

SECOND AMENDMENT TO LEASE AGREEMENT
[STONEWOOD GARDEN]

This Second Amendment To Lease Agreement is executed as of SEPTEMBER 12th, 1991 by and between the City of San Diego, a municipal corporation ("City") and Stonewood Garden Apartments, a general partnership ("Lessee").

RECITALS

WHEREAS, City and Gentry & Coles, a general partnership ("Gentry & Coles") executed a Lease Agreement on February 22, 1978 with respect to the development of 253 apartment units known as Stonewood Garden Apartments which such Lease Agreement was filed with the City Clerk as Document No. 763729 ("Stonewood Lease"). On or about January, 1980, City and Gentry & Coles entered into a First Amendment To Lease Agreement ("First Amendment"), which such First Amendment was filed with the City Clerk as Document No. 250802; and

WHEREAS, Robert Coles and George Gentry were originally the partners in Gentry & Coles. Gentry & Coles was originally formed for the purpose of acquiring, building, and managing an apartment project known as Casa Colina Del Sol in the City of San Diego pursuant to a Lease Agreement with City and filed with the City Clerk as Document No. 757822 ("Casa Colina Lease"). The parties recognize that Gentry & Coles is the Lessee under the Casa Colina Lease; and

WHEREAS, in 1978 Robert Coles and George Gentry formed a new partnership known as Stonewood Garden Apartments in order to develop the Stonewood Garden Apartments and to acquire the Stonewood Lease, however, no new partnership agreement was entered into by Robert Coles or George Gentry at such time; and

WHEREAS, in 1986 Nancy Gentry and Robert Coles entered into a First Amended Agreement of Partnership for Gentry & Coles in order to recognize the assignment of George Gentry's partnership interests to Nancy Gentry as part of a marital dissolution; and

WHEREAS, Robert Coles, Nancy Gentry and George Gentry have treated the Casa Colina Del Sol apartment project and the Stonewood Garden Apartments project as being held by two separate partnerships, each having a separate taxpayer identification number and each partnership filing a separate partnership income tax return. The partners have intended and acted as if Casa Colina Del Sol apartment project has been held by a Partnership known as "Gentry & Coles" and Stonewood Garden apartment project has been held by a partnership known as "Stonewood Garden Apartments"; and

WHEREAS, the parties have executed an Amended and Restated Agreement of Partnership dated June 15, 1991 for the Stonewood Garden Apartments Partnership in order to formally document such

partnership; and

WHEREAS, the parties desire to confirm and ratify that the Lessee under the Stonewood Lease is Stonewood Garden Apartments, a general partnership.

NOW, THEREFORE the parties agree as follows:

1. In recognition of the facts set forth in the recitals above, the parties recognize and hereby acknowledge that Stonewood Garden Apartments, a California general partnership, is the Lessee under the Stonewood Lease and any and all reference under the Stonewood Lease to Lessee shall mean and refer to Stonewood Garden Apartments. Stonewood Garden Apartments hereby assumes any and all liabilities and obligations of Lessee under the Stonewood Lease created before or after the date of this Second Amendment.

2. Except as amended hereby the parties agree that all terms of the Stonewood Lease shall remain the same.

IN WITNESS WHEREOF this Second Amendment to Lease Agreement is executed by City, acting by and through the City Manager, and by Lessee, acting by and through its lawfully authorized persons.

THE CITY OF SAN DIEGO

Dated: 9-12-91

By: [Signature]
for the City Manager

LESSEE -

STONEWOOD GARDEN APARTMENTS
A General Partnership

Dated: August 9th, 1991.

By: [Signature]
Robert J. Coles, Co-Trustee
of the Coles Living Trust

Dated: August 9th, 1991.

By: [Signature]
Sinee Coles, Co-Trustee of
the Coles Living Trust

Dated: August 29, 1991

By: [Signature]
Nancy M. Gentry, Trustee
UDT Dated March 1, 1984

The foregoing Second Amendment is hereby approved and agreed to:

GENTRY & COLES
A General Partnership

Dated: August 9th, 1991.

By: Robert J. Coles
Robert J. Coles, Co-Trustee of the Coles Living Trust

Dated: August 9th, 1991.

By: Sinee Coles
Sinee Coles, Co-Trustee of the Coles Living Trust

Dated: August 29th, 1991

By: Nancy M. Gentry
Nancy M. Gentry, Trustee
UDT Dated March 1, 1984

APPROVED as to form and legality this 23 day of September, 1991.

JOHN W. WITT, City Attorney

By: [Signature]
Deputy

C:\WP\WPDATA\COLES.2ND
August 8, 1991

~~ORIGINAL~~

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT is executed by and between THE CITY OF SAN DIEGO, a municipal corporation, herein called "CITY," and GENTRY & COLES, a general partnership, herein called "LESSEE."

R E C I T A L S

CITY and LESSEE entered into Lease Agreement on February 22, 1978, to allow for the development and operation of 253 units of housing of which 20% of the apartment units would be made available to the Housing Authority of the City or its successor pursuant to either the U.S. Department of Housing and Urban Development (herein called HUD) Section 8 Program, or pursuant to any other available local, state, or federally sponsored rent subsidy program in effect during term of this lease and also to facilitate the accommodation of handicapped persons at the request of the Housing Authority. A copy of this Agreement is on file in the City Clerk's Office as Document No. 763729.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, CITY and LESSEE agree as follows:

1. That Section II, Paragraph A, is hereby amended as follows:

COMMENCEMENT AND TERMINATION. This agreement shall be effective immediately and shall extend for fifty-five (55) years from April 1, 1979.

2. That Section IV, Paragraph B.13., is hereby amended as follows:

Nondiscrimination.

- a. Neither the Housing Authority nor the LESSEE shall, in the selection or approval of Families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, or physical handicap in LESSEE'S use of the premises, including,

but not limited to, the providing of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment. No person shall be automatically excluded from participation in, or be denied the benefits of the Housing Assistance Payments Program because of membership in a class such as unmarried mothers, recipients of public assistance, etc.

- b. The LESSEE shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any rules and regulations pursuant thereto.
- c. The LESSEE shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, Public Law 88-352, 78 Stat. 241; the regulations of the Department of Housing and Urban Development issued thereunder, 24 CFR, pursuant to said regulations; and Executive Order 11063 to the end that, in accordance with that Act, the regulations and requirements of said Department thereunder, and said Executive Order, no person in the United States shall, on the grounds of race, color, creed, religion, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to the regulations of the Department of Housing and Urban Development, 24 CFR, Subtitle A, Part I, Section 1.1, et seq., issued under Title VI of the said Civil Rights Act of 1964, and the requirements of said Department pursuant to said regulations; and the obligation of the LESSEE to comply therewith inures to the benefit of the Government, the said Department, and the Housing Authority, any of which shall be entitled to invoke any remedies available by

law to redress any breach thereof or to compel compliance therewith by the LESSEE.

- d. Cooperation in Equal Opportunity Compliance Reviews. LESSEE shall cooperate with the Government in the conducting of compliance review and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and rules and regulations pursuant thereto.

3. That Section IV, Paragraph B.14., hereby amended as follows:

Section 8 or Other Low-Income Housing Program. LESSEE will make twenty percent (20%) of the rental units available to the City of San Diego Housing Authority for persons designated in Section 8 of Title II of the Housing and Community Development Act of 1974 - Public Law No. 93-383 or other persons designated by the City subject to LESSEE's approval of tenant, which shall not be unreasonably withheld. This twenty percent (20%) should be allocated according to bedroom-size units as follows:

<u>Type of Unit</u>	<u>Total Number</u>	<u>Initial Market Rent</u>	<u>Section 8 Units</u>	<u>Initial Section 8 Rent</u>
1-bedroom	129	\$275	31	\$170
2-bedroom	60	\$325	2	\$200
3-bedroom	64	\$425	18	\$255
TOTAL	253		51	

The above allocation may be modified by letter whenever CITY and LESSEE reach agreement upon a mutually satisfactory reallocation. In the event LESSEE withheld approval of a tenant, the CITY shall have an additional 10-day period to designate another Section 8 Certificate Holder for each non-approved or withheld acceptance of

tenants supplied. LESSEE will notify the City of San Diego Housing Authority of the date the units will initially be available for rent. The Housing Authority will then designate those "Section 8 Certificate Holders" who will occupy, as tenants, twenty percent (20%) of the units, which shall be distributed throughout the Project. LESSEE shall thereafter by the tenth day of each month during the term furnish to CITY a list of vacant apartment units which are anticipated as of the end of the month in which the list is given, and CITY will have ten (10) business days after its receipt of each such list to designate "Section 8 Certificate Holders" or other persons designated by the CITY subject to owners approval of tenant, to occupy as tenants the vacant apartment units available to the Housing Authority in the Project. In the event the Section 8 Program is superseded or replaced by another similar program or in the event other low-income Rent Subsidy program(s) come into existence during the term of this lease, sponsored either by the United States Government, or California or a local agency, LESSEE shall make the the apartment units available to participants in any such program and shall give the CITY or its Housing Authority 10 business days as specified above to provide qualified tenants under such programs(s). Except for complying with the foregoing provisions of this paragraph 14, LESSEE shall have the right to rent apartment units to anyone.

4. That Paragraph IV, C.19., is hereby amended to read as follows:

Tenant, Rental Increases

- a. LESSEE agrees that the initial monthly rent to be charged by LESSEE for each apartment unit made available to the Housing Authority will be \$170 non-elevator/\$189 elevator for one bedroom units, \$200 non-elevator/\$221 elevator for two bedroom units, and \$255 for three bedroom family units. One year from

date of initial occupancy by "Section 8 Certificate Holders," and annually thereafter, LESSEE may raise the monthly rent on those units made available to the Housing Authority or its successor. Rent increases on these units cannot exceed the then current maximum fair market rents allowed by HUD for Section 8 Certificate Holders or pursuant to any other available local, state, or federally sponsored program in effect during the term of this lease. Anything to the contrary provided in this agreement notwithstanding LESSEE shall not be affected or concerned by, nor shall LESSEE's ability to adjust monthly rent for each apartment unit in the Project other than the Section 8 units be affected by any administrative ruling which has the effect of limiting rents or rental increases.

5. That the control and administration previously vested in the City Manager under previous terms of the lease agreement are henceforth delegated to the Executive Director of the Housing Authority/Commission.
6. That all references to the City Manager herein are hereby deleted and in each and every instance are replaced with the Executive Director of the Housing Authority/Commission.

IN WITNESS WHEREOF, this First Amendment to Lease Agreement is
executed by CITY, acting by and through the City Manager, and by LESSEE,
acting by and through its lawfully authorized officers.

THE CITY OF SAN DIEGO

Date 12-10-79

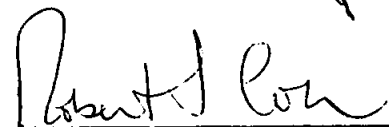
By 
ASSISTANT TO THE City Manager

LESSEE -- GENTRY & COLES

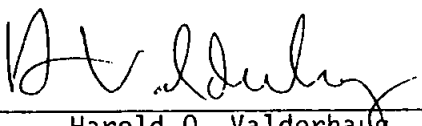
Date 10/29/79

By 
George H. Gentry

Date 1/18/80

By 
Robert J. Coles

APPROVED as to form and legality this 28 day of January, 1980.
JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug

R-250802

RESOLUTION No. R-250802 (R- 80-569)

Adopted on DEC 10 1979

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That the City Manager is hereby authorized and empowered to execute, for and on behalf of The City of San Diego, a First Amendment to Lease Agreement with GENTRY & COLES, as Lessee, involving certain property in the area of Midway and West Point Loma Boulevard, for the purpose of extending the term of the lease from 40 years to 55 years, and transferring jurisdiction regarding administration of the lease from the City Manager to the Executive Director of the Housing Authority/Commission, under the terms and conditions set forth in that First Amendment to Lease Agreement on file in the office of the City Clerk as Document No. RR-250802.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:dm
9/24/79
Or.Dept.: Hsg. Auth./Comm.

Passed and adopted by the Council of The City of San Diego
on DEC 10 1979, by the following vote:

YEAS: Cleator, Lowery, Gotch, Stirling, Killea, and Mayor Wilson

NAYS: None

NOT PRESENT: Mitchell, Williams, and Schnaubelt

AUTHENTICATED BY:

PETE WILSON
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By KATHI BLOXHAM, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. R-250802
passed and adopted by the Council of The City of San Diego,
California, on DEC 10 1979.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By Kathi Bloxham, Deputy.

DOCUMENT NO. RR-250802 *etc*

FILED 1/18/80
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

First Amend to Lease Agree w/
Gentry & Coles, involving certain
property in the area of Midway and West
Point Loma Blvd., for extending the
term of the lease from 40 years
to 55 years, and transferring
jurisdiction regarding administration
of the lease from the City Manager
to the Executive Director of the
Housing Authority/Commission.

R-250802 12/10/79.

ka
1-2-80
cc: Auditor - 7c
Housing - Ruth Ann Fahey - 49
(Dup. Original & Copy)
County Assessor - A4.