

FIRST AMENDMENT TO PERCENTAGE GROUND LEASE

THIS FIRST AMENDMENT TO PERCENTAGE GROUND LEASE ("First Amendment") is made by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO, a California Nonprofit Public Benefit Corporation ("HDP"), to be effective as of **April 1, 2014** (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

RECITALS

- A. CITY and HDP are parties to that certain PERCENTAGE GROUND LEASE ("GROUND LEASE") dated May 24, 2013, relating to the lease of certain CITY-owned land ("Premises"), bound by 9th, 10th, Broadway and C Street, and also referred to as Lots A, B, C, D, E, F, G, H, I, J, K, and L in Block 31 of Horton's Addition (Assessor's Parcel Number 534-196-05-00), and commonly known as "San Diego Square," located at 910 C Street, San Diego, California 92101, and more particularly described in the GROUND LEASE.
- B. The GROUND LEASE is expressly conditioned on certain pre-commencement conditions being satisfied on or before April 30, 2014. These conditions include acquisition and assumption of control and ownership of the Premises under the existing lease of the Premises, and acquisition and assumption of control and ownership of all improvements thereon from the existing owner.
- C. HDP has timely assumed and acquired control and ownership of the Premises and all improvements thereon, in satisfaction of a portion of said pre-commencement conditions.
- D. HDP has represented to CITY that, due to factors beyond HDP's reasonable control, additional time is needed to fulfill outstanding pre-commencement conditions. HDP has accordingly requested a twelve (12) month extension to allow them to secure construction financing for rehabilitation of the improvements on the Premises as contemplated by the GROUND LEASE.
- E. In light of HDP's request, CITY has agreed to amend the GROUND LEASE to extend the date for satisfaction of the pre-commencement conditions from April 30, 2014 to April 30, 2015.

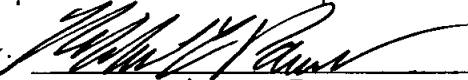
IN CONSIDERATION OF THE FOREGOING RECITALS AND FOR OTHER VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

- 1. All reference in GROUND LEASE, Section J, to "April 30, 2014" is hereby deleted and replaced to state "**April 30, 2015**" as the amended date for satisfaction of all pre-commencement conditions of the GROUND LEASE.
- 2. No Other Changes. Except as may render the terms of this First Amendment inoperable, all other terms and conditions of the GROUND LEASE shall remain in full force and effect.
- 3. Authority to Contract. Each individual executing this First Amendment on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver

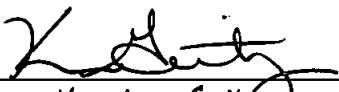
this First Amendment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws or other written rules of conduct or governing agreement. Each party which is not a natural person represents and warrants that it is a valid, qualified corporation, limited liability company, partnership or other unincorporated association in good standing in its home state and that it is qualified to do business in California.

IN WITNESS WHEREOF, this First Amendment is executed to be effective as of the Effective Date.

Housing Development Partners of San Diego, a California
Nonprofit Public Benefit Corporation

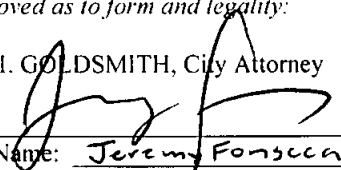
BY: 
Name: Michael Pavco
Title: Executive Director

THE CITY OF SAN DIEGO, a California municipal
corporation

BY: 
Name: Kristin Geitz
Title: Interim Director Real Estate Assets

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney

BY: 
Name: Jeremy Fonseca
Title: Deputy City Attorney
Date: 5/23/14

RESOLUTION NUMBER R- 308899

ITEM # 333

DATE OF FINAL PASSAGE APR 30 2014

4/22/14

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING AND DIRECTING THE EXECUTION
OF A FIRST AMENDMENT TO THE PERCENTAGE GROUND
LEASE WITH HOUSING DEVELOPMENT PARTNERS, WITH
REGARD TO THE SAN DIEGO SQUARE PROPERTY LOCATED
AT 910 C STREET, SAN DIEGO, CALIFORNIA.

WHEREAS, the City of San Diego (City) owns that certain real property located at 910 C Street, San Diego, California 92101 (Property), consisting of approximately 60,000 square feet of land bound by 9th Avenue, 10th Avenue, Broadway and C Street, and commonly known as "San Diego Square;" and

WHEREAS, the City is party to that certain "Percentage Ground Lease" (Lease) with Housing Development Partners, a California nonprofit public benefit corporation (HDP), relating to the Property. Commencement of the Lease is conditioned on certain conditions being satisfied by HDP on or before April 30, 2014. While several of the commencement conditions have been satisfied, others remain outstanding; and

WHEREAS, HDP has represented to CITY that, due to factors beyond HDP's reasonable control, additional time is needed to fulfill those outstanding commencement conditions. HDP has accordingly requested a twelve (12) month extension to provide additional time to, among other things, secure a construction loan for improvements on the Property as contemplated by the Lease; and

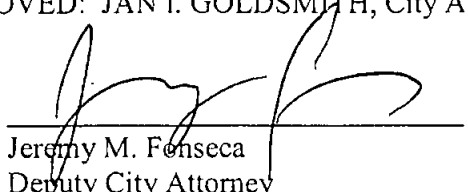
WHEREAS, staff has negotiated that certain "First Amendment to Percentage Ground Lease," on file in the Office of the City Clerk as Document No. RR-308899, which will

amend the Lease to provide one additional year for HDP to satisfy the commencement conditions of the Lease; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor, or his designee, is authorized and directed to execute, for and on behalf of the City, the "First Amendment to Percentage Ground Lease," between the City and Housing Development Partners, a California nonprofit public benefit corporation, on file in the Office of the City Clerk as Document No. RR-308899, to amend the current "Percentage Ground Lease" for the San Diego Square property located at 910 C Street, San Diego, California.

APPROVED: JAN I. GOLDSMITH, City Attorney

By


Jeremy M. Fonseca
Deputy City Attorney

JMF:als

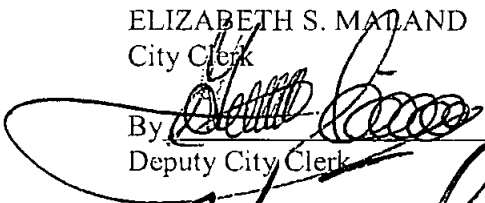
4/8/2014

Or.Dept: Real Estate Assets Dept.

Doc. No. 762627

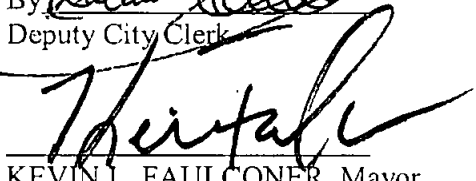
I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 22 2014

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 4/29/14
(date)

Vetoed: _____
(date)


KEVIN L. FAULCONER, Mayor

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 22 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	☒	☐	☐	☐
Ed Harris	☒	☐	☐	☐
Todd Gloria	☒	☐	☐	☐
Myrtle Cole	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Lorie Zapf	☒	☐	☐	☐
Scott Sherman	☒	☐	☐	☐
David Alvarez	☐	☐	☒	☐
Marti Emerald	☒	☐	☐	☐

Date of final passage APR 30 2014

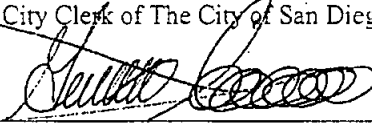
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308899