

(RA-98-23)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2788

ADOPTED ON NOVEMBER 4, 1997

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING AN AGREEMENT TO ADJUST AFFORDABILITY RESTRICTIONS AND ACKNOWLEDGMENT AND CONSENT TO REFINANCING FOR THE COLE BLOCK BUILDING WITH SAN DIEGO HISTORIC PROPERTIES IV, LTD., LOCATED IN THE GASLAMP QUARTER SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

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 Gaslamp Quarter Sub Area of the Centre City Redevelopment Project area (the "Project"); and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency has heretofore entered into an Owner Participation Agreement, dated November 12, 1990 (the "Participation"); and

WHEREAS, Owner is currently the owner of the property (the "Property") described in a Deed of Trust dated December 13, 1990, executed by Owner as Trustor, in which Agency is named as Beneficiary and Stewart Title Company of San Diego is named as

Trustee, and recorded on January 9, 1991, as Instrument No. 1991-0011905 in the San Diego County Recorder's Office (the "Deed of Trust"), which Deed of Trust is security for a promissory note dated December 7, 1990, executed by Owner as Participant, payable to Agency, in the principal sum of three hundred fifty thousand dollars (\$350,000) (the "Promissory Note"); and

WHEREAS, in connection with the loan evidenced by the Promissory Note and secured by the Deed of Trust, Owner and Agency entered into that certain Agreement Affecting Real Property (including Rental Restrictions), dated December 13, 1990, and recorded against the Property on January 9, 1991, as Instrument No. 1991-0011902 in the San Diego County Recorder's Office (the "Restrictions"); and

WHEREAS, Owner proposes to pay in full the outstanding balance of the Promissory Note at a discounted amount, in consideration for certain modifications to the Restrictions; and

WHEREAS, Owner proposes to refinance the Senior Encumbrances, by means of a new first trust deed loan (the "New Loan") to be made to Owner by Sterling Bank & Trust, as proposed in that certain Letter of Interest from Sterling Bank to Owner, dated October 2, 1997 (the "Letter of Interest"), which is incorporated herein by this reference; and

WHEREAS, the Agency desires to effectuate the modifications proposed by Owner in consideration for payment in full of the outstanding balance of the Promissory Note at this time; and

WHEREAS, subject to the terms and conditions of the Acknowledgment and Consent, the Agency desires to effectuate the refinancing as generally proposed in the Letter of Interest; NOW, THEREFORE,

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

1. That the Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to approve:
 - a. The Agreement to Adjust Affordability Restrictions
 - b. The Acknowledgment and Consent to Refinancing
2. That the Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the Agreements and to administer the Agency's obligations, responsibilities, and duties to be performed under the Agreements.
3. That the Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to sign such subordination agreements as may be required by the New Lender in order to subordinate the covenants and restrictions of the Agreement, including those set forth in the Agreement Affecting

Real Property, to the respective security interests and liens of the New Lender.

APPROVED: CASEY GWINN, General Counsel

By

Allisyn L. Thomas
Deputy General Counsel

ALT:lc

10/28/97

Or.Dept:CCDC

Aud.Cert:N/A

RA-98-23

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