operating Officer

Approved as to form:

JAN I. GOLDSMITH, City Attorney

BY: 
Daphne Z. Skogen, Deputy City Attorney



Schedule A

Projected Costs through September 30, 2012

Electric charges	7/11/12-8/09/12	\$110.55	
Electric charges	8/10/12-9/09/12	105.00	*Estimate
Electric charges	9/10/12-9/30/12	73.50	*Estimate
CAM Reconciliation (credit)	1/01/12-9/30/12	(27.00)	*Estimate
Total		<u>\$262.05</u>	

