



REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04518

DATE OF FINAL PASSAGE JUN 02 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE ASSIGNMENT, ASSUMPTION AND LOAN MODIFICATION AGREEMENT TO BE ENTERED INTO BY AND AMONG THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, ENTRADA, LLC AND SP ENTRADA LLC AND THE ACCOMPANYING ATTACHMENTS THERETO FOR THE ENTRADA APARTMENTS PROJECT LOCATED IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project Area [Project Area]; and

WHEREAS, the Centre City Development Corporation [Corporation] is authorized to administer, on behalf of the Agency, the Project Area; and

WHEREAS, in order to carry out and implement the objectives of the Redevelopment Plan for the Project Area, the Agency entered into that certain Owner Participation Agreement [OPA] with Entrada, LLC, a Washington limited liability company [Assignor] on or about January 7, 2003, a copy of the OPA is on file in the office of the secretary to the Agency as Document D- 03577 ; and

WHEREAS, the OPA governs the construction and development of a mixed income residential development [Project] located in the Project Area; and

WHEREAS, pursuant to the OPA, the Agency agreed to assist with the financing of a portion of the development of the Project by making a loan to the Assignor in the original

principal amount of \$3,500,000 [Agency Loan], which loan was evidenced by that certain Residual Receipts Promissory Note Secured by Deed of Trust dated May 29, 2003 [Note] and secured by, among other things, that certain Subordinate Deed of Trust, Security Agreement and Fixture Filing recorded on June 4, 2003 in the Official Records of the County of San Diego as Document No. 2003-0662082 [Deed of Trust]; and

WHEREAS, in connection with the Agency Loan, and in addition to the Note and Deed of Trust, Assignor also executed in favor of the Agency that certain Agreement Affecting Real Property, that certain Assignment of Rents and Leases, that certain Environmental Indemnity and that certain Administration Agreement [together with the Deed of Trust, referred to herein as the Agency Loan Documents]; and

WHEREAS, the Assignor has entered into that certain Purchase and Sale Agreement with SP Entrada LLC, a Delaware limited liability company [Assignee] pursuant to which, Assignor agreed, subject to the Agency's approval, to convey fee title of the Project to Assignee; and

WHEREAS, Assignor desires to assign all of Assignor's rights and obligations under the OPA and the Agency Loan Documents to Assignee and Assignee desires to assume all of Assignor's rights and obligations under the OPA and the Agency Loan Documents as well as execute an amended and restated residual receipts promissory note to reflect a new repayment restructure that is favorable to the Agency; and

WHEREAS, in light of the above, the Agency, the Assignor and the Assignee desire to amend the OPA and the Agency Loan Documents pursuant to the terms and conditions of the Assignment, Assumption and Loan Modification Agreement and the accompanying attachments thereto, which, in summary, accomplish the following: (1) amend and restate the terms and conditions of the Note to reflect a \$600,000 pay down of Agency Loan principal at the closing of

the subject transaction, a five (5) year Agency Loan term with fixed annual payments, and a balloon payment at the end of the Agency Loan term based on a five percent (5%) interest rate; and (2) permit Assignee to assume the obligations of Assignor under the OPA and the Agency Loan Documents; and

WHEREAS, on April 28, 2010, the Board of Directors of the Corporation reviewed and discussed the proposed Assignment, Assumption and Loan Modification Agreement and the accompanying attachments thereto and voted unanimously to recommend to the Agency that the Agency enter into the Assignment, Assumption and Loan Modification Agreement; and

WHEREAS, the Agency has duly considered the recommendation of the Corporation and all terms and conditions of the proposed Assignment, Assumption and Loan Modification Agreement and the accompanying attachments thereto and determines that the revisions contained therein are in the best interest of the Project Area, the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; NOW, THEREFORE,

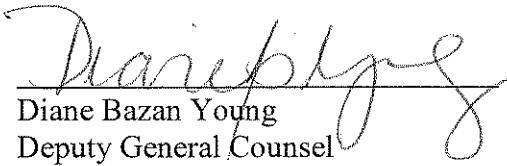
BE IT RESOLVED, by the Agency, as follows:

1. That the Agency hereby approves the Assignment, Assumption and Loan Modification Agreement and the accompanying attachments thereto; a copy of the Assignment, Assumption and Loan Modification Agreement, after execution by all parties, shall be placed on file in the office of the secretary to the Agency as Document No. D- 04518.

2. That the Executive Director of the Agency, or designee, is hereby authorized for and on behalf of the Agency, to execute the Assignment, Assumption and Loan Modification Agreement and all other documents necessary and appropriate to carry out and implement the

Assignment, Assumption and Loan Modification Agreement according to its terms, and to administer the Agency's obligations, responsibilities, and duties to be performed thereunder.

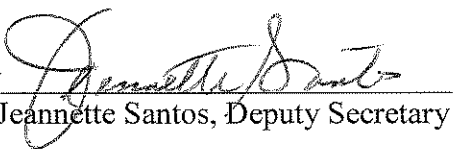
APPROVED: JAN I. GOLDSMITH, General Counsel

By 
Diane Bazan Young
Deputy General Counsel

DBY:hm
05/10/10
Or.Dept: CCDC
RA-2010-87
MMS#12158

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of MAY 25 2010.

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 6-2-10
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on MAY 25 2010, by the following vote:

Agency Members	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carl DeMaio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

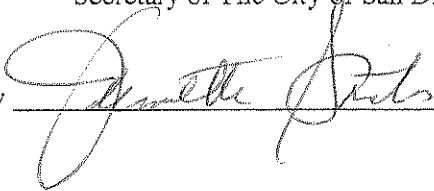
Date of final passage JUN 02 2010

AUTHENTICATED BY:

JERRY SANDERS
Executive Director of The City of San Diego, California.

ELIZABETH S. MALAND
Secretary of The City of San Diego, California.

(Seal)

By , Deputy

Office of the Redevelopment Agency, San Diego, California

Resolution Number R-

04518