

(R-84-829)

RESOLUTION NUMBER R- 259657

Adopted on NOV 21 1983

WHEREAS, The City of San Diego (the "City") is currently the owner of that certain parcel of real property (the "Property") consisting of approximately 2.13 acres and located on Cargill Avenue near Nobel Drive and more particularly described in Attachment A to this resolution; and

WHEREAS, the San Diego Housing Commission, pursuant to a Council Resolution adopted April 25, 1983, has publicly solicited proposals from private sector developers for the sale and purchase of the Property for the development of residential apartment units for elderly citizens (age 62 years or older); and

WHEREAS, Kevin J. McInerney, in response to such public solicitation, has submitted an offer, as presented in Attachment B to this resolution, to purchase the Property for a price of Two Million Ten Thousand Dollars (\$2,010,000), whereby he has agreed and covenanted to construct and maintain such an apartment project for the exclusive use of elderly tenants for a period of ten (10) years from the date of first occupancy; and

WHEREAS, said offer has been recommended for approval and acceptance by the San Diego Housing Commission as being the full fair market value of the property and the most advantageous offer submitted in response to the City's public solicitation;

NOW, THEREFORE,

BE IT RESOLVED, by the City Council of The City of San

Diego, as follows:

1. That the City Council hereby approves that certain Offer to Purchase and Real Estate Purchase Contract dated October 5, 1983, and executed by Kevin J. McInerney as Buyer and by the Executive Director of the San Diego Housing Commission, and hereby authorizes the City Manager, on behalf of the City, to execute said Contract, a copy of which is attached hereto as Attachment B.

2. That the Executive Director of the San Diego Housing Commission is hereby authorized and empowered to effectuate the transaction described in said Offer to Purchase and Real Estate Purchase Contract and to perform acts necessary to complete said transaction, including the execution of escrow instructions and amendments thereto, the receipt of monies, the acknowledgement of the satisfaction of certain conditions, and the monitoring of the transaction and of the Buyer's progress in fulfilling the Buyer's obligations and the waiver, subject to prior approval by the City Attorney, of any of the provisions under the purchase contract.

3. That the Mayor and the City Clerk are hereby authorized and empowered to execute in favor of the Buyer, a Municipal Corporation Grant Deed with attached restrictive covenants, in a form substantially similar to the Deed and the covenants presented in Attachment C to this resolution subject to the following conditions:

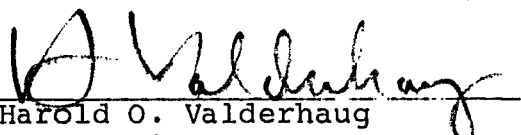
A. The full sale price of \$2,010,000 shall be paid to the Executive Director on behalf of the City for deposit into the appropriate Capital Outlay Fund prior to delivery of the Deed;

B. The Buyer shall be subject to an enforceable agreement to develop in a diligent manner not less than 130 apartment units for elderly citizens on the property; and

C. The Buyer shall have entered into an enforceable agreement with the Housing Commission to utilize the property for apartments for the elderly for a minimum of 10 years.

APPROVED: John W. Witt, City Attorney

By


Harold O. Valderhaug
Deputy City Attorney

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11/09/83
Or.Dept:Hsg.Comm.
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ATTACHMENT A

PARCEL 1

That portion of Pueblo Lot 1302 of THE PUEBLO LANDS OF SAN DIEGO, in the City of San diego, County of San Diego, State of California, according to the Map thereof made by James Pascoe in 1870. A copy of said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, described as follows:

BEGINNING at the Southwesterly corner of said Pueblo Lot 1302; thence South $89^{\circ}05'10''$ East, along the South line of said Pueblo Lot, 552.06 feet to the West line of Cargill Avenue; thence North $0^{\circ}00'38''$ East, along said West line a distance of 301.17 feet to the TRUE POINT OF BEGINNING; thence continuing North $0^{\circ}00'38''$ East, along said West line a distance of 146.16 feet to the beginning of a curve concave Westerly, having a radius of 200.00 feet; thence Northerly along said curve, 47.96 feet through a central angle of $13^{\circ}44'18''$ to the beginning of a reverse curve concave Easterly, having a radius of 220.00 feet; thence Northerly along said curve, 52.75 feet through a central angle of $13^{\circ}44'18''$; thence North $0^{\circ}00'38''$ East along said West line a distance of 156.00 feet to the Southeast corner of Lot 15 of Genesee Highlands Unit No. 1, according to Map thereof No. 7187; thence North $81^{\circ}03'50''$ West, along the Southerly line of said Lot 15, a distance of 406.71 feet; thence North $62^{\circ}05'28''$ West, along the Southerly line of said Lot 15 a distance of 142.27 feet to the West line of Pueblo Lot 1302 of said PUEBLO LANDS OF SAN DIEGO; thence South $0^{\circ}52'35''$ West, along the West line of said Pueblo Lot 1302 a distance of 445.83 feet; thence South $81^{\circ}03'50''$ East 552.97 feet to the TRUE POINT OF BEGINNING.

Excepting therefrom the West 265.44 feet.

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ATTACHMENT B

OFFER TO PURCHASE

AND

REAL ESTATE PURCHASE CONTRACT

This Agreement is made by and between Kevin J. McInerney, (hereinafter "Buyer") and the City of San Diego (hereinafter "Seller"), acting by and through its agent, the San Diego Housing Commission (hereinafter "the Commission"). The Commission is authorized to act for Seller in all matters relating to this Contract, including the receipt and acceptance of Buyer's monies. Seller and Buyer are hereinafter collectively referred to as "the Parties". In executing this Offer to Purchase and Real Estate Purchase Contract, Buyer offers to purchase certain real property in accordance with the terms and conditions set forth below. Execution by Seller's agent shall constitute acceptance of such offer, contingent upon subsequent approval of the terms and conditions hereof by the San Diego City Council.

For good and valuable consideration, the Parties agree, promise and covenant as follows:

PART I. GENERAL PROVISIONS

Section 1.1 — The Property. Seller agrees to sell and Buyer agrees to purchase that certain unimproved parcel of real property consisting of approximately 2.113 acres, located on Cargill Street in San Diego, California and more particularly described in Exhibit A attached hereto (hereinafter "the Property").

Section 1.2 — Purchase Price. The purchase price of the Property shall be \$2,010,000.

Section 1.3 — Method of Payment. The purchase price set forth in Section 1.2 immediately above shall be paid to Seller in the following

manner:

(a) An initial deposit of Five Thousand Dollars (\$5,000) in the form of a certified check or bank cashier's check shall be delivered to the Commission along with this Offer to Purchase.

(b) Within two (2) business days of Buyer's receipt of notice of Seller's execution of this Contract, Buyer shall deliver to the escrow holder designated in Section 2.1 below, in the form of a certified check or a cashier's check, a further deposit in the amount of Fifty-five thousand, three hundred _____ Dollars (\$ 55,300) (representing the balance of the entire deposit of three percent (3%) of the purchase price of the Property which three percent (3%) deposit includes the initial deposit of \$5,000). Within one (1) business day of receiving notice that Seller has approved Buyer's financial statements in accordance with Section 3.1(a) below, the escrow holder shall release and transmit all of Buyer's deposit to Seller.

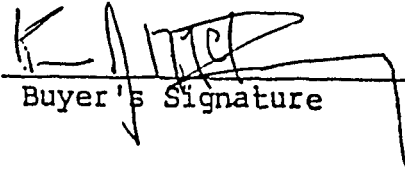
(c) At least one (1) day prior to the scheduled close of escrow as defined and described in Section 2.3 below, Buyer shall deposit into escrow, in the form of a certified check or bank cashier's check, the balance of the purchase price.

Section 1.4 — Liquidated Damages. IN THE EVENT THAT THIS SALE AND PURCHASE TRANSACTION IS NOT CONSUMMATED DUE TO ANY DEFAULT HEREUNDER ON THE PART OF BUYER, INCLUDING BUYER'S FAILURE TO MAKE SATISFACTORY PROGRESS IN OBTAINING CITY APPROVAL FOR HIS LAND USE APPLICATION AS PROVIDED IN SECTION 3.3 BELOW, SELLER SHALL BE ENTITLED TO RETAIN BUYER'S ENTIRE DEPOSIT, AS DESCRIBED IN SECTION 1.3(b) ABOVE, AS LIQUIDATED DAMAGES. BUYER AND SELLER EXPRESSLY ACKNOWLEDGE AND AGREE THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO PREDICT OR TO AFFIX THE ACTUAL DAMAGES WHICH WOULD ACCRUE TO SELLER IN THE EVENT OF BUYER'S DEFAULT HEREUNDER. FURTHER, BUYER AND

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[Handwritten signature]

SELLER EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE RETENTION OF BUYER'S DEPOSIT BY SELLER REPRESENTS A REASONABLE LIQUIDATION OF SUCH PROSPECTIVE DAMAGES TO SELLER.


Buyer's Signature


Seller's Signature


In the event that this sale and purchase transaction is not consummated due to any default hereunder on the part of Seller, or due to a failure by the City of San Diego to approve the terms hereof or to approve Buyer's land use application or Buyer's Proposal for Development of Elderly Rental Project (attached hereto as Exhibit B), such deposit shall be fully refunded to Buyer without interest.

Section 1.5 -- Buyer's Right of Entry. During the escrow period, as described in Section 2.3 below, Buyer and Buyer's agents, employees and contractors shall have the right to enter upon the Property for the purpose of developing plans, conducting surveys and performing other tasks related to obtaining City of San Diego approval for Buyer's proposed development. Buyer hereby agrees to indemnify, defend and hold harmless Seller, the City of San Diego and the Commission from any and all loss, damages, liability or claims arising from any act or omission of Buyer or Buyer's agents, employees or contractors in connection with said right of entry.

PART II. ESCROW AND DOCUMENTATION

Section 2.1 -- Escrow Holder. Title Insurance and Trust Company shall serve as the escrow holder for this sale and purchase transaction.

Section 2.2 -- Opening of Escrow. Within three (3) business days of Seller's execution of this Contract, Seller shall open escrow with the escrow holder designated in Section 2.1 immediately above. Buyer and Seller shall execute escrow instructions within ten (10) business days of

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receipt thereof as long as such instructions conform to this Contract. Failure or refusal to execute such escrow instructions conforming to this Contract shall constitute a default hereunder.

Section 2.3 -- Close of Escrow. "Close of Escrow" is hereby defined to mean that moment in time at which the grant deed and related instruments conveying title to Buyer are to be recorded in the County Recorder's Office. Close of escrow shall occur on or before six months from opening of escrow, any such closing prior to such date being at the option of Buyer. In the event that approval by the City of San Diego of Buyer's Proposal for Development of Elderly Rental Project (as set forth in Exhibit B attached hereto) is delayed beyond said date through no fault of Buyer, Buyer may elect to withdraw his offer and demand a full refund of his deposit or to request one or more extensions of the escrow period from Seller. Seller shall not unreasonably deny such requests for extensions.

Section 2.4 -- Title Insurance. Seller shall furnish Buyer, at Seller's expense, a standard form CLTA title insurance policy providing coverage in an amount equal to the purchase price set forth in Section 1.2. Said title insurance policy shall show title to be vested in Buyer and shall guarantee title in the condition approved by Buyer prior to close of escrow.

Section 2.5 -- Prorations. Any obligation to pay property taxes shall be prorated between Buyer and Seller according to their respective period of ownership during the tax period within which escrow closes.

Section 2.6 -- Costs and Fees. Buyer and Seller shall each pay one-half of the escrow holder's fees, including charges for document drafting and for extraordinary or unusual costs or services. Seller shall pay such fees and costs as are customarily charged to sellers in the San Diego area, and Buyer shall pay such fees and costs as are customarily

charged to Buyers in the San Diego area. Notwithstanding the foregoing, and in addition to the liquidated damages set forth in Section 1.4 above, Buyer shall pay any and all costs and fees incurred by either party in connection with this sale and purchase transaction in the event that escrow fails to close due to a default hereunder on the part of Buyer.

Section 2.7 -- Restrictions on Use of the Property. Buyer acknowledges and agrees that Buyer shall execute an instrument containing his covenants with respect to maintaining the use the Property solely for rental housing for elderly persons (age 62 or older) for a period of ten (10) years from the date of occupancy by the first resident. Said instrument shall be recorded along with the grant deed conveying title to Buyer, and the covenants contained therein shall be deemed to "run with the land," thereby binding Buyer's successors and assigns.

Section 2.8 -- Escrow Instructions Subordinate. Any inconsistency between the escrow instructions and this Contract shall be resolved in a manner consistent with this Contract unless the inconsistent provision of this Contract is expressly waived or superseded by a writing executed by the Parties specifically referring to the inconsistent provision of this Contract.

PART III. CONDITIONS

Section 3.1 -- Conditions to Seller's Obligation. Seller's obligation to perform hereunder is subject to the following conditions:

(a) Delivery by Buyer to Seller of Buyer's financial statements within five (5) days of Seller's execution of this Contract, and Seller's approval of same. Seller's approval shall be evidenced by written notice to Buyer and to the escrow holder within twenty-one (21) days of Seller's receipt of such financial statements. The purpose of this condition is to insure Buyer's financial capacity to complete the Project outlined in

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Exhibit B attached hereto, and any disapproval of Buyer's financial statements shall not be unreasonable in light of such purpose. Buyer acknowledges that Seller intends to conduct an investigation of Buyer's credit and of the information contained in such financial statement. Buyer expressly consents to such investigation and agrees to cooperate with Seller and to execute such consents as are reasonably required to complete such investigation.

(b) At least thirty (30) days prior to close of escrow, delivery by Buyer to the Commission of Buyer's plans and specifications ("working drawings") for the project outlined in Exhibit B attached hereto, and the Commission's approval of same. The Commission's approval shall be evidenced by written notice to Buyer and to escrow holder within thirty (30) days of the Commission's receipt of such plans and specifications. The purpose of this condition is to insure the suitability of Buyer's proposed Project for the Property and to enable the Commission to determine the likelihood of its subsequent approval by the City of San Diego. Any disapproval of Buyer's plans and specifications by the Commission shall not be unreasonable in light of said purpose. Notwithstanding any other provision of this Contract, the Commission's approval of such plans and specifications shall not be deemed to constitute approval by the City of San Diego of such plans and specifications or of Buyer's development proposal or of Buyer's land use application. The Parties expressly acknowledge and agree that the Commission is not authorized to bind Seller in any way in connection with the ultimate approval of Buyer's proposed development on the Property.

(c) Diligence and reasonable progress on the part of Buyer in seeking and obtaining the approval of the City of San Diego for Buyer's proposed elderly rental project as set forth in Exhibit B attached hereto and as

previously approved by Seller. The reasonableness of such progress shall be measured against the objective standards contained in Section 3.3 below.

(d) Approval by the San Diego City Council of the terms and conditions hereof, which approval shall not be deemed to constitute approval of Buyer's proposed development for the Property.

(e) Ultimate approval by the appropriate agencies and bodies of the City of San Diego of Buyer's proposed development for the Property, as set forth in Exhibit B attached hereto.

Section 3.2 -- Condition to Buyer's Obligation. Buyer's obligation to perform hereunder is subject to the condition that the City of San Diego approve Buyer's Proposal for Development of Elderly Rental Project as set forth in Exhibit B attached hereto and grant the land use approval and/or designation and the permits necessary for the implementation of such Proposal.

Section 3.3 -- Buyer's Best Efforts. With respect to the condition to Buyer's obligation set forth in Section 3.2 immediately above, Buyer expressly covenants to exert his best efforts to obtain land use approvals required for the development of the proposed project, within six (6) months of Seller's execution hereof. Failure on the part of Buyer to exert such best efforts shall constitute a default hereunder, shall operate to terminate Seller's obligation to perform hereunder pursuant to Section 3.1(c) above, and shall entitle Seller to retain Buyer's deposit pursuant to Section 1.4 above. In determining whether or not Buyer has satisfied the covenant contained in this Section 3.3, Seller shall apply the following objective criteria:

(a) Buyer shall have submitted to the appropriate agencies of the City of San Diego, all documents and materials required to obtain the necessary land use approvals for Buyer's proposed development within

forty-five (45) days of San Diego City Council approval of this Real Estate Purchase Contract pursuant to Section 3.1(d) above.

(b) Buyer shall satisfy any requests by any agency involved in processing Buyer's application for land use approval, for further information, surveys or studies (e.g., geological studies, archeological surveys, traffic surveys, etc.) within thirty (30) days of Buyer's receipt of any such request.

PART IV. MISCELLANEOUS PROVISIONS

Section 4.1 -- No Broker Involved. Each party represents to the other that no broker was instrumental in bringing about this Contract. Further, each party agrees to indemnify, defend and hold harmless the other against any claim for a broker's fee arising from the act of the indemnifying party.

Section 4.2 -- Construction. This Contract shall be construed in accordance with the laws of the State of California. Any use of the masculine, feminine or neuter genders in this Agreement shall be deemed to include the other genders when the context so requires. Similarly, any use of the plural or singular number shall be deemed to include the other when the context so requires.

Section 4.3 -- Exhibits Incorporated. All exhibits to which reference is made herein are deemed incorporated into this Contract whether or not such exhibits are actually attached to this Contract.

Section 4.4 -- Assignments by Buyer Void. Neither the benefits nor the obligations hereunder are assignable or delegable by Buyer. Any attempt by Buyer to assign or delegate such benefits or obligations shall be void. Nothing in this Section 4.4 shall be deemed to limit the right of Seller to assign or delegate, by contract or by operation of law, its benefits and duties hereunder, and the right and power to assign or

delegate is expressly reserved to Seller.

Section 4.5 -- Notices. All notices required pursuant to this Contract shall be given by personal delivery or by registered or certified mail, postage prepaid, return receipt requested. Whenever the mail is used to transmit such notice, notice will be deemed given seventy-two hours after the placement of such notice in a U.S. Mail depository. All notices shall be sent to the addresses of the respective parties as set forth below and as changed from time to time by written notice to the other party.

SELLER: City of San Diego
c/o San Diego Housing Commission
Attention: Executive Director
121 Broadway, Suite 400
San Diego, California 92101

Copy to: Larry L. Marshall, Esq.
Jennings, Engstrand & Henrikson
A Professional Law Corporation
2255 Camino del Rio South
San Diego, California 92108

BUYER: Kevin J. McInerney
Suite 500
3511 Camino del Rio So.
San Diego, CA 92108

Copy to: Charles., L. Hellerich, Esq.
Luce, Forward, Hamilton & Sripps
110 West "A" Street
San Diego, CA 92101

Section 4.6 -- Severability. In the event that any provision of this Contract is determined to be void by a court of competent jurisdiction, then such provision shall be deemed severed from the rest of the Contract, and the rest of the Contract shall remain in full force and effect.

Section 4.7 -- Non-Waiver. The waiver of, or the failure to object to, or the failure to assert any remedy for any default hereunder shall not constitute a waiver of, or consent to subsequent defaults.

Section 4.8 -- Time is of the Essence. Time is of the essence in the performance of the terms of this Contract.

Section 4.9 -- Successors. Subject to Section 4.4 above, this Contract shall be binding upon, and inure to the benefit of the successors, assigns, heirs or transferees of the Parties.

Section 4.10 -- Attorneys' Fees and Costs. Should any legal action be commenced for the enforcement or interpretation of any provision of this Contract or for damages for the breach hereof, the prevailing party shall be entitled to the award of reasonable attorneys' fees and costs of suit in addition to such other relief to which it may be entitled.

Section 4.11 -- Relationship of the Parties. The relationship between the Parties is one of Seller and Purchaser. The Parties do not intend, and this Contract shall not be deemed to create a partnership or joint venture.

Section 4.12 -- Integration. This Contract represents the entire agreement between the Parties and supersedes any and all other agreements, either oral or in writing, with respect to the subject matter herein, and no other agreement, statement or promise relating to the subject matter of this Contract shall be valid or binding.

Executed on the dates set forth below, opposite the signatures of the respective parties.

Date: Oct. 5, 1983

Buyer: K. J. [unclear]

By: _____

Title: _____

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Date: OCT 31, 1983

Seller: SAN DIEGO HOUSING COMMISSION
Agent for
THE CITY OF SAN DIEGO

By: *R. Morley*

Title: Executive Director,
San Diego Housing Commission

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PARCEL 1

That portion of Pueblo Lot 1302 of THE PUEBLO LANDS OF SAN DIEGO, in the City of San diego, County of San Diego, State of California, according to the Map thereof made by James Pascoe in 1870. A copy of said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, described as follows:

BEGINNING at the Southwesterly corner of said Pueblo Lot 1302; thence South $89^{\circ}05'10''$ East, along the South line of said Pueblo Lot, 552.06 feet to the West line of Cargill Avenue; thence North $0^{\circ}00'38''$ East, along said West line a distance of 301.17 feet to the TRUE POINT OF BEGINNING; thence continuing North $0^{\circ}00'38''$ East, along said West line a distance of 146.16 feet to the beginning of a curve concave Westerly, having a radius of 200.00 feet; thence Northerly along said curve, 47.96 feet through a central angle of $13^{\circ}44'18''$ to the beginning of a reverse curve concave Easterly, having a radius of 220.00 feet; thence Northerly along said curve, 52.75 feet through a central angle of $13^{\circ}44'18''$; thence North $0^{\circ}00'38''$ East along said West line a distance of 156.00 feet to the Southeast corner of Lot 15 of Genesee Highlands Unit No. 1, according to Map thereof No. 7187; thence North $81^{\circ}03'50''$ West, along the Southerly line of said Lot 15, a distance of 406.71 feet; thence North $62^{\circ}05'28''$ West, along the Southerly line of said Lot 15 a distance of 142.27 feet to the West line of Pueblo Lot 1302 of said PUEBLO LANDS OF SAN DIEGO; thence South $0^{\circ}52'35''$ West, along the West line of said Pueblo Lot 1302 a distance of 445.83 feet; thence South $81^{\circ}03'50''$ East 552.97 feet to the TRUE POINT OF BEGINNING.

Excepting therefrom the West 265.44 feet.

EXHIBIT "A"

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EXHIBIT B

Buyer's Proposal for Development
of Elderly Rental Project

Number of Proposed Unit(s) 139

1. Development Cost Totals (fill in detailed breakdown for each on pages 3 through 7.

A. <u>Land</u> (to be paid to City)	<u>\$ 2,010,000</u>
B. <u>Land Improvement Cost</u>	
1. On-site	<u>\$ 69,300</u>
2. Off-site	<u>\$ 10,000 (cont.)</u>
3. Total Land Improvement Cost (#1. and 2.)	<u>\$ 79,300</u>
C. <u>Structures Cost</u> (\$ <u>32.51</u> per sq. ft. x <u>674</u> (AVG.) sq. ft./unit x <u>139</u> No. of Units) - includes garage	<u>\$ 3,046,292</u>
D. <u>Community Facilities</u> (included in #C)	<u>\$</u>
E. <u>Fees and Permits</u>	<u>\$ 314,902</u>
F. <u>Financing and Carrying Charges</u>	
1. a. Construction Int. and Fees	<u>\$ 320,000</u>
(@ <u>11%</u> with <u>1</u> Points)	
b. Take Out Loan Points (<u>2</u> Points)	<u>\$ 110,000</u>
2. Insurance & Workman's Comp. & Bonding	<u>\$ 28,000</u>
3. Other (Please Identify) Escrow, Title and Legal, Marketing	<u>\$ 30,000</u>
4. Total Financing and Carry Out Charges (Add Items 1 through 3)	<u>\$ 488,000</u>
G. <u>Profit and Overhead</u> & SUPERVISION	<u>\$ 250,000</u>
H. <u>Other Costs (Please Identify)</u> ^E CONTINGENCY	<u>\$ 90,000</u>
I. <u>Total Development Costs (Add lines A through H)</u>	<u>\$ 6,268,494</u>
J. <u>Development Cost Per Unit (I ÷ # of Units)</u>	<u>\$ 45,097</u>
	Per Unit

2. Project Income and Mortgage Requirements

A. <u>Total Project Income</u>	
1. <u>one</u> bedroom units @ <u>\$500</u> mo x <u>85</u> units x 12 =	<u>\$ 510,000</u>
<u>two</u> Bedroom units @ <u>\$650</u> mo x <u>24</u> units x 12 =	<u>\$ 187,200</u>
<u>two</u> Bedroom units @ <u>\$700</u> mo x <u>30</u> units x 12 =	<u>\$ 252,000</u>
TOTAL	<u>\$ 949,200</u>

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2. Other Project Income (Please Identify)	Laundry & Vends	\$ 7,200
3. Total Income (#1 + 2)		\$ <u>956,400</u>
4. <u>3</u> % Vacancy Adjustment (#3 x <u>.03</u>)		\$ <u>28,692</u>
*5. Operating Expenses (includes taxes and insurance)		\$ <u>161,000</u>
(Op. Exp/Unit/Year ¹ \$ <u>58.27</u> x <u>139</u> units)		
6. Net Operating Income Available for Debt Service		\$ <u>766,708</u>
**B. <u>Annual Debt Service</u> (proposed mortgage amount		\$ <u>628,877</u>
<u>\$5,468,494</u> at <u>11.5</u> % interest)	Great Western AML	
C. <u>Cash Flow</u>		\$ <u>137,831</u>
D. <u>Required Developer Equity</u> (difference between total		\$ <u>800,000</u>
development cost and proposed amount of mortgage.		

* Itemize at Item I on last page of this attachment.

** Interest rates should be your best estimate of the long term rates you can achieve in the existing market. The Housing Commission will evaluate these projections when considering project feasibility.

1B. Land Improvement Cost

Please indicate below which items you have included in your land improvement cost estimate. (Examples: demolition, clear and grub, grading, curb and gutter, signs and monuments, storm sewer, etc.). Indicate hard costs only. Differentiate off-site from on-site costs. Enter totals in 1B1 and 2.

<u>ITEM</u>	<u>ESTIMATED COST</u>
OFF-SITE	
Contingency	\$10,000.

ON-SITE

Soils and survey	7,000
Clear and Excavate	13,000
Hauling	15,000
Water Storm Drain	9,000
Retaining Walls	20,300
Contingency	5,000
	<u>69,300</u>

1C. Building Cost

Please indicate below which items you have included in your building cost estimate. (Example: plumbing, electrical, masonry, carpentry, roofing, wardrobe doors, bathroom hardware, fine grading, landscaping, walks and paths, etc.). Indicate hard construction costs only. Enter in 1C.

<u>ITEM</u>	<u>ESTIMATED COST</u>
Plumbing (ground & top ont)	226,000
Footing, Foundation, Slabs	311,070
Lumber (rough & finish)	391,000
Hardware & Sheetmetal & Garage Door	49,600
Carpentry (rough & finish)	432,330
Glass & Skylight	52,810
Masonry	31,400
Electrical (rough, finish and fixtures)	218,000
Heating and air conditioning	117,300
Roofing	48,750
Plaster & Drywall & Insulation & Paint	505,000
Cabinets Formica and Appliances	258,100
Carpet, Drapes, Mirrors	118,132
Drive, Walk, Patios, & Paving	62,000
Elevators	81,000
Fine Grade & Landscape & Fencing & Clean up	129,800
Pool & Jac.	14,000
	3,046,292

Also, indicate the number of units and the number of square feet per unit.

<u>TYPE</u>	<u>UNITS</u>	<u>SQUARE FEET</u>
1 Bedroom, 1 Bath	85	605
2 Bedroom, 1 Bath	24	735
2 Bedroom, 2 Bath	30	821

1D. Community Facilities

<u>TYPE BUILDING</u>	<u>SQUARE FEET</u>
Sauna _____	<u>72</u>
Lap Pool _____	<u>280</u>
Jacuzzi _____	<u>140</u>
Exercise Room _____	<u>625</u>
Card Room _____	<u>450</u>
Lounge _____	<u>1,520</u>
Laundry _____	<u>300</u>
Sundeck _____	<u>1,000</u>
Lobby _____	<u>600</u>
Public Rest Rooms _____	<u>300</u>
]E. Fees and Permits	

Please indicate below which items you have included in your fees and permits estimate. (Example: water fees, sewer fees, park fees, CUP permit, processing fees, architect fee, engineering fee, etc.). Enter in 1E.

<u>ITEM</u>	<u>ESTIMATED COST</u>
Sewer (\$636 x 139) _____	<u>88,404</u>
Water (\$290 x 139) _____	<u>40,310</u>
Park (per acre) _____	<u>6,200</u>
Park (\$75 x 139) _____	<u>10,425</u>
Plan Check _____	<u>3,649</u>
Bldg. Permit _____	<u>5,614</u>
CUP & Misc. _____	<u>3,500</u>
Architect & Eng. _____	<u>120,000</u>
Utility Consultant _____	<u>4,000</u>
	<u>314,902</u>

1F. Carrying Charges and Financing

Please indicate below which items you have included in your carrying charges and financial estimate. (Example: interest on construction loan, financing fee, title and recording fees, etc.).

<u>ITEM</u>	<u>ESTIMATED COST</u>
Escrow, Title, etc. _____	20,000
Legal _____	1,000
Points _____	150,000
Construction Interest _____	270,000
Marketing _____	9,000

H. Other Items to Include

Please indicate which items are not included in any of the above estimates. (Example: any normal development item which should be included in the total development cost but has not been included in your estimate, e.g., soil survey, marketing, landscaping, developer's fee, etc.).

NOT APPLICABLE

I. Operating Expenses

Break out yearly operating expenses shown on page 2 of Attachment A at 2.A.5.

Legal and Accounting	2,000
Insurance	6,000
Taxes	45,000
SDG&E	34,000
Water & Sewer	10,000
Pool	1,800
Pest	800
Trash	2,200
Maintenance	4,000
Landscape	7,200
Resident Mgr. & Asst. Mgr.	30,000
Supplies	6,000
Repairs and Reserves	10,000
Misc. (License, etc.)	2,000

ATTACHMENT C

Recording Requested by:

SAN DIEGO HOUSING COMMISSION

When Recorded Mail To:

The City Clerk
City of San Diego
202 C Street
San Diego, CA 92101

MUNICIPAL CORPORATION GRANT DEED

THE CITY OF SAN DIEGO (hereinafter, "Grantor"), a municipal corporation organized under the laws of the State of California, for valuable consideration, DOES HEREBY GRANT to KEVIN J. McINERNEY (hereinafter, "Grantee"), subject to the covenants of said Grantee, which covenants are set forth in Exhibit A attached hereto and incorporated by reference herein, and which covenants shall run with the land, all that real property located in the City of San Diego, California, described as follows:

See legal description marked "Exhibit B" attached hereto and made a part hereof.

THE CITY OF SAN DIEGO

By: _____
Mayor of Said City

ATTEST:

City Clerk of Said City

R- 259657
01930

EXHIBIT A
TO
MUNICIPAL CORPORATION GRANT DEED

COVENANTS OF GRANTEE

In consideration of the grant from the City of San Diego ("Grantor") of the real property described in Addendum 1 attached hereto and incorporated by reference herein (the "Burdened Parcel"), ("Grantee") expressly agrees and covenants to construct upon said Burdened Parcel a residential apartment project for elderly tenants substantially comporting with the Project Description presented in Addendum 2, attached hereto and incorporated by reference herein. Grantee further expressly agrees and covenants to use and maintain said Burdened Parcel, including the improvements to be constructed thereon, solely and exclusively as rental housing for tenants who are sixty-two (62) years of age or older, for a period of at least ten (10) years from and after the date on which the first resident tenant commences occupation of the premises. Grantee further expressly agrees and covenants to maintain the improvements to be constructed on the Burdened Parcel, as well as the landscape of the Burdened Parcel, in a condition which is healthful, safe and sanitary for Grantee's tenants and which will not detract from the visual appeal of adjoining parcels of real property.

Grantee expressly declares that said covenants are made and intended to benefit that parcel of real property (the "Benefitted Parcel") described in Addendum 3 attached hereto and incorporated by reference herein. Further, Grantee expressly agrees and declares that the aforesated covenants shall "run with the land", and shall bind the successors and assigns of Grantee in the Burdened Parcel, and shall inure to the benefit of the Grantor's successors and assigns in the Benefitted Parcel.

Executed this ____ day of _____, 1983.

GRANTEE

By: _____

Title: _____

R- 259657
01931

ADDENDUM 1
TO
COVENANTS OF GRANTEE

Legal Description of "Burdened Parcel":

PARCEL 1

That portion of Pueblo Lot 1302 of THE PUEBLO LANDS OF SAN DIEGO, in the City of San Diego, County of San Diego, State of California, according to the Map thereof made by James Pascoe in 1870. A copy of said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, described as follows:

BEGINNING at the Southwesterly corner of said Pueblo Lot 1302; thence South 89°05'10" East, along the South line of said Pueblo Lot, 552.06 feet to the West line of Cargill Avenue; thence North 0°00'38" East, along said West line a distance of 301.17 feet to the TRUE POINT OF BEGINNING; thence continuing North 0°00'38" East, along said West line a distance of 146.16 feet to the beginning of a curve concave Westerly, having a radius of 200.00 feet; thence Northerly along said curve, 47.96 feet through a central angle of 13°44'18" to the beginning of a reverse curve concave Easterly, having a radius of 220.00 feet; thence Northerly along said curve, 52.75 feet through a central angle of 13°44'18"; thence North 0°00'38" East along said West line a distance of 156.00 feet to the Southeast corner of Lot 15 of Genesee Highlands Unit No. 1, according to Map thereof No. 7187; thence North 81°03'50" West, along the Southerly line of said Lot 15, a distance of 406.71 feet; thence North 62°05'28" West, along the Southerly line of said Lot 15 a distance of 142.27 feet to the West line of Pueblo Lot 1302 of said PUEBLO LANDS OF SAN DIEGO; thence South 0°52'35" West, along the West line of said Pueblo Lot 1302 a distance of 445.83 feet; thence South 81°03'50" East 552.97 feet to the TRUE POINT OF BEGINNING.

Excepting therefrom the West 265.44 feet.

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01932

ADDENDUM 2
TO
COVENANTS OF GRANTEE

PROJECT DESCRIPTION

A 139 unit security type housing development with elevators, consisting of three stories over a semi-underground garage. The unit mix is as follows: eighty-five (85) one bedroom, one bath units of 605 square feet; twenty-four (24) two bedroom, one bath units of 735 square feet; and thirty (30) two-bedroom, two-bath units of 821 square feet. All floor plans include useable balconies. Project amenities include: a lobby and central staircase, twin elevators, General Electric appliances, saunas, exercise room, card room, lap pool, jacuzzi and sundeck.

01933

R- 259657

ADDENDUM 3
TO
COVENANTS OF GRANTEE

Legal Description of "Benefitted Parcel":

PARCEL 2

That portion of the West 265.44 feet of Pueblo Lot 1302 of THE PUEBLO LANDS OF SAN DIEGO, in the City of San Diego, County of San Diego, State of California, according to the Map thereof made by James Pascoe in 1870. A copy of said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, described as follows:

BEGINNING at the Southwesterly corner of said Pueblo Lot 1302; thence South 89°05'10" East, along the South line of said Pueblo Lot, 552.06 feet to the West line of Cargill Avenue; thence North 0°00'38" East, along said West line a distance of 301.17 feet to the TRUE POINT OF BEGINNING; thence continuing North 0°00'38" East, along said West line a distance of 146.16 feet to the beginning of a curve concave Westerly, having a radius of 200.00 feet; thence Northerly along said curve, 47.96 feet through a central angle of 13°44'18" to the beginning of a reverse curve concave Easterly, having a radius of 220.00 feet; thence Northerly along said curve, 52.75 feet through a central angle of 13°44'18"; thence North 0°00'38" East along said West line a distance of 156.00 feet to the Southeast corner of Lot 15 of Genesee Highlands Unit No. 1, according to Map thereof No. 7187; thence North 81°03'50" West, along the Southerly line of said Lot 15, a distance of 406.71 feet; thence North 62°05'28" West, along the Southerly line of said Lot 15 a distance of 142.27 feet to the West line of Pueblo Lot 1302 of said PUEBLO LANDS OF SAN DIEGO; thence South 0°52'35" West, along the West line of said Pueblo Lot 1302 a distance of 445.83 feet; thence South 81°03'50" East 552.97 feet to the TRUE POINT OF BEGINNING.

01934

R- 259657

EXHIBIT B
TO
MUNICIPAL CORPORATION GRANT DEED

PARCEL 1

That portion of Pueblo Lot 1302 of THE PUEBLO LANDS OF SAN DIEGO, in the City of San Diego, County of San Diego, State of California, according to the Map thereof made by James Pascoe in 1870. A copy of said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, described as follows:

BEGINNING at the Southwesterly corner of said Pueblo Lot 1302; thence South 89°05'10" East, along the South line of said Pueblo Lot, 552.06 feet to the West line of Cargill Avenue; thence North 0°00'38" East, along said West line a distance of 301.17 feet to the TRUE POINT OF BEGINNING; thence continuing North 0°00'38" East, along said West line a distance of 146.16 feet to the beginning of a curve concave Westerly, having a radius of 200.00 feet; thence Northerly along said curve, 47.96 feet through a central angle of 13°44'18" to the beginning of a reverse curve concave Easterly, having a radius of 220.00 feet; thence Northerly along said curve, 52.75 feet through a central angle of 13°44'18"; thence North 0°00'38" East along said West line a distance of 156.00 feet to the Southeast corner of Lot 15 of Genesee Highlands Unit No. 1, according to Map thereof No. 7187; thence North 81°03'50" West, along the Southerly line of said Lot 15, a distance of 406.71 feet; thence North 62°05'28" West, along the Southerly line of said Lot 15 a distance of 142.27 feet to the West line of Pueblo Lot 1302 of said PUEBLO LANDS OF SAN DIEGO; thence South 0°52'35" West, along the West line of said Pueblo Lot 1302 a distance of 445.83 feet; thence South 81°03'50" East 552.97 feet to the TRUE POINT OF BEGINNING.

Excepting therefrom the West 265.44 feet.

01935

R- 259657

NOV 21 1983

Passed and adopted by the Council of The City of San Diego on _____, by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By Charles G. Abdelnour, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R-259657 Adopted NOV 21 1983

NOV 21 1983

Passed and adopted by the Council of The City of San Diego on _____, by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By *Raymond L. Pontecorvo*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R-259657 Adopted NOV 21 1983