

(RA-97-6)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2672

ADOPTED ON AUGUST 6, 1996

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE SECOND AMENDMENT AND SUPPLEMENT TO THE GROUND LEASE WITH MARKET STREET SQUARE, A CALIFORNIA LIMITED PARTNERSHIP, AND RESCINDING RESOLUTION NO. 2565, DATED OCTOBER 17, 1995.

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Marina Sub Area of the Centre City Redevelopment Project (the "Project"); and

WHEREAS, in order to carry out and implement the Project, the Agency has heretofore entered into that certain Ground Lease, dated as of November 1, 1985, and recorded November 6, 1985, in the Official Records of the County of San Diego, California (the "Official Records") as Document Number 85-417160, and amended by that certain First Amendment and Supplement to Ground Lease (the "First Amendment"), dated as of September 16, 1992, and recorded September 24, 1992, in the Official Records as Document No. 1992-0606131 (as amended by the First Amendment); and

WHEREAS, in order to further facilitate the construction by Lessee of the improvements as required by the original Lease and the Disposition and Development Agreement (the "DDA"), the Housing Authority of The City of San Diego (the "Authority") issued its Variable Rate Multifamily Housing Revenue Demand Bonds 1985 Issue G (Market Street Square Apartments Project) in the aggregate principal amount of \$8,600,000 (the "Bonds") and loaned the proceeds from the sale of the Bonds to Lessee. The Bonds were issued pursuant to an Indenture, dated as of November 1, 1985 (the "Indenture"), between the Authority and Seattle-First National Bank, a national banking association (the "Bond Trustee"), as trustee. The loan by the Authority to Lessee was made pursuant to that Loan Agreement, dated as of November 1, 1985, between the Authority and Lessee (the "Loan Agreement") and is evidenced by a Project Note, dated November 6, 1985, in the original principal amount of \$8,600,000 executed by Lessee and payable to the Bond Trustee or order (the "Project Note"). The Project Note is secured by the lien of that certain Deed of Trust and Security Agreement (the "First Deed of Trust"), dated as of November 1, 1985, executed by Lessee, as trustor, to Transamerica Title Insurance Company, as trustee, for the benefit of the Bond Trustee and Hutton Risk Management, Inc., as beneficiary, and recorded in the Official Records on November 6, 1985, as Document No. 85-417162. The First Deed of Trust encumbers Lessee's leasehold estate in the Site under the Lease; and

WHEREAS, Lessee has also obtained a loan from Lessor in the amount of \$3,720,186 which is evidenced by a promissory note dated July 3, 1986, payable to the order of Lessor and executed by Lessee (the "HDG Loan Note"). The HDG Loan Note is secured by the lien of that certain Deed of Trust Securing Housing Development Grant Funds with Assignment of Rents (the "HDG Deed of Trust"), dated as of July 3, 1986, executed by Lessee, as trustor, to World Title Company, as trustee, for the benefit of Lessor, as beneficiary, and recorded in the Official Records on July 18, 1986, as Document No. 86-298029. The HDG Deed of Trust encumbers Lessee's leasehold estate in the Site under the original Lease as heretofore amended; and

WHEREAS, Centre City Development Corporation, Inc., has reviewed and discussed the proposed Second Amendment and Supplement to Ground Lease and has recommended that the Agency enter into the Second Amendment and Supplement to Ground Lease and rescind a Second Amendment previously approved pursuant to Resolution No. 2565, dated October 17, 1995; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Second Amendment and Supplement to Ground Lease, and believes based on the information provided that

refinancing the project with new bonds issued by the Authority will provide continued economic feasibility of the Market Street Square Project; NOW, THEREFORE,

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

1. That the proposed Second Amendment and Supplement to Ground Lease, approved pursuant to Resolution No. 2565, dated October 17, 1995, is hereby rescinded.

2. That the Second Amendment and Supplement to Ground Lease and the terms and conditions thereof are hereby approved.

3. That the Executive Director of the Agency, or designee, is hereby authorized to execute, for and on behalf of the Agency, the Second Amendment and Supplement to Ground Lease, in substantially the form presented to this Agency, and with such additions thereto and changes therein as the Executive Director, or designee, may deem necessary or advisable in order to effectuate the purposes thereof or of the refinancing related thereto. A copy of the Second Amendment and Supplement to Ground Lease when executed by the Agency shall be placed on file in the office of the Secretary to the Agency as Document No. D-2672.

4. That the Executive Director of the Agency, or designee, is hereby authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the Ground Lease, as amended, including the Second Amendment and Supplement to Ground Lease, and to administer the Agency's obligations, responsibilities, and duties to be performed under the Ground Lease, as so amended.

APPROVED: JOHN W. WITT, General Counsel

By

Allisyn L. Thomas
Deputy Counsel

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