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FIRST AMENDMENT TO HOUSING REHABILITATION LOAN AGREEMENT

This First Amendment to Housing Rehabilitation Loan Agreement by and between the Redevelopment Agency of the City of San Diego and Mayberry Townhomes, a California limited partnership [Amendment], is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic [Agency], and MAYBERRY TOWNHOMES, a California limited partnership [MAAC], with reference to the following facts:

WHEREAS, Agency and MAAC previously entered into that certain Housing Rehabilitation Loan Agreement by and between the Redevelopment Agency of the City of San Diego and Mayberry Townhomes, a California limited partnership, dated as of December 6, 2007, which is incorporated herein by this reference [Agreement]; and

WHEREAS, pursuant to the Agreement, Agency agreed to provide MAAC with a loan of Low- and Moderate-Income Housing Funds in the amount of \$799,370 for the rehabilitation of 18 buildings containing 70 residential units located on certain real property owned by MAAC located at 4328-4490 Mayberry Avenue in the Southcrest area of the City of San Diego. The Agreement was filed on December 19, 2007, as Document No. R-04224 in the Agency's office; and

WHEREAS, MAAC has fulfilled almost all of its obligations under the Agreement, and Agency now wishes to extend two deadlines set forth in the "Schedule of Performance" included as Attachment No. 4 to the Agreement and to modify certain portions of the "Scope of Rehabilitation" included as Attachment No. 5A to the Agreement; and

WHEREAS, Agency and MAAC now find it of mutual benefit to memorialize certain amendments to the Agreement.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and conditions herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agency and MAAC [together, the "Parties," and each sometimes a "Party"] hereby act and agree as follows:

1. The "Schedule of Performance" in Attachment No. 4 to the Agreement is hereby amended as follows: (a) the existing phrase in the right column next to Item 6 in Part III ("Completion of Rehabilitation"), which states "Within ten (10) months after Rehabilitation commencement and no later that [sic] twelve (12) months after Close of Escrow," is hereby deleted and replaced with the phrase "Not later than January 31, 2010"; and (b) the existing phrase in the right column next to Item 7 in Part III ("Occupancy"), which states "Within twelve (12) months after Rehabilitation commencement and no later than fourteen (14) months after the Close of Escrow," is hereby deleted and replaced with the phrase "Not later than March 31, 2010."

2. The "Scope of Rehabilitation" in Attachment No. 5A to the Agreement is hereby deleted in its entirety and replaced with the "Scope of Rehabilitation" set forth in Exhibit A to this Amendment.

3. As a condition to and as consideration for Agency's willingness to enter into this Agreement, MAAC represents and warrants to Agency that MAAC has no knowledge of, and has received

no written notice regarding, any outstanding mechanic's liens, materialman's liens or similar monetary liens that are presently recorded against the improved real property governed by the Agreement and further has no knowledge of any present dispute or circumstance that would potentially lead to the imposition of any such liens in the near future.

4. Except as expressly amended by this Amendment, the Agreement shall continue in full force and effect, enforceable in accordance with its terms.

5. This Amendment may be executed in several duplicate originals, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective upon execution by the Parties, as indicated by the signatures below. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Amendment, which, with all attached signature pages, shall be deemed to be an original Amendment. When fully executed, the date of this Amendment shall be the date on which the Agency shall have executed this Amendment.

[signatures set forth on following page]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed and delivered by their respective representatives, thereunto duly authorized, as of the date it is executed by the last Party to sign this Amendment.

Dated this _____ day of _____, 2009.

THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

By: _____
Name: William Anderson
Title: Assistant Executive Director

I APPROVE the form and legality of this Amendment
this ___ day of _____, 2009.

JAN I. GOLDSMITH, Agency General Counsel

By _____
Kevin J. Reisch
Deputy General Counsel

I CERTIFY I can legally bind Mayberry Townhomes, a California limited partnership, and that I have read all of this Amendment, this _____ day of _____, 2009.

MAYBERRY TOWNHOMES,
a California limited partnership

By: Metropolitan Area Advisory Committee on
Anti-Poverty of San Diego County, Inc., a
California non-profit public benefit
corporation (General Partner)

By: 
Name: _____
Title: **ANTONIO V. PIZANO**
PRESIDENT/CEO

Exhibit A

Replacement Version of Attachment No. 5A, Scope of Rehabilitation

[provided starting on next page]

ATTACHMENT NO. 5A

SCOPE OF REHABILITATION

The Mayberry Townhomes are located at 4328-4490 Mayberry Street in the neighborhood of Southcrest, City of San Diego, and comprised of eighteen (18) buildings containing seventy (70) residential units, of which thirty five (35) are two-bedroom units with one and one half baths and the remaining thirty-five (35) are three-bedroom units with one and one half baths (collectively, the "Improvements"). Sixty nine (69) of the units shall also be restricted to rental and occupancy by very low and low moderate-income households at affordable rental rates as described in the Housing Rehabilitation Loan and the Agreement Affecting Real Property, with one unit reserved for an onsite manager.

GOALS

The project goal of the proposed rehabilitation of the Improvements is to bring 70 townhome units into safe, sanitary and habitable condition. Each residential unit will be assessed for its needed repairs. Repairs and rehabilitation identified for both the interiors of the units as well as for the common areas are described below:

Hard Costs

A rehabilitation of 70 units as well as surrounding landscaping, parking lot repairs and roof repairs as needed.

1. A minimum of 25 units will have a full rehabilitation as described herein.
 - a. Drywall repair and painting throughout each unit.
 - b. Install new or refinish shower/tubs and shower/tub faucets in full bathrooms, as needed;
 - c. Installation of new vanities, bath faucets, and new plumbing in all bathrooms, as needed;
 - d. Installation of new drains and plumbing for washer and dryer laundry areas, as needed;
 - e. Replace lighting fixtures throughout, as needed;
 - f. Installation of new cabinets in kitchens and bathrooms, as needed;
 - g. Installation of new Vinyl Composition Tile (VCT) flooring/carpeting throughout, as needed;
 - h. Installation of new water heaters, as needed;
 - i. Mold Remediation, as needed; and
 - j. Installation of new appliances, as needed.
 - k. Installation of a new security door to each front door (25 units)
2. The remainder of the units (45) will have a partial rehabilitation, as described herein.
 - a. Installation of three GFI electrical outlets in each unit.
 - b. Installation of smoke detectors in each unit (5 detectors for three bedroom units, and 4 detectors for two bedroom units)
 - c. Installation of front door lever in each unit.
3. Roof Repairs on identified buildings (as defined in Scope of Work, Item 2);
4. Drought tolerant landscaping throughout Property, as appropriate and needed; and
5. Asphalt Repair in Parking Lot.

Soft Costs

1. Construction Management;
2. Relocation Costs (to temporarily relocate or move to new unit in project);
3. Third Party Studies/Contracts including Development Consultant

Scope of Work/Development Program

The Rehabilitation work to be performed is based on the following specifications:

1. Rehabilitation of 70 units. The following items generally apply to the Property and Improvements:
 - Remove and install new wood door jam and frame assemblies, solid and hollow-core doors, and all related door hardware, as needed.
 - Each bedroom, kitchen and living/stair area will have a smoke detector fixture.
 - Three GFI Electrical outlets shall be installed per the Uniform Building Code in each unit, one in each bathroom and one in the kitchen.
 - Exterior painting. High pressure water blast exterior stucco, scrape and sand exterior wood siding, trim and fascia board. Repair any stucco damage that exceeds 3 inches in diameter and ½ inch deep during the paint process. Apply one coat of primer and one finish coat of paint.
 - All demolition costs shall be included in the calculations for each Project Budget item.
- (a) Drywall repair and painting throughout unit (minimum of 25 units defined under full rehabilitation). Wash, scrape and prep interior walls and ceilings to make ready for new interior paint. Repaint all wall and ceiling area throughout entire house using one primer coat and two finish coats.
- (b) Install new or refinish showers/tubs and shower/tub faucets in full bathrooms, as needed. Floors shall be VCT.
- (c) Install new vanities, bath faucets, and new plumbing in all bathrooms, as needed. Remove and haul away all existing plumbing pipes for the hot and cold potable water system, as needed. Install new one inch feed line from the City water meter to the front yard hose and sprinkler control valves, as needed. Provide new connections for sprinkler and hose valves, as needed.
- (d) Install new drains and plumbing for washer and dryer laundry areas (a minimum of 25 units). Continue one-inch copper main lines and connect to cold water outlet of the house water heater. All other hot and cold horizontal runs are to be of 3/4" copper with 1/2" risers to all clothes washers inside the house.
- (e) Replace lighting fixtures throughout (a minimum of 25 units). Lighting fixtures to be installed in compliance with Uniform Building Code and be installed flush against drywall on ceiling or as otherwise prescribed and permitted by code.
- (f) Install new cabinets in kitchens and bathrooms (a minimum of 25 units). Remove all existing cabinets, counters, sink drain and trap system up to vertical riser in wall. Remove floor covering

and base molding. Repair or replace subfloor as needed per the requirements of the Uniform Building Code, 1994 Edition.

- (g) Install new flooring/carpeting throughout (a minimum of 25 units). Bathroom floors shall be VCT. Bedroom floor covering is carpet. Install new VCT or similar covering over the entire kitchen, pantry, and any adjoining hall floor area. Repair any damage to any subfloors during course of construction, as needed.
 - (h) Install new water heaters (a minimum of 25 units). Install hot water heater in compliance with code, and assure one-inch, if appropriate, copper main line connects to cold water inlet of the unit's water heater.
 - (i) Mold Remediation. Comply with all state and local codes regarding mold remediation disclosures and employ certified contractors experienced in moisture-controlling and mold remediation.
 - (j) Install Appliances (a minimum of 25 units). Identify the costs and specifications of all appliances installed and confirm all units will receive identical appliances. Assure all appliances are new with factory warranties and submit evidence the purchase of all appliances were through competitive bidding.
2. Roof Repairs on identified buildings. On identified buildings, inspect and seal protrusions, repair areas with identified damage. All new roofing replacement shall be replaced to current code requirements. Install missing chimney caps and clean chimneys, as needed.
 3. Landscape Irrigation Repairs and Planting (drought tolerant), as needed. During the process of landscaping, safeguard all landscape areas to prevent any safety hazards. Repair and replace landscape sprinkler system as needed; remove and haul away existing galvanized water sprinkler systems if replaced. If appropriate, design and install new sprinkler systems tapered for new landscape design for drought tolerate vegetation. If applicable, the new system should be of PVC pipe with automatic timer(s) and new control valves. The sprinkler system shall have a ball valve shut-off device at the first point of connect to the main water supply. This device shall be between the sprinkler system and the main water supply allowing for the independent shut off of the sprinkler system from the main water supply. Drought tolerant landscaping should be comprised of California Friendly species.
 4. Asphalt Repair in Parking Lot. The structural integrity of the pavement should be evaluated prior to placing asphaltum materials in the parking lot. Cracks or joints of a quarter inch or more should be sealed. In addition, an overlay or surface treatment may seal moisture and potentially prolong the asphaltum treatment. Areas where water ponds will be removed and replaced.
 5. Contingency. Fifteen percent (15%).
 6. General Considerations:
 - Builder Overhead. The contractor will be responsible for obtaining the necessary building, plumbing, electrical, and mechanical permits at owner's expense required for this job. Additionally, Workers Compensation Insurance and Liability Insurance will be required of all contractors performing the work.
 - Builder Profit. The builder's profit will be calculated as 10% of the contract including change orders.

CONSTRUCTION STANDARDS

1. The Project shall comply with the City's building code and all other applicable local codes, construction standards, ordinances and zoning ordinances in effect at the time of project completion, and the Project shall be decent, safe and sanitary.
2. The Project shall comply with the following regulations, to the extent such regulations apply to the Project: (a) the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. section 794); and (b) the design and construction requirements for covered multi-family dwellings (defined at 24 CFR 100.201), as such requirements are set forth at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. sections 3601-3619).
3. At a minimum, the Project shall replace all faucets, shower valves, toilet handles and interior/exterior lock sets with Universal Design compliant products where those items are being replaced within the individual dwelling units.