

## ASSET TRANSFER AND LICENSE AGREEMENT

This Agreement is dated March 1, 2010, and is between Association of Communities Organizing for Reform Now, an Arkansas nonprofit corporation ("ACORN"), and Alliance of Californians for Community Empowerment, a California nonprofit public benefit corporation ("ACCE").

### RECITALS

A. ACORN is a national organization that has conducted charitable and other activities in many states, including California. ACORN has ceased its conduct of such activities in California.

B. ACORN owns certain valuable assets associated with its activities in California (the "Assets") and desires to dispose of the Assets by selling them for fair market value to another organization that will use them to conduct similar charitable or social welfare activities in California. A complete list of the Assets and the current fair market value that ACORN has, in good faith, ascribed to each of them is attached hereto as Schedule 1.

C. ACCE has hired and intends to hire some individuals who have been, but no longer are, employees of ACORN. ACCE desires to acquire, among the Assets, certain computers that some such individuals used while employed by ACORN, along with all right, title and interest of ACORN in and to all data, including any intellectual property, contained therein on the date of delivery pursuant to this Agreement. Each such computer is identified on Schedule 1 of this Agreement by the name of the individual employee who used such computer while employed by ACORN, and the fair market value attributed to each such computer on Schedule 1 includes the fair market value, if any, of any and all data contained therein on the date of delivery pursuant to this Agreement.

D. ACORN has built and maintains a database containing information about its supporters in California ("ANDB Database"), and desires to sell at fair market value a license to use that information, as described in Section 2.a of this Agreement (the "ANDB License"), to another organization that will use the information to conduct similar charitable or social welfare activities in California.

E. ACORN has built and maintains a database containing, as of the effective date of this Agreement, e-mail contact information for approximately 16,202 potential contributors residing in California ("SALSA Database"), and desires to sell at fair market value a license to use that information, as described in Section 2.c of this Agreement (the "SALSA License"), to another organization that will use the information to conduct similar charitable or social welfare activities in California.

F. Some members of ACORN, including some members in California, have chosen to pay their membership dues to ACORN by authorizing ACORN to make automatic monthly debits, the amount determined by each authorizing member, directly from the authorizing member's bank account. ACCE intends and expects that many of these individuals, who are included in the ANDB Database, may wish to become members or supporters of ACCE, and intends to solicit them to that end. ACORN is willing to agree not to exercise its authority

under any and all such debit authorizations in effect for any member of ACORN who, according to ACORN's records, currently resides in California ("California Debit Authorizations").

G. ACCE conducts charitable and social welfare activities in California similar to those that ACORN has conducted, and desires to cease conducting, in California.

H. ACCE desires to acquire, for fair market value, ACORN's rights and/or ownership interests in the Assets for use in the conduct of ACCE's activities in California. ACCE further desires to acquire, for fair market value, the ANDB License and the SALSA License.

The parties therefore agree as follows:

1. Transfer of Assets. On March 31, 2010, ACORN shall grant, sell, convey, assign, transfer, and deliver to ACCE, upon and subject to the terms and conditions of this Agreement, all right, title, and interest of ACORN in and to the Assets.
2. Royalty-Free Licenses.
  - a. ANDB License. ACORN hereby grants to ACCE a perpetual, nonexclusive, nontransferable, royalty-free license to access the ANDB Database, for the purpose of retrieving and using, for any charitable or social welfare purpose and without other limitation, all information contained in the ANDB database concerning ACORN's members and former members in California ("California Information"). In addition, ACORN shall cease to exercise its authority under all California Debit Authorizations no later than March 31, 2010. This ANDB License shall be retroactively effective as of January 1, 2010, and shall continue in effect for so long as ACORN maintains the ANDB Database, but in no event terminate before May 1, 2010. At all times during the term of this License, ACORN shall act in good faith to ensure that ACCE has access at all times to the ANDB Database for use in accordance with this Section 2.
  - b. Not later than April 7, 2010, ACORN shall provide to ACCE a complete and accurate listing, in both printed and electronic forms, of all of the California Information contained in the ANDB Database as of the effective date of this Agreement.
  - c. SALSA License. ACORN hereby grants to ACCE a perpetual, nonexclusive, nontransferable, royalty-free license to access the SALSA Database for the purpose of retrieving and using, for any charitable or social welfare purpose and without any other limitation, all information contained therein. This SALSA License shall be retroactively effective as January 1, 2010, and shall continue in effect for so long as ACORN maintains the SALSA Database, but shall in no event terminate before May 15, 2010. At all times during the term of this License, ACORN shall act in good faith to ensure that ACCE has access to the SALSA Database for use in accordance with this Section 2.

3. Payment by ACCE. On or before May 15, 2010, ACCE shall pay to ACORN in cash \$9,000.00 by check ("Purchase Price"). Payment may be made by one or more installments. The Purchase Price shall be allocated as follows:

|                |            |
|----------------|------------|
| Assets:        | \$2,833.00 |
| ANDB License:  | \$1,674.00 |
| SALSA License: | \$4,493.00 |

4. Representations and Warranties.

a. ACORN's Representations. ACORN represents as follows:

- i. Organization; Good Standing. As of the date of this Agreement, ACORN is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Arkansas, and has full power and authority to carry on its operations as now conducted and to own the Assets and the ANDB Database, and make the debits contemplated by the Debit Authorizations.
- ii. Power and Authority. ACORN has the right, power, legal capacity, and authority to enter into, and perform its obligations under, this Agreement. ACORN has duly and validly approved this Agreement by all necessary corporate action.
- iii. Authorization. No filing, authorization, consent, or approval, governmental or otherwise, or filing with any governmental authority or court, is necessary to enable ACORN to enter into, and to perform its obligations under, this Agreement.
- iv. Valid Agreement. This Agreement is being duly executed and delivered by ACORN. This Agreement constitutes a valid and binding obligation of ACORN enforceable against ACORN in accordance with its respective terms, subject only to the effect, if any, of (i) applicable bankruptcy and other similar laws affecting the rights of creditors generally, and (ii) rules of law governing specific performance, injunctive relief, and other equitable remedies.
- v. Title; Rights. ACORN has good and marketable title to, and/or valid and enforceable licenses or other similar agreements granting ACORN the right to use and/or possess, the Assets and the ANDB Database. When transferred to ACCE, the Assets shall be free and clear of all liens, charges, encumbrances, or restrictions.
- vi. No Violation. The execution and delivery of this Agreement will not conflict with or result in (a) a violation of any provision of the articles of incorporation or bylaws of ACORN, as currently in effect; (b) a material breach of any material instrument, contract, or agreement to which ACORN is a party or by which ACORN is bound; or (c) a violation of any

judgment, writ, decree, order, statute, rule, or regulation applicable to ACORN or the Assets.

- vii. Liabilities: Solvency. The Purchase Price, which ACORN's Board of Directors, acting in good faith, has affirmed, constitutes the fair market value of ACORN's performance of its obligations under this Agreement, and the performance by ACORN of its obligations under this Agreement shall not constitute a fraudulent transfer under applicable laws relating to bankruptcy and insolvency.
  - viii. No Litigation. There is no judgment, decree, injunction, rule, or order against ACORN with regard to any of the Assets or any of ACORN's obligations pursuant to this Agreement. There is no private or governmental action, suit, proceeding, claim, arbitration, mediation, or investigation pending before any governmental entity, or threatened against ACORN or any of the Assets, nor is there any reasonable basis for any such action, suit, proceeding, claim, arbitration, mediation, or investigation, with regard to any of the Assets.
- b. ACCE's Representations. ACCE represents as follows:
- i. Organization and Good Standing. ACCE is a nonprofit public benefit corporation duly organized, validly existing, and in good standing under the laws of the State of California.
  - ii. Power and Authority. ACCE has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement. ACCE has duly and validly approved this Agreement by all necessary corporate action.
  - iii. Authorization. No filing, authorization, consent, or approval, governmental or otherwise, or filing with any governmental authority or court is necessary to enable ACCE to enter into, and to perform its obligations under, this Agreement.
  - iv. Valid Agreement. This Agreement is being duly executed and delivered by ACCE. This Agreement constitutes a valid and binding obligation of ACCE enforceable against ACCE in accordance with its respective terms, subject only to the effect, if any, of (i) applicable bankruptcy and other similar laws affecting the rights of creditors generally, and (ii) rules of law governing specific performance, injunctive relief, and other equitable remedies.
  - v. No Violation. The execution and delivery of this Agreement will not conflict with or result in (a) a violation of any provision of the articles of incorporation or bylaws of ACCE, as currently in effect, or (b) a violation of any judgment, writ, decree, order, statute, rule, or regulation applicable to ACCE.

5. Governing Law. This Agreement shall be construed and enforced pursuant to the laws of the State of New York without reference to conflicts of laws principles.

6. Entire Agreement. This Agreement contains the entire agreement of the parties regarding the subject matter hereof and supersedes all prior negotiations, correspondence, understandings, letters of intent and agreements between or among the parties regarding the same.

7. Jurisdiction and Venue. The parties irrevocably and unconditionally (i) agree that any suit or legal proceeding with respect to or in connection with this Agreement may be brought in any competent court of the State of New York in the County of New York or any Federal District Court in the City of New York, as the party bringing such proceeding may elect, (ii) agree to submit to the nonexclusive jurisdiction of such courts, (iii) waive, to the fullest extent permitted by law, any objection that each party may now or hereafter have to the laying of venue in any such proceeding in any such court or any objection that any such proceeding has been brought in an inconvenient forum, (iv) agree to be bound by any judgment rendered or order granted by any of such court without any right of appeal, and (v) consent to the removal and change of venue to any of the aforesaid courts, as the party bringing such proceeding may elect, of any legal proceeding brought by such party in any other court other than that elected by the parties.

8. Notices. Any notice, consent, demand or other communication required or permitted to be given hereunder shall be in writing and shall be deemed duly given when delivered personally, or three days after being deposited with the United States Postal Service, or one day after being sent by Federal Express or other comparable nationally recognized overnight delivery service, all charges or first-class postage prepaid, properly addressed, as follows:

If to ACCE, to:

3655 South Grand Street Suite 250  
Los Angeles, California 90007  
Attention: Amy Schur

With a copy to:

Adler & Colvin  
235 Montgomery Street, Suite 1220  
San Francisco, California 94104  
Attention: Rosemary E. Fei, Esq.

If to ACORN, to:

Bertha Lewis, Executive Director  
ACORN  
2-4 Nevins Street, 2nd Floor  
Brooklyn, New York 11217

With copy to:

Schwartz, Lichten & Bright  
275 Seventh Avenue, Suite 1760  
New York, New York 10001  
Attention: Arthur Schwartz, Esq.

Any of the above addresses may be changed by the appropriate party giving notice of such change to the other parties hereto.

9. Mediation. Both parties agree to utilize, if at all possible, the Tides Center to act as a mediator to resolve all disputes which may arise under this agreement before resorting to any court proceeding.

10. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

This Agreement is being executed on behalf of the parties hereto on the date(s) opposite their respective signatures.

ASSOCIATION OF COMMUNITIES ORGANIZING FOR REFORM NOW

By: Bertha Lewis [Signature] Date: 3/24/10  
Name: Bertha Lewis  
Title: Chief Organizer

ALLIANCE OF CALIFORNIANS FOR COMMUNITY EMPOWERMENT

By: [Signature] Date: 3/25/10  
Name: Amy Schus  
Title: Executive Director

SCHEDULE 1

LIST OF ASSETS

(Listed, for identification purposes, by ACORN source office and/or former employee)

|  |         |
|--|---------|
| Anthony Panarese and Peter Kuhn: Toshiba, Satellite A205 | \$100   |
| Christina Livingston: Lenovo, ThinkPad R61               | \$50    |
| Christina Spach: Compaq, Presario F500                   | \$50    |
| Computers - 29   | \$580   |
| 1 super computer: Power Edge 2900 Dell Computer          | \$200   |
| Smart Ups 2200 Backup Battery                            | \$150   |
| Williams Sound PPA Transmitter (older than 4 years old): |         |
| 20 receivers, 1 transmitter                              | \$200   |
| NEC portable projector VT580                             | \$150   |
| GX 3050 Printer  | \$50    |
| Total:   | \$1,530 |

**San Diego**

|                       |       |
|-----------------------|-------|
| Desktop computers - 4 | \$80  |
| Canon PC150 Printer   | \$30  |
| Total:                | \$110 |

**San Jose**

|                     |       |
|---------------------|-------|
| 5 desktop computers | \$100 |
| Total:              | \$100 |

**San Mateo**

|                                 |       |
|---------------------------------|-------|
| David Sharples: HP 6535B laptop | \$50  |
| 5 desktop computers             | \$100 |
| Total:                          | \$150 |

**San Francisco**

|                       |       |
|-----------------------|-------|
| Desktop computers - 9 | \$180 |
| Total:                | \$180 |

**Sacramento**

|                                    |       |
|------------------------------------|-------|
| Ron Coleman: Lenovo, ThinkPad R61E | \$50  |
| 5 Compaq Computers                 | \$100 |
| 1 random, no-name computer         | \$20  |
| Total:                             | \$170 |

**Contra Costa**

|                            |       |
|----------------------------|-------|
| Desktops computers - 4     | \$80  |
| HP Laser Jet4 Plus Printer | \$20  |
| Total:                     | \$100 |

**Oakland**

Desktop computers – 4

\$80

Total: \$80

**Fresno**

2 desktop computers

\$40

Brother IntelliFAX 885 MC Printer

\$33

Total: \$73

**TOTAL fair market value of all listed Assets:**

**\$ 2,833.00**



**Alliance of Californians  
for Community Empowerment**

3655 S. Grand Ave, Suite 250  
Los Angeles, CA 90007

CITY NATIONAL BANK  
Los Angeles, CA

1073

3/25/2010

PAY TO THE ORDER OF ACORN

\$ \*\*9,000.00

Nine Thousand and 00/100\*\*\*\*\* DOLLARS

ACORN  
2-4 Nevins St, 2nd Fl  
New York, NY 11217

Void after six months  
*[Signature]*

MEMO Assets and Database Licenses Transfer

Alliance of Californians for Community Empowerment

ACORN

3/25/2010

1073

| Date      | Type | Reference  | Original Amt. | Balance Due  | Discount | Payment  |
|-----------|------|------------|---------------|--------------|----------|----------|
| 3/25/2010 | Bill | [Redacted] | 9,000.00      | 9,000.00     |          | 9,000.00 |
|           |      |            |               | Check Amount |          | 9,000.00 |

City National Bank      Assets and Database Licenses Transfer      9,000.00