

COPY

**CITY OF SAN DIEGO
CONSENT TO ASSIGNMENT OF LEASE AGREEMENT**

This Consent to Assignment Agreement (Consent) is made as of February 1, 2002 by the City of San Diego, (CITY) as LESSOR under that certain Lease Agreement entered into with John Baldan and Amelia Baldan, dba: Casa Machado Restaurant No. 3, LESSEE/ASSIGNOR dated May 1, 1990 and recorded at the office of the City Clerk as Document No. R-275556.

RECITALS

This Consent is made with regard to the following facts:

A. LESSOR and LESSEE/ASSIGNOR, as tenant, have entered into a Lease for a Restaurant and Cocktail lounge (the "Lease") under which the LESSOR leased to LESSEE/ASSIGNOR the premises known as the Casa Machado restaurant which compromises approximately 4,900 square feet, made up of the second floor restaurant area including the roof deck patio, inside and outside stairways beginning on the ground floor level, storage area under stairway No. 2, wash area adjacent to stairway No. 1 and the dumbwaiter, all located in and adjacent to Building No. 126, a portion of the Montgomery Field Airport terminal building located at 3750 John J. Montgomery Drive, San Diego, California, 92123, and is more particularly described in the Lease.

B. LESSEE/ASSIGNOR desires to assign to Francisco J. Sifuentes and Socorro M. Sifuentes and Gerardo Farias and Dina Farias, (ASSIGNEES), all of its rights, title, and interest in, to, and under the Lease and the Premises. The provisions of the Assignment and Assumption of Lease dated December 10, 2001, between LESSEE/ASSIGNOR and ASSIGNEES the Assignment entered into prior to the LESSOR consenting to an Assignment, is attached to this Consent as Exhibit A.

C. LESSEE/ASSIGNOR and ASSIGNEES now desire to obtain LESSOR'S consent to the Assignment and LESSOR is willing to consent to the Assignment on the following terms and conditions.

NOW THEREFORE, in consideration of the mutual covenants contained in this Consent, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows.

1. Assumption and No Release. ASSIGNEES expressly assume and agree for the benefit of the LESSOR to be bound by, and to conform and comply with, every obligation of LESSEE/ASSIGNOR under the terms and conditions of the Lease and any amendments thereto. Notwithstanding the Assignment or LESSOR'S consent to the Assignment, LESSEE/ASSIGNOR will remain jointly and severally liable for the payment of rents and for the performance of all obligations of LESSEE/ASSIGNOR under the Lease from and after the effective date of this Consent.

DOCUMENT NO. RR-275556-3
FILED MAR 18 2002
OFFICE OF THE CITY CLERK
SAN DIEGO CALIFORNIA

2. Subsequent Assignments; Recapture. 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 LESSOR under Article 4.02, Assignment and Subletting, of the Lease to any future assignment or sublease. Notwithstanding the foregoing, LESSOR may consent to subsequent subletting and assignment of the Lease, or amend the Lease without notifying the LESSEE/ASSIGNOR or anyone else liable under the Lease, including any guarantor of the Lease, and without obtaining their consent, and that action by LESSOR will not relieve those persons of liability.

This consent will not be construed to limit LESSOR'S right, in the event of a future proposal to sublease all or a portion of the Premises or to assign the Lease, to recapture any portion of the Premises affected by the proposed sublease or assignment, as stated in section 4.02 of the Lease.

3. Consideration to City. In accordance with Section 7.16 of the Lease, LESSEE/ASSIGNOR agrees to pay the City three percent (3%) of the gross amount paid for the leasehold in connection with an approved assignment of the Lease. This amount must be paid consecutive with the granting of the consent.

4. Default Under the Lease. In the event of any default of ASIGNEES under the Lease, LESSOR may proceed directly against ASSIGNEES, any guarantors, or anyone else liable under the Lease without first exhausting LESSOR'S remedies against any other person or entity liable under the Lease to LESSOR. Notwithstanding the foregoing, any act or omission of ASSIGNEES or anyone claiming under or through ASSIGNEES that violates any provisions of the Lease will be deemed a default under the Lease by LESSEE/ASSIGNOR.

5. Security Deposit. LESSEE/ASSIGNOR acknowledges the transfer and assignment of all rights, title and interest in, to, or under the Two Thousand Dollars, (\$2,000) deposited with LESSOR as a security deposit under section 5.04 of the Lease. LESSEE/ASSIGNOR waives all claims against LESSOR as to the security deposit. ASSIGNEES will protect, defend and indemnify and hold LESSOR harmless from and against any claims LESSEE/ASSIGNOR may raise against LESSOR as to the security deposit.

6. General Provisions.

6.1 Consideration for Assignment. LESSEE/ASSIGNOR and ASSIGNEES represent and warrant that there are no additional payments or rent or any other consideration of any type which has been paid or is payable by ASSIGNEES to LESSEE/ASSIGNOR in connection with the Assignment or the Premises, other than is disclosed in the Assignment.

6.2 Brokerage Commission. LESSEE/ASSIGNOR and ASSIGNEES agree that LESSOR will not be liable for any brokerage commission or finders fee in connection with the consummation of the Assignment or this Consent. LESSEE/ASSIGNOR and ASSIGNEES will protect, indemnify and hold LESSOR harmless from any brokerage commission or finders fee in connection with the consummation of the Assignment or this Consent, and from any cost or expense (including attorney's fees) incurred by LESSOR in resisting any claim for any such brokerage commission or finders fee. The provisions of this Section 5.2 shall survive the expiration or earlier termination of both the Assignment and this Consent.

6.3 Controlling Law. The terms and provisions of this Consent will be construed in accordance with and will be governed by the laws of the State of California.

6.4 Captions. Captions to the sections in this Consent are included for convenience only and do not modify any of the terms of this Consent.

6.5 Entire Agreement. This consent constitutes the final, complete and exclusive statement between the parties to this Consent pertaining to the terms of the LESSOR'S consent to the Assignment, supercedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors or assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. Any agreement made after the date of this Consent is ineffective to modify, waive, or terminate this Consent, in whole or in part, unless that agreement is in writing, is signed by the parties to this Consent, and specifically states that agreement modifies this Consent.

6.6 Waiver of Jury Trial; Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties waive any right to a trial by jury and, in the event of any commencement of litigation, the prevailing party shall be entitled to recover from the applicable party such costs and reasonable attorney fees as have been incurred.

6.7 Waiver. Except as explicitly stated in this Consent, nothing contained in this Consent will be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease. In addition, the acceptance of rents by LESSOR from ASSIGNEES or any one else liable under the Lease will not be deemed a waiver by the LESSOR of any provisions of the Lease.

6.8 Notice. Any notice that may or must be given by any party under this Consent will be delivered (i) personally, (ii) by certified mail, return receipt requested, or (ii) by a nationally recognized overnight courier, addressed to the party to whom it is intended. Any notice given to LESSOR, LESSEE/ASSIGNOR, or ASSIGNEES shall be sent to the respective address set forth on the signature page below, or such other address as that

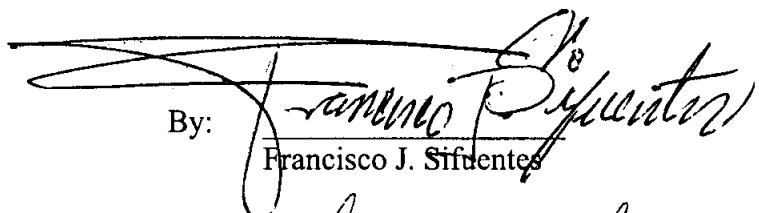
party may designate for service of notice by a notice given in accordance with the provisions of this Section 5.8. A notice sent pursuant to the terms of this Section 5.8 shall be deemed delivered (A) when delivery is attempted if delivered personally, (B) three (3) business days after deposit into the United States mail, or (C) the day following deposit with a nationally recognized overnight courier.

6.9 Capitalized Terms. All terms spelled with initial capital letter in this Consent that are not expressly defined in this Consent will have the respective meanings given such terms in the Lease.

LESSOR, LESSEE/ASSIGNOR and ASSIGNEES have executed this consent as of the date shown.

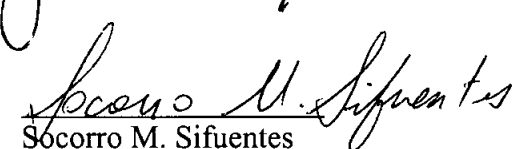
Date: 1/31/02, 2002

By:


Francisco J. Sifuentes

Date: 1-31, 2002

By:


Socorro M. Sifuentes

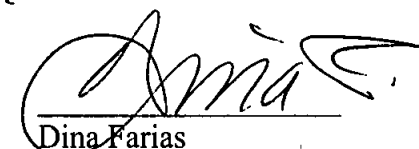
Date: 1-31-, 2002

By:

Gerardo Farias A.
Gerardo Farias

Date: 1-31-, 2002

By:


Dina Farias

Address of Assignees:

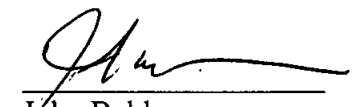
1311 2nd AVE
CHULA VISTA, CA 91911

LESSEE/ASSIGNORS:

John Baldan and Amelia Baldan
dba: Casa Machado Restaurant No. 3

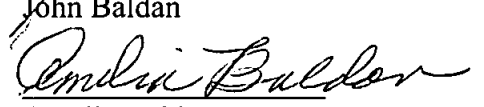
Date: 1-31-, 2002

By:


John Baldan

Date: 1-31-, 2002

By:


Amelia Baldan

Address of Assignors: 5472 Del Cerro Blvd.
San Diego, Ca 92120

THE CITY OF SAN DIEGO, LESSOR

Dated: Feb 1, 2002

By: Tracy L. Means
Tracy L. Means, A.A.E.,
Airports Director

APPROVED AS TO FORM:

CASEY GWINN, CITY ATTORNEY

Dated: 2/4/, 2002

By: Casey Gwin
Deputy City Attorney

DB:kej