

## FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of November 1, 2008, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body corporate and politic (the "Borrower") and BANK OF AMERICA, N.A., a national banking association (the "Bank").

### RECITALS

A. Borrower and the Bank are parties to that certain Credit Agreement dated as of October 31, 2006 (the "Original Credit Agreement"), pursuant to which Bank has extended a Line of Credit to Borrower in an aggregate amount of Ten Million Dollars (\$10,000,000.00) (the "Line of Credit"), comprised of a tax-exempt commitment of Seven Million Five Hundred Thirty Four Thousand Three Hundred Thirty Seven Dollars (\$7,534,337.00) (the "Tax-Exempt Commitment") and a taxable commitment of Two Million Four Hundred Sixty Five Thousand Six Hundred Sixty Three Dollars (\$2,465,663.00) (the "Taxable Commitment"). Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Original Credit Agreement.

B. The current Expiration Date of the Line of Credit is November 1, 2008. Borrower has requested and Bank has agreed to extend the Expiration Date and to amend certain other provisions of the Credit Agreement, subject to the terms and conditions set forth in this Amendment.

### AGREEMENT

For good and valuable consideration, receipt of which is hereby acknowledged, the Borrower and the Bank agree as follows:

1. Amendments: Upon execution of this Agreement and satisfaction of the conditions to the Effective Date set forth below, the Credit Agreement shall be amended as follows:

(a) Commitment Amount. From and after the Effective Date, the Commitment shall be reduced to an aggregate of \$8,530,333.00, comprised of a Tax-Exempt Commitment of \$7,534,337.00 and a Taxable Commitment of \$995,996.00, and from and after the Effective Date, all references to the "Commitment" in the Credit Agreement shall mean the Commitment, as decreased pursuant to this Amendment.

(b) Advances. From and after the Effective Date, no further Advances of the Commitment shall be permitted.

(c) Expiration Date; Maturity Date. From and after the Effective Date, the Expiration Date set forth in Section 1.2 and the Maturity Date set forth in Section 1.5(b) are extended to August 1, 2009.

(d) Interest Rates. From and after the Effective Date, the optional interest rate based on the Prime Rate shall no longer be available, and Sections 1.4(a) and (b) are hereby amended to read as follows:

1.4 Interest Rates.

(a) Tax-Exempt Advances. Commencing on November 1, 2008, the fixed interest rate with respect to Tax-Exempt Advances is a rate per year equal to (i) 62.347% of the LIBOR Rate plus (ii) 1.20% for a nine-month interest period. Such interest rate shall be established on October 31, 2008 on the basis of the nine-month LIBOR Rate then in effect, and shall be effective on November 1, 2008 for the remaining term of the Line of Credit.

(b) Taxable Advances. Commencing on November 1, 2008, the fixed interest rate with respect to Taxable Advances is a rate per year equal to the LIBOR Rate plus 1.50% for a nine-month interest period. Such interest rate shall be established on October 31, 2008 on the basis of the nine-month LIBOR Rate then in effect, and shall be effective on November 1, 2008 for the remaining term of the Line of Credit.

(e) Prepayments. Notwithstanding anything to the contrary set forth in the Credit Agreement, from and after the Effective Date, no prepayments of the Line of Credit shall be required or permitted. All amounts outstanding under the Line of Credit, together with accrued but unpaid interest, shall be due and payable on the Maturity Date, as extended pursuant to this Amendment. All other provisions regarding payment of principal and interest with respect to the Line of Credit shall remain unchanged.

2. Miscellaneous.

(a) Effective Date. This Amendment shall be effective and the Effective Date shall occur on the date on which all of the following conditions have been satisfied by Borrower or waived by Lender:

(i) Execution and Delivery of Documents. This Amendment shall be fully executed and delivered to the Bank;

(ii) Resolutions and Opinions. Borrower shall have delivered certified copies of resolutions adopted by Borrower's governing board and the City Council of the City of San Diego approving this Amendment, and opinions of Best, Best & Krieger, bond counsel, and the City Attorney's office, as appropriate, opining, among other things, that this Amendment has been duly approved, executed and delivered by Borrower, that this Amendment is enforceable against Borrower in accordance with its terms and that the execution, delivery and performance of this Amendment by Borrower will not have an adverse effect on the tax-exempt status of the Tax-Exempt Commitment; and

(ii) Costs and Expenses. Borrower shall have paid the Bank's attorneys' fees, which shall not exceed \$5,000.00.

(b) Effect of Amendment. Except as specifically provided herein, all terms and conditions of the Original Credit Agreement remain in full force and effect, without waiver or

modification. This Amendment and the Original Credit Agreement shall be read together, as one document.

(c) Representations and Warranties. The Borrower hereby remakes all representations and warranties contained in the Original Credit Agreement and reaffirms all covenants set forth therein. The Borrower further certifies that as of the date of this Amendment:

(i) There exists no Event of Default as defined in the Original Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default;

(ii) No material adverse change has occurred with respect to the Borrower; and

(iii) No litigation or governmental action that purports to materially and adversely affect the Borrower or to affect any transaction contemplated by the Original Credit Agreement, as amended by this Amendment, or the ability of Borrower to perform its obligations under the Original Credit Agreement, as amended by this Amendment, shall have occurred and be continuing.

(d) Successors. This Amendment shall inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Amendments. No modification, waiver, amendment, discharge or change of this Amendment shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver or amendment, discharge or change is or may be sought.

(f) Counterparts. This Amendment may be simultaneously executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first set forth above.

REDEVELOPMENT AGENCY OF THE  
CITY OF SAN DIEGO

By: \_\_\_\_\_  
Name: Janice Weinrick  
Title: Deputy Executive Director

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Andy Shin  
Title: Vice President