



Real Estate Assets Department
SDC003

Document Type

LEGAL DOCUMENTS



Sub - Category

ASSIGNMENTS



CHRISTENSEN SCHWERTDFEGER & SPATH LLP

Attorneys at Law
550 West C Street, Suite 1660
San Diego, California 92101

Charles B. Christensen
Sean D. Schwerdtfeger
Walter F. Spath III

Tel. (619) 236-9343
Fax (619) 236-8307
e-mail ars@csslawllp.com

Anna R. Salusky

SENT VIA U.S. MAIL

November 8, 2006

Mr. Frederick L. Reale
Property Agent
City of San Diego
Real Estate Assets Department
1200 Third Ave., Suite 1700
San Diego, CA 92101

RECEIVED
CITY OF SAN DIEGO
06 NOV 13 AM 10:24
REAL ESTATE ASSETS DEPT.

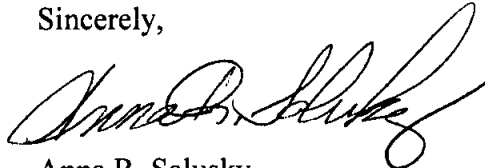
**Re: SDHC v. SOFA, SDSC Case No. GIC830901
Our File No. SDHC-179**

Dear Mr. Reale:

Enclosed are two additional certified copies of the Assignment of Lease that our office recorded with the San Diego County Recorder on September 21, 2006. In addition, I have enclosed three (3) certified copies of the "Modification of Document Entitled 'Certification by Vicki Monce, Custodian of Records for the San Diego Housing Commission Regarding Assignment of Lease and Consent to Assignment of Lease'".

Should you have any questions regarding this matter, please do not hesitate to contact me at (619) 236-9343, ext. 104.

Sincerely,



Anna R. Salusky

Enclosures

Recording Requested By:
Christensen, Schwerdtfeger
& Spath LLP
550 West C Street, Suite 1660
San Diego, CA 92101

When Recorded Mail To:
San Diego Housing Commission
1625 Newton Avenue
San Diego, California 92113
Attention: Ann Kern

Handwritten notes: "SF" and "HCC" with a checkmark.

DOC # 2006-0797210



NOV 08, 2006 2:31 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 16.00
PAGES: 2



SPACE ABOVE THIS LINE FOR RECORDER'S USE

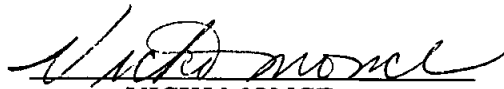
**MODIFICATION OF DOCUMENT ENTITLED "CERTIFICATION BY VICKI MONCE,
CUSTODIAN OF RECORDS FOR THE SAN DIEGO HOUSING COMMISSION REGARDING
ASSIGNMENT OF LEASE AND CONSENT TO ASSIGNMENT OF LEASE"**

I, Vicki Monce, declare as follows:

This document is being recorded to modify Paragraph 3 of that certain document entitled, "Certification by Vicki Monce, Custodian of Records for the San Diego Housing Commission, Regarding Assignment of Lease and Consent to Assignment of Lease", recorded on September 21, 2006 as Document Number 2006-0673148, at the San Diego County Recorder's Office.

The original language in Paragraph 3 states, "On or about May 20, 2005, the City and SOFA entered into an Agreement entitled, 'Assignment of Lease.'" This language is hereby modified as follows: "On or about May 20, 2005, SOFA and the San Diego Housing Commission entered into an Agreement entitled, 'Assignment of Lease.'"

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct. I have personal knowledge of the abovementioned statements and, if called as a witness, could competently testify thereto. Executed this 7th day of November 2006 in the County of San Diego, State of California.


VICKI MONCE

ACKNOWLEDGMENT

State of California)
)
County of San Diego)

On November 7, 2006, before me, Mary Roberts, Notary Public personally appeared, Vicki Monce personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument entitled, "MODIFICATION OF DOCUMENT ENTITLED CERTIFICATION BY VICKI MONCE, CUSTODIAN OF RECORDS FOR THE SAN DIEGO HOUSING COMMISSION REGARDING ASSIGNMENT OF LEASE AND CONSENT TO ASSIGNMENT OF LEASE" and acknowledged to me that she executed the same in her authorized capacity(ies), and that by her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal) Mary Roberts 11-7-06





This is a true certified copy of the record
if it bears the seal, imprinted in purple ink

GJ Smith
GREGORY J. SMITH
Assessor/Recorder/Clerk
San Diego County, California

NOV 08 2006



SEP 21, 2006 1:32 PM

OFFICIAL RECORDS
 SAN DIEGO COUNTY RECORDER'S OFFICE
 GREGORY J. SMITH, COUNTY RECORDER
 FEES: 60.00
 PAGES: 15



2006-0673148

Recording Requested By:

Christensen, Schwerdtfeger
 & Spath LLP

550 West C Street, Suite 1660
 San Diego, CA 92101

When Recorded Mail To:

San Diego Housing Commission
 1625 Newton Avenue
 San Diego, California 92113
 Attention: Ann Kern

8654

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**CERTIFICATION BY VICKI MONCE, CUSTODIAN OF RECORDS FOR THE SAN
 DIEGO HOUSING COMMISSION REGARDING ASSIGNMENT OF LEASE**

I, Vicki Monce, declare as follows:

1. I am employed by the San Diego Housing Commission. As part of my job duties, I am the Custodian of Records for the San Diego Housing Commission. These business records are kept in the ordinary course of business by the San Diego Housing Commission. As part of my duties, I have the authority to review and produce copies of records and can certify that said copies of records are true and correct copies of the original records. Therefore, if called and sworn as a witness, I could and would testify competently to each of the statements made herein.

2. The City of San Diego ("City") as Lessor entered into a 50-year Lease with Strongly Oriented For Action ("SOFA"), a California nonprofit corporation, as Lessee, dated November 23, 1977 and filed it in the office of the City Clerk as Document No. 762073 ("the Lease").

3. On or about May 20, 2005, the City and SOFA entered into an Agreement entitled, "Assignment of Lease." A copy of the Assignment of Lease contained herein is a true and correct copy of the Assignment of Lease that was kept in the regular course of business by the San Diego Housing Commission, pursuant to Government Code Section 27201, subd. (B) and Evidence Code Section 1530. The copy of the Assignment of Lease is produced by the San Diego Housing Commission, in the ordinary course of business, at or near the times of the acts, conditions, and/or events recorded therein, pursuant to Evidence Code Sections 1271.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct. I have personal knowledge of the abovementioned statements and, if called as a witness, could competently testify thereto. Executed this 18th day of August 2006 in the County of San Diego, State of California.


 Vicki Monce

ACKNOWLEDGMENT

State of California)
)
 County of San Diego)

On August 18th 2006 2006, before me, Mary Roberts, Notary Public personally appeared, Vicki Monce personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument entitled, "CERTIFICATION BY VICKI MONCE], CUSTODIAN OF RECORDS FOR THE SAN DIEGO HOUSING COMMISSION REGARDING ASSIGNMENT OF LEASE" and acknowledged to me that she executed the same in her authorized capacity(ies), and that by her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Mary Roberts

(Seal)



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Lawrence A. Huerta
HUERTA & ASSOCIATES
610 West Ash Street
Suite 1900
San Diego, CA 92101

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is made as of the 20th day of May, 2005 by and between Strongly Oriented for Action of San Diego, a California nonprofit corporation ("Assignor"), and the San Diego Housing Commission, a public agency ("Assignee"), both of whom may be collectively referred to herein as "Parties."

WITNESSETH

A. WHEREAS Assignee, the San Diego Housing Commission, made a revocable grant to Assignor, Strongly Oriented for Action of San Diego, a California nonprofit corporation, in the sum of two hundred sixteen thousand dollars (\$216,000) and a loan of up to sixty eight thousand six hundred forty additional dollars (\$68,640) pursuant to a Rehabilitation Loan and Grant Agreement dated April 6th, 2001 ("Loan and Grant Agreement"), for purposes of redeveloping the real property located at the northwest corner of Marine Street and Cuvier Street, addressed at 7410 and 7412 Cuvier Street, sometimes referred to as "La Jolla Marine Apartments"; and legally described in Exhibit "A" ("the property") attached hereto and incorporated by reference herein.

B. WHEREAS the City of San Diego is the owner of the property and Assignor is the current lessee of the property under a fifty (50) year lease agreement recorded on August 17, 1978 as Instrument No. 78-349036 in the Official Records of the Office of the County Recorder of San Diego County ("the lease") wherein Assignor agreed to provide eight (8) low and very low income housing units at the property for the term of the lease.

C. WHEREAS Assignee filed a lawsuit on the Loan and Grant Agreement and other issues and causes of action against Assignor as San Diego County Superior Court Case Number GIC 830901 ("the lawsuit") and Assignor and Assignee are parties to that certain settlement and mutual release agreement dated May, 2005 (the "Settlement Agreement") executed in settlement of the lawsuit, and this Assignment is made pursuant to, and as required by, the Settlement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Assignment of Lease. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, estate, interest, benefits and privileges of Assignor under the lease, and all bank accounts, accounts receivable, and insurance coverage whatsoever associated with the property, and Assignee hereby accepts such Assignment.

2. Assumption of Obligations. Assignee hereby assumes and agrees to perform all of the prospective obligations, terms and covenants of Assignor under the lease, which obligations, terms and covenants accrue on and subsequent to the date hereof.

3. Indemnification by Assignor. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from, of and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of or relating to the breach by Assignor of any of the obligations, terms and/or covenants of Assignor under or pursuant to the lease, which obligations, terms and/or covenants accrue prior to the date hereof, except as otherwise provided in the settlement agreement.

4. Further Assurances. Assignee and Assignor, upon the reasonable request of either party hereto, agree to perform any further acts and to execute and deliver any documents which may be reasonably necessary or expedient to carry out the provisions of the Assignment.

5. Governing Law. This Assignment shall be governed by the laws of the State of California. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be located in the County of San Diego, State of California.

7. Binding Effect. This Assignment and the provisions contained herein shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

8. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

9. Counterparts. This Assignment and agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Assignment and agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment and Agreement as of the date first above written.

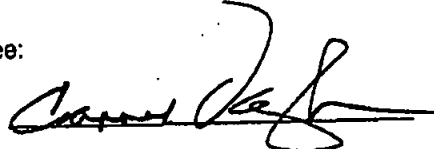
Assignor:

Strongly Oriented for Action of San Diego,
a California non-profit corporation

By _____

Its _____

Assignee:



By CAROL VAUGHAN

Its Exec VP

On Behalf of the Owner of the property subject of the lease, the City of San Diego hereby consents to the above Assignment of Lease.

Dated: _____

City of San Diego:

By _____

Its _____

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA,)

COUNTY OF San Diego)

On May 17, 2005 before me, Angela G. Risotti, Notary Public, personally appeared Carol Vaughan personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WHEREAS my hand and official seal.



Angela G. Risotti
(Signature of Notary Public)

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA,)

COUNTY OF)

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

WHEREAS my hand and official seal.

(Signature of Notary Public)

2. Assumption of Obligations. Assignee hereby assumes and agrees to perform all of the prospective obligations, terms and covenants of Assignor under the lease, which obligations, terms and covenants accrue on and subsequent to the date hereof.

3. Indemnification by Assignor. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from, of and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of or relating to the breach by Assignor of any of the obligations, terms and/or covenants of Assignor under or pursuant to the lease, which obligations, terms and/or covenants accrue prior to the date hereof, except as otherwise provided in the settlement agreement.

4. Further Assurances. Assignee and Assignor, upon the reasonable request of either party hereto, agree to perform any further acts and to execute and deliver any documents which may be reasonably necessary or expedient to carry out the provisions of the Assignment.

5. Governing Law. This Assignment shall be governed by the laws of the State of California. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be located in the County of San Diego, State of California.

7. Binding Effect. This Assignment and the provisions contained herein shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

8. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

9. Counterparts. This Assignment and agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Assignment and agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment and Agreement as of the date first above written.

Assignor:

Strongly Oriented for Action of San Diego,
a California non-profit corporation.

By REV. ANNIE C. WATSON
Its Rev. Annie C. Watson
Chief Executive Officer

Assignee:

By _____

Its _____

On Behalf of the Owner of the property subject of the lease, the City of San Diego hereby consents to the above Assignment of Lease.

Dated: _____

City of San Diego:

By _____

Its _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

SAN DIEGO

} ss.

On

MAY 21, 2005

before me,

Charles H. White, Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

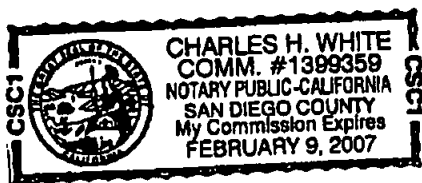
personally appeared

Rev. ANNIE C. WATSON

Name(s) of Signer(s)

☐ personally known to me☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that, by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Charles H. White,
Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

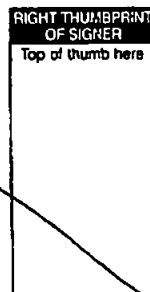


EXHIBIT "A" TO ASSIGNMENT OF LEASE

REAL PROPERTY DESCRIPTION

A LEASEHOLD ESTATE INTEREST IN AND TO THE FOLLOWING DESCRIBED
REAL PROPERTY:

LOT 3 IN BLOCK 1 OF F.T. SCRIPPS ADDITION TO LA JOLLA PARK, IN THE
CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
ACCORDING TO MAP THEREOF NO. 897, FILED IN THE OFFICE OF THE
COUNTY RECORDER OF SAN DIEGO COUNTY ON JULY 22, 1903.

Recording Requested By:
Christensen, Schwerdtfeger
& Spath LLP
550 West C Street, Suite 1660
San Diego, CA 92101

When Recorded Mail To:
San Diego Housing Commission
1625 Newton Avenue
San Diego, California 92113
Attention: Ann Kern

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CITY OF SAN DIEGO

CONSENT TO ASSIGNMENT OF LEASE

RECITALS

This Agreement is entered into with reference to the following facts:

1. The City of San Diego ("City") as Lessor entered into a 50-year Lease with Strongly Oriented For Action ("SOFA"), a California nonprofit corporation, as Lessee, dated November 23, 1977 and filed in the office of the City Clerk as Document No. 762073 (the "Lease").
2. SOFA agreed to construct 8 housing units on the leased premises and to make those housing units available to low income persons during the entire term of the Lease.
3. Pursuant to Section III.B. ADDITIONAL CONSIDERATION of the Lease, if rents received by SOFA on an annual basis exceed the operating expenses of the project ("Excess Funds"), SOFA agrees to pay the City these Excess Funds as additional rent.
4. In April 2001, the San Diego Housing Commission ("Housing Commission") made a revocable grant to SOFA in the sum of \$216,360.00 and a loan of \$68,640.00, bearing interest at the rate of 3% per annum.
5. In anticipation of that loan from the Housing Commission and SOFA, the City agreed, among other things, that the Excess Funds would be split between the City and the Housing Commission.
6. In May 2005, the Housing Commission and SOFA settled a lawsuit filed by the Housing Commission against SOFA. The assignment of the Lease from SOFA to the Housing Commission is one of the terms of the settlement agreement.

The City consents to the assignment of the Lease from SOFA ("Assignor") to the Housing Commission ("Assignee") subject to the following terms and conditions:

Assignee agrees to assume all rights and obligations of Lessee under the Lease and to keep and perform all covenants, conditions and provisions of the Lease to be performed by Lessee on and after the date of the Assignment.

Assignor shall pay all rent and additional rent due to the City as of the effective date of the Assignment. Assignor shall not be relieved of any obligation to pay any sums owed to the City through the effective date of the Assignment or any other sums subsequently disclosed. Assignor and Assignee shall be jointly and severally liable for any such sums owed to the City by Assignor.

Assignee shall pay half of the Excess Funds to the City.

Assignee shall maintain a policy of public liability and property damage insurance providing coverage required under the Lease in the amount of not less than \$3,000,000 Combined Single Limit Liability. Assignee shall obtain a separate endorsement naming the City of San Diego, its elected officials, officers, representatives, agents, and employees as additional insureds. All other terms of Section IV.A.10, Insurance Coverage, of the Lease remain the same.

Except as provided above with respect to the increase in the liability limit amount required, which increase is provided for in the Lease i) The execution of this Consent by the City does not amend the Lease or waive any of the City's rights under the Lease, and ii) In the event of a conflict between the provisions of this Consent and the Lease, the terms of the Lease shall prevail.

This Consent does not constitute a consent to any subsequent subletting or assignment and does not relieve Assignee or any person claiming under or through Assignee of the obligation to obtain the consent of the City under Section IV.A.2., Right to Assign and Sublet, of the Lease to any future assignment or sublease.

In the event of any default of Assignee under the Lease, the City may proceed directly against Assignee, any guarantors, or anyone else liable under the Lease without first exhausting the City's remedies against any other person or entity liable under the Lease to the City.

All references to "City Manager" in the Lease and all subsequent amendments shall mean the Mayor of the City of San Diego, beginning January 1, 2006, and continuing for as long as the City operates under the Mayor-Council form of governance pursuant to Article XV of the City's Charter.

This Consent to Assignment of Lease may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

This Consent is executed by the City acting by and through the City's Mayor and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City's Mayor, or his designee, and approved by the City Attorney.

8664

LESSOR:

THE CITY OF SAN DIEGO

Dated: 5/31/06

By: [Signature]
Name: James T. Waring
Its: Deputy Chief

LESSEE/ASSIGNOR:

Strongly Oriented for Action of San Diego

Dated: 3-21-06

By: Rev. Annie C. Watson
Name: Rev. Annie C. Watson
Its: Chief Executive Officer

ASSIGNEE:

San Diego Housing Commission, a public agency

Dated: 3/24/06

By: [Signature]
Name: Carrol Vaughan
Its: Executive Vice President

APPROVED AS TO FORM AND LEGALITY THIS 15th DAY OF JUNE, 2006.

MICHAEL J. AGUIRRE, CITY ATTORNEY

By: [Signature]
Name: Carrie L. Gleeson
Its: Chief Deputy City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

San Diego

SS.

On May 31, 2006 before me,

Shelia Billiard

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

James T. Wareing

Name(s) of Signer(s)

☒ personally known to me☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Shelia Billiard

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

State of California)
County of San Diego)

On March 21, 2006, before me, Mayra Marta-Walker,
a Notary Public in and for said State, personally appeared
Rev. Annie C. Watson, personally known to me or proven
to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~(is)~~ are
subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ ~~they~~ executed
the same in ~~his~~ ~~her~~ ~~their~~ authorized capacity(ies), and that by ~~his~~ ~~her~~ ~~their~~ signature(s) on
the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

WITNESS my hand and official seal.

Mayra Marta-Walker



8667

This Consent is executed by the City acting by and through the City's Mayor and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City's Mayor, or his designee, and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO

Dated: _____

By: _____
 Name: James T. Waring
 Its: Deputy Chief

LESSEE/ASSIGNOR:

Strongly Oriented for Action of San Diego

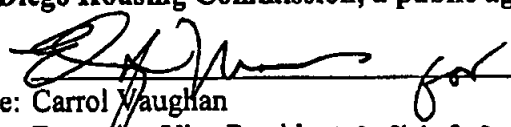
Dated: _____

By: _____
 Name: Rev. Annie C. Watson
 Its: Chief Executive Officer

ASSIGNEE:

San Diego Housing Commission, a public agency

Dated: 5-17-06Elizabeth C. Morris
for

By: 
 Name: Carrol Vaughan
 Its: Executive Vice President & Chief Operating Officer

APPROVED AS TO FORM AND LEGALITY THIS _____ DAY OF FEBRUARY, 2006.

MICHAEL J. AGUIRRE, CITY ATTORNEY

By: _____
 Name: Carrie L. Gleeson
 Its: Chief Deputy City Attorney

15

8668

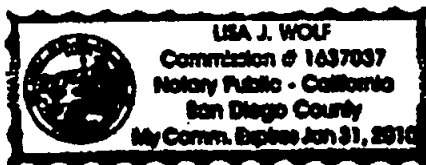
ACKNOWLEDGMENT

State of California)
)
County of San Diego)

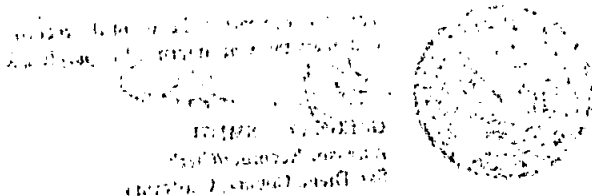
On May 18, 2006, before me, LISA J WOLF NOTARY PUBLIC personally
appeared, ELIZABETH C. MORRIS personally known to me
~~(or proved to me on the basis of satisfactory evidence)~~ to be the person whose name is
subscribed to the within instrument "CITY OF SAN DIEGO, CONSENT TO ASSIGNMENT
OF LEASE" and acknowledged to me that she executed the same in her authorized capacity(ies),
and that by her signature on the instrument the person, or the entity on behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Lisa J. Wolf*



(Seal)





This is a true certified copy of the record
if it bears the seal, imprinted in purple ink.

GREGORY J. SMITH
Assessor/Recorder/Clerk
San Diego County, California

NOV 08 2006

CHRISTENSEN SCHWERTFEGER & SPATH LLP

Attorneys at Law
444 West C Street, Suite 200
San Diego, California 92101

Charles B. Christensen
Sean D. Schwerdtfeger
Walter F. Spath III

Tel. (619) 236-9343
Fax (619) 236-8307
e-mail cbc@csslawllp.com

Anna R. Salusky

July 22, 2005

Frederick L. Reale
Property Agent
City of San Diego
Real Estate Assets Department
1200 Third Ave., Suite 1700
San Diego, CA 92101

RECEIVED
CITY OF SAN DIEGO
05 JUL 25 PM 2:52
REAL ESTATE ASSETS DEPT

**Re: SDHC v. SOFA, SDSC Case No. GIC830901
Our File No. SDHC-179**

Dear Mr. Reale:

Pursuant to my fax of this morning, enclosed are the Settlement Agreement and Mutual Release and a copy of the Assignment of Lease regarding the above-mentioned matter.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Deanna M. Wallace
Legal Assistant

Enclosures

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE AGREEMENT ("Settlement Agreement") is made as of May 20th, 2005, by and between the San Diego Housing Commission ("HOUSING COMMISSION") and Strongly Oriented for Action ("SOFA"). The persons named above shall sometimes be referred to collectively as the "Parties." This Settlement Agreement is entered into with reference to the recitals set forth in the Article titled "Recitals" below and constitutes (i) a settlement agreement between the Parties and (ii) a mutual release of all liabilities of all Parties arising out of the matters described below.

RECITALS

1.1 SOFA currently has a 50-year ground lease from the City of San Diego at a nominal rate of \$1.00 per year on a parcel of real property improved with eight (8) affordable housing units commonly known as the La Jolla Marine Apartments, which are located at 7410 and 7412 Cuvier Street, San Diego, California (hereinafter "the Property").

1.2 On or about April 6, 2001, the Housing Commission and SOFA executed a Rehabilitation Loan and Grant Agreement under which the Housing Commission agreed to make a revocable grant to SOFA in the sum of \$216,360.00, the sum of which was to be incrementally forgiven in the amount of ten percent (10%) per year after the first ten (10) years of the grant. In addition to the revocable grant, Plaintiff agreed to loan Defendant SOFA an amount up to \$68,640.00, bearing interest at the rate of three percent (3%) per annum.

1.3 The Rehabilitation Loan and Grant Agreement required that the loan made by the Housing Commission be repaid from residual receipts derived from the operation of the Property. Residual receipts were generally defined by the Rehabilitation Loan and Grant Agreement as excess revenue over authorized operating expenses.

1.4 On or about March 12, 2001 and March 21, 2001, the Housing Commission advised SOFA in writing that no debt owed by SOFA to the African Methodist Episcopal Church constituted an authorized expense under the Rehabilitation Loan and Grant Agreement, and consequently, none of the monies derived from the operation of the Property could be used in any manner to pay any debt owed by SOFA to the African Methodist Episcopal Church.

1.5 On or about June 4, 2004, the Housing Commission filed a civil action for breach of the Rehabilitation Loan and Grant Agreement against SOFA, entitled *San Diego Housing Commission v. Strongly Oriented for Action*, San Diego Superior Court Case No. GIC830901 [hereinafter "the Litigation"]. The Litigation alleged, inter alia, that SOFA improperly repaid a debt of \$59,311.79 to the African Methodist Episcopal Church.

1.6 On or about July 30, 2004, the Hon. Linda B. Quinn granted the Housing Commission motion for appointment of a receiver to take possession of the Property.

1.7 SOFA denies all liability for those claims asserted by the Housing Commission in the

Litigation, and the execution of this Settlement Agreement does not constitute an admission of liability.

1.8 The Parties now wish to settle the dispute as between them and to release, discharge and terminate any and all liabilities arising or existing out of the facts set forth in the "Recitals" hereto. In order to accomplish this, the Parties hereto enter into this Settlement Agreement.

TERMS OF SETTLEMENT

2.1 Consideration for this Settlement Agreement. In consideration of the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties promise to abide by the following covenants to the fullest extent authorized by law.

2.2 Assignment of Property Interest. SOFA shall assign the entirety of its rights, profits, and interest in the Property to the Housing Commission on or before September 1, 2004. The assignment shall include, without limitation, all rights that SOFA has in the leasehold estate with the City of San Diego, all bank accounts, all accounts receivable, all insurance coverage, all contracts for services rendered, and any other benefits whatsoever associated with the Property. This assignment expressly includes all rights that SOFA may have to monies derived at any time in connection with the Property, including, without limitation, Section 8 benefits withheld by the United State Department of Housing and Urban Development. SOFA shall cooperate with the Housing Commission in executing and delivering all documents that may be necessary to effectuate the assignment and transfer of the entirety of its interest in the Property to the Housing Commission, and shall also cooperate with the Housing Commission in any collection efforts that the Housing Commission or its successor-in-interest may pursue to collect monies earned in connection with the Property.

2.3 Repayment of Loan Funds. In addition to the assignment described in paragraph 2.2 above, SOFA shall prior to, or immediately upon, the execution of this Settlement Agreement take all actions necessary to obtain the amount of Fifty Four Thousand Three Hundred Eleven & 79/100 Dollars (\$54,311.79). Thereafter, SOFA shall pay to the Housing Commission the aggregate sum of Fifty Four Thousand Three Hundred Eleven & 79/100 Dollars (\$54,311.79) on or before May 20th, 2005. The payment of the monies required hereunder shall in no manner deplete, encumber or in any manner diminish any resource, bank account, or other asset of the Property, and neither the Housing Commission nor its successors-in-interest to the Property shall have any obligation to repay any portion of the monies borrowed by SOFA or loaned to any party in furtherance of the performance of this Settlement Agreement.

2.4 Application of Settlement Proceeds. The settlement proceeds from the consideration set forth in paragraphs 2.2 and 2.3 above shall be applied as follows: \$90,000 shall be applied to reserves for the fiscal years ending June 30, 2001, 2002, and 2003. \$33,000 shall be applied to reimburse the Housing Commission for attorneys' fees and costs incurred in the litigation. Thereafter, the remaining settlement proceeds shall be applied as residual receipts under the Rehabilitation Loan and Grant Agreement.

2.5 Preservation of Property Assets and Accounts. Pending assignment of all rights,

profits, and interest in the Property to the Housing Commission, SOFA shall preserve and protect all assets, accounts, and benefits of the Property for the benefit of the Housing Commission. This duty of preservation shall include, but not be limited to, only paying necessary operating expenses, maintaining all insurance coverage, preventing waste and destruction of the property, and preserving all available cash for the benefit of the Housing Commission. SOFA shall seek the written approval of the Housing Commission for any expenditures beyond the ordinary and recurring costs associated with the management of the Property, which approval may be granted or denied in the sole discretion of the Housing Commission.

2.6 Reinstatement of Section 8 Payments. SOFA shall cooperate with the Housing Commission in any endeavor that the Housing Commission may reasonably pursue with the United States Department of Housing and Urban Development ("HUD") for purposes of reinstating Section 8 rental subsidies in connection with the Property. This duty of cooperation shall also extend to any efforts by the Housing Commission to collect Section 8 rental subsidies withheld by the HUD in connection with the Property. SOFA shall have no right, benefit or entitlement to any monies collected from HUD, the State of California, or any other source in connection with the Property.

2.7 Representations and Warranties. In addition to all other representations and warranties made in this Settlement Agreement, SOFA represents and warrants that it has not in any manner encumbered the leasehold estate, the improvements or the fixtures upon the Property in excess those encumbrances expressly authorized in writing by the Housing Commission. Any encumbrances in excess of those approved by the Housing Commission shall be removed by SOFA to the satisfaction of the Housing Commission prior to the release of liability in this Settlement Agreement becoming effective in favor of SOFA.

2.8 Issuance Of Title Insurance. The assignment of the leasehold estate in the Property by SOFA to the Housing Commission, as referenced in paragraph 2.2 of this Settlement Agreement, is subject to the Housing Commission obtaining a CLTA policy from Chicago Title Company or other title company of its choice ensuring the Housing Commission as the owner of the leasehold estate in the Property for the balance of the term remaining on the affordability restrictions recorded against the Property as of the execution of this Settlement Agreement.

2.9 Conditions Precedent To Release And Settlement. This Settlement Agreement and the releases of liability contained herein are expressly subject to the approval of this Settlement Agreement by the Housing Authority of the City of San Diego, the City of San Diego, and the United States Department of Housing and Urban Development, if necessary. The Housing Commission shall reasonably attempt to secure the approval of this Settlement Agreement by each of these public agencies. The disapproval of the Settlement Agreement by any one of these public entities shall render this Settlement Agreement and the release of liability contained herein null and void.

2.10 Stipulation To Discharge Receiver. SOFA agrees, by and through its counsel of record, to sign a stipulation prepared by counsel for the Housing Commission consenting to the termination of the receivership of the Property; waiver of a final accounting by the receiver; payment of the receiver's fees and costs; and relinquishment by the receiver to the Housing Commission of

all assets pertaining to the Property within the possession and control of the receiver. SOFA further agrees to cooperate with the Housing Commission in making any motion, petition or appearance that may be reasonably necessary to promptly effectuate the termination of the existing receivership and transfer of all right, title, and interest in the Property to the Housing Commission.

2.11 Attorneys' Fees and Costs. Each party shall bear their own attorneys' fees, expert fees, and other costs associated in any manner whatsoever with the Litigation and the resolution thereof.

MUTUAL RELEASES

3.1 The Housing Commission and SOFA hereby forever mutually relieve, release and discharge one another and their respective successors, attorneys, and employees, and each of them, from any and all claims as hereinafter defined.

For purposes of this release, "claims" shall mean the Rehabilitation Loan and Grant Agreement made by the Housing Commission with SOFA, as referenced in paragraph 1.2 of the Recitals to this Settlement Agreement, and all claims, defenses, debts, agreements, liabilities, demands, contracts, obligations, promises, acts, costs and expenses (including but not limited to, attorneys' fees), damages, actions and causes of actions of every kind and nature whatsoever, including, but not limited to, tort claims, fraud claims, and actions for malicious prosecution or abuse of process, occurring or existing at any time heretofore, to and including the date hereof or arising at any time hereafter, based upon, arising from, relating to, or in any manner connected with, directly or indirectly, the matters, facts or claims set forth in the "Recitals" to this Settlement Agreement.

Unless the context otherwise indicates, whenever used in this Settlement Agreement the word "liability" shall include, but is not limited to, any and all claims, demands, damages, debts, accounts, obligations, costs, expenses, liens, or other liabilities.

The Parties each covenant and agree that neither they, nor anyone claiming through them, will ever institute or maintain against any Party they have released in this Settlement Agreement (or their agents successors or assigns) any claim, demand, action, lien, cause of action or suits at law or in equity, directly or indirectly, for or because of any of the matters released hereby. The Parties further covenant and agree that this release is a bar to any such claim, action, suit or proceeding, and this general release shall become effective until SOFA completes performance of all obligations required of it under the terms of this Settlement Agreement.

3.1 Representations and Warranties. The Parties, and each of them, hereby represent and warrant to, and agree with each other as follows:

(a) The Parties, and each of them, have each received independent legal advice from attorneys of their choice, or have had the opportunity to consult an attorney but have declined to do so, with respect to the advisability of making the settlement and release provided herein, and with respect to the advisability of executing this Settlement Agreement, and prior to the execution of this Settlement Agreement by each Party, that Party had the opportunity for its attorney to review this Settlement Agreement at length and make all desired changes;

(b) Except as expressly stated in this Settlement Agreement, neither Plaintiff nor Defendant has made any statement or representation to any other party regarding any fact relied upon by any other party in entering into this Settlement Agreement, and each Party specifically does not rely on any statement, representation, or promise of any other party in executing this Settlement Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement;

(c) Each Party, and its attorneys, if desired, has made such investigation of the facts pertaining to this Settlement Agreement and all of the matters pertaining thereto, as they deem necessary;

(d) The terms of this Settlement Agreement are contractual, not a mere recital, and are the result of negotiation between the Parties;

(e) The Recitals to this Settlement Agreement are expressly made a part hereof;

(f) This Settlement Agreement has been carefully read by the Parties hereto, and if they choose, by their attorneys; it is signed freely by each person executing this Settlement Agreement; and each person executing this Settlement Agreement is empowered to do so;

(g) Each Party represents and warrants that he has not heretofore transferred or assigned or purported to transfer or assign to any person, firm or corporation any claim, demand, damage, debt, liability, account, action or cause of action herein to be released.

(h) Each Party acknowledges the adequacy of the consideration given for the release of all Parties in this Settlement Agreement, and understands that irrespective of whether the consideration is expressly described herein adequate consideration exists for the release of all Parties, and each of them, under this Settlement Agreement.

GENERAL PROVISIONS

4.1 Entire Agreement. This Settlement Agreement contains the entire agreement between the parties relating to the settlement and release contemplated hereby, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

4.2 Examination of Agreement. Each Party has relied upon its own examination of the entire Settlement Agreement, and the warranties, representations, and covenants expressly contained in the Settlement Agreement itself. The failure or refusal of either party to inspect the Settlement Agreement or other documents, or to obtain legal advice relevant to this Settlement Agreement, constitutes a waiver of any objection, contention, or claim that might have been based upon such reading, inspection or advice.

4.3 No Construction Against Drafter. The Parties acknowledge that this Settlement Agreement, in its final form, is the result of the combined efforts of the parties hereto and that should

any provision of this Settlement Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Settlement Agreement in favor of or against any party herein, but rather by construing the terms of this Settlement Agreement fairly and reasonably in accordance with their generally accepted meaning and the purposes for which this Settlement Agreement is made.

4.4 No Modification. No modification, waiver, amendment, discharge or change of this Settlement Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

4.5 Attorney's Fees. In the event either party commences litigation for the judicial interpretation, enforcement or rescission hereof or any action relating to this Settlement Agreement, the prevailing party shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court and other costs incurred.

4.6 Successors Bound. All terms of this Settlement Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective legal representatives, successors and assigns.

4.7 Severability of Terms. In the event any term, covenant, condition, provision or agreement herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement herein contained.

4.8 Further Cooperation. Each of the Parties shall fully cooperate with the other in connection with the requirements imposed by this Settlement Agreement and each agrees to take such further actions and to execute and deliver such further documents, with acknowledgment or affidavit, if required, as may be reasonably necessary to carry out the purposes of this Settlement Agreement and to facilitate the satisfaction of any conditions set forth herein.

4.9 Choice of Law. This Settlement Agreement, and any dispute arising hereunder, shall be construed and enforced in accordance with, and be governed by, California law. The parties hereto agree that proper jurisdiction and venue for any suit brought to interpret or enforce any term or provision of this Settlement Agreement shall be in San Diego County, California.

4.10 Time of Essence. Time is the essence hereof.

4.11 Execution in Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. However, this Agreement shall not be binding on any Party until all the Parties have executed it.

4.12 Facsimile Signatures. This Settlement Agreement may be executed and a copy of such executed Settlement Agreement transmitted by facsimile, which when received can be used as

an original of the Settlement Agreement for all purposes.

This Agreement has been executed at in the State of California, as of the date set forth in the beginning hereof.

STRONGLY ORIENTED FOR ACTION

By: _____
Rev. Ann Watson

SAN DIEGO HOUSING COMMISSION

By: _____
Carrol Vaughan

APPROVED AS TO FORM:

CHRISTENSEN SCHWERDTFEGER
& SPATH LLP

By: _____
Charles B. Christensen
Attorneys for Plaintiff San Diego
Housing Commission

ODEN, GREEN & THOMPSON

By: _____
Douglas A. Oden
Attorneys for Defendant Strongly
Oriented for Action

an original of the Settlement Agreement for all purposes.

This Agreement has been executed at in the State of California, as of the date set forth in the beginning hereof.

STRONGLY ORIENTED FOR ACTION

By: Rev. Annie Watson
Rev. Ann Watson

SAN DIEGO HOUSING COMMISSION

By: _____
Carrol Vaughan

APPROVED AS TO FORM:

CHRISTENSEN SCHWERDTFEGER
& SPATH LLP

By: _____
Charles B. Christensen
Attorneys for Plaintiff San Diego
Housing Commission

ODEN, GREEN & THOMPSON

By: [Signature]
Douglas A. Oden
Attorneys for Defendant Strongly
Oriented for Action

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Lawrence A. Huerta
HUERTA & ASSOCIATES
610 West Ash Street
Suite 1900
San Diego, CA 92101

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is made as of the 20th day of May, 2005 by and between Strongly Oriented for Action of San Diego, a California nonprofit corporation ("Assignor"), and the San Diego Housing Commission, a public agency ("Assignee"), both of whom may be collectively referred to herein as "Parties."

WITNESSETH

A. WHEREAS Assignee, the San Diego Housing Commission, made a revocable grant to Assignor, Strongly Oriented for Action of San Diego, a California nonprofit corporation, in the sum of two hundred sixteen thousand dollars (\$216,000) and a loan of up to sixty eight thousand six hundred forty additional dollars (\$68,640) pursuant to a Rehabilitation Loan and Grant Agreement dated April 6th, 2001 ("Loan and Grant Agreement"), for purposes of redeveloping the real property located at the northwest corner of Marine Street and Cuvier Street, addressed at 7410 and 7412 Cuvier Street, sometimes referred to as "La Jolla Marine Apartments"; and legally described in Exhibit "A" ("the property") attached hereto and incorporated by reference herein,

B. WHEREAS the City of San Diego is the owner of the property and Assignor is the current lessee of the property under a fifty (50) year lease agreement recorded on August 17, 1978 as Instrument No. 78-349036 in the Official Records of the Office of the County Recorder of San Diego County ("the lease") wherein Assignor agreed to provide eight (8) low and very low income housing units at the property for the term of the lease.

C. WHEREAS Assignee filed a lawsuit on the Loan and Grant Agreement and other issues and causes of action against Assignor as San Diego County Superior Court Case Number GIC 830901 ("the lawsuit") and Assignor and Assignee are parties to that certain settlement and mutual release agreement dated May, 2005 (the "Settlement Agreement") executed in settlement of the lawsuit, and this Assignment is made pursuant to, and as required by, the Settlement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Assignment of Lease. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, estate, interest, benefits and privileges of Assignor under the lease, and all bank accounts, accounts receivable, and insurance coverage whatsoever associated with the property, and Assignee hereby accepts such Assignment.

2. Assumption of Obligations. Assignee hereby assumes and agrees to perform all of the prospective obligations, terms and covenants of Assignor under the lease, which obligations, terms and covenants accrue on and subsequent to the date hereof.

3. Indemnification by Assignor. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from, of and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of or relating to the breach by Assignor of any of the obligations, terms and/or covenants of Assignor under or pursuant to the lease, which obligations, terms and/or covenants accrue prior to the date hereof, except as otherwise provided in the settlement agreement.

4. Further Assurances. Assignee and Assignor, upon the reasonable request of either party hereto, agree to perform any further acts and to execute and deliver any documents which may be reasonably necessary or expedient to carry out the provisions of the Assignment.

5. Governing Law. This Assignment shall be governed by the laws of the State of California. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be located in the County of San Diego, State of California.

7. Binding Effect. This Assignment and the provisions contained herein shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

8. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

9. Counterparts. This Assignment and agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Assignment and agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment and Agreement as of the date first above written.

Assignor:

Strongly Oriented for Action of San Diego,
a California non-profit corporation

By REV. ANNIE C. WATSON

Its Rev. Annie C. Watson
Chief Executive Officer

Assignee:

By _____

Its _____

On Behalf of the Owner of the property subject of the lease, the City of San Diego hereby consents to the above Assignment of Lease.

Dated: _____

City of San Diego:

By _____

Its _____

EXHIBIT "A" TO ASSIGNMENT OF LEASE.

REAL PROPERTY DESCRIPTION

A LEASEHOLD ESTATE INTEREST IN AND TO THE FOLLOWING DESCRIBED
REAL PROPERTY:

LOT 3 IN BLOCK 1 OF F.T. SCRIPPS ADDITION TO LA JOLLA PARK, IN THE
CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
ACCORDING TO MAP THEREOF NO. 897, FILED IN THE OFFICE OF THE
COUNTY RECORDER OF SAN DIEGO COUNTY ON JULY 22, 1903.

JURAT WITH AFFIANT STATEMENT

State of CALIFORNIA
County of SAN DIEGO } ss.

- ☒ See Attached Document (Notary to cross out lines 1-8 below)
☐ See Statement Below (Lines 1-7 to be completed only by document signer[s], not Notary)

~~1
2
3
4
5
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7
8~~

Signature of Document Signer No. 1 _____

Signature of Document Signer No. 2 (if any) _____

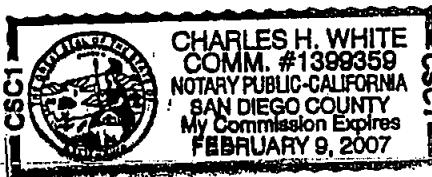
Subscribed and sworn to (or affirmed) before

me this 21 day of MAY,
Date Month

2005, by
Year

(1) Rene Annie C. Watson
Name of Signer(s)

(2) _____
Name of Signer(s)
Charles H. White
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: Assignment of Lease

Document Date: May 21, 2005 Number of Pages: 2

Signer(s) Other Than Named Above: No Other signers

RIGHT THUMBPRINT
OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT
OF SIGNER #2

Top of thumb here

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Lawrence A. Huerta
HUERTA & ASSOCIATES
610 West Ash Street
Suite 1900
San Diego, CA 92101

ASSIGNMENT OF LEASE

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WITNESSETH

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B. WHEREAS the City of San Diego is the owner of the property and Assignor is the current lessee of the property under a fifty (50) year lease agreement recorded on August 17, 1978 as Instrument No. 78-349036 in the Official Records of the Office of the County Recorder of San Diego County ("the lease") wherein Assignor agreed to provide eight (8) low and very low income housing units at the property for the term of the lease.

C. WHEREAS Assignee filed a lawsuit on the Loan and Grant Agreement and other issues and causes of action against Assignor as San Diego County Superior Court Case Number GIC 830901 ("the lawsuit") and Assignor and Assignee are parties to that certain settlement and mutual release agreement dated May, 2005 (the "Settlement Agreement") executed in settlement of the lawsuit, and this Assignment is made pursuant to, and as required by, the Settlement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Assignment of Lease. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, estate, interest, benefits and privileges of Assignor under the lease, and all bank accounts, accounts receivable, and insurance coverage whatsoever associated with the property, and Assignee hereby accepts such Assignment.

2. Assumption of Obligations. Assignee hereby assumes and agrees to perform all of the prospective obligations, terms and covenants of Assignor under the lease, which obligations, terms and covenants accrue on and subsequent to the date hereof.

3. Indemnification by Assignor. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from, of and against any and all claims, demands, liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees) arising out of or relating to the breach by Assignor of any of the obligations, terms and/or covenants of Assignor under or pursuant to the lease, which obligations, terms and/or covenants accrue prior to the date hereof, except as otherwise provided in the settlement agreement.

4. Further Assurances. Assignee and Assignor, upon the reasonable request of either party hereto, agree to perform any further acts and to execute and deliver any documents which may be reasonably necessary or expedient to carry out the provisions of the Assignment.

5. Governing Law. This Assignment shall be governed by the laws of the State of California. The proper venue for any claims, causes of action or other proceedings concerning this Assignment shall be located in the County of San Diego, State of California.

7. Binding Effect. This Assignment and the provisions contained herein shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

8. Attorneys' Fees. In the event of any legal action between Assignor and Assignee arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

9. Counterparts. This Assignment and agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Assignment and agreement

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment and Agreement as of the date first above written.

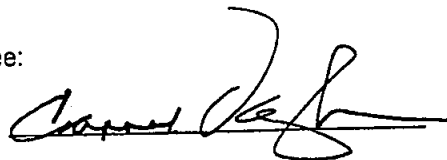
Assignor:

Strongly Oriented for Action of San Diego,
a California non-profit corporation

By _____

Its _____

Assignee:



By CAROL VAUGHAN

Its Exec VP

On Behalf of the Owner of the property subject of the lease, the City of San Diego hereby consents to the above Assignment of Lease.

Dated: _____

City of San Diego:

By _____

Its _____

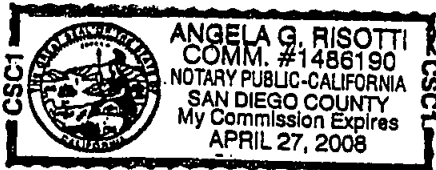
CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA,)

COUNTY OF San Diego)

On May 17, 2005 before me, Angela G. Risotti, Notary Public, personally appeared Carol Vaughn personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

WHEREAS my hand and official seal.



Angela G. Risotti
(Signature of Notary Public)

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA,)

COUNTY OF)

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

WHEREAS my hand and official seal.

(Signature of Notary Public)