

statutes, and estimates of the cost of such remediation or removal. GRANTEES shall cause, or if GRANTEES fail to do so within a reasonable period of time, GRANTOR may cause, the remediation and/or removal recommended in the environmental assessment such that compliance with environmental law is achieved, and GRANTEES shall pay all costs and expenses therefor.

18. Non-interference. GRANTEES shall not materially interfere with GRANTOR'S use, operations, and activities on the GRANTOR Property, and GRANTEES shall follow such procedures on the GRANTOR Property as shall result in the least interference and inconvenience to GRANTOR.

19. Property Damage. GRANTEE shall pay for all damage to the GRANTOR Property, GRANTOR'S personal property on the GRANTOR Property, and the personal property of third parties on the GRANTOR Property resulting from GRANTEES' exercise of the rights granted by this Grant, including without limitation soil erosion, subsidence, or damage resulting thereby. GRANTEES shall promptly repair and restore to its original condition all such property at GRANTEES' sole cost and expense and to GRANTOR'S satisfaction.

20. Indemnification.

a. Indemnification and Hold Harmless. To the fullest extent permitted by law, GRANTEES shall defend (with legal counsel reasonably acceptable to the Agency), indemnify, protect, and hold harmless GRANTOR, the AGENCY and their agents, officers, officials, departments, contractors and employees [Indemnified Parties] from and against all claims, losses, costs, damages, injuries to any property or person (including, without limitation, injury to or death of an employee, agent, representative, officer, official, contractor, invitee or guest of GRANTEES or their subcontractors), expense and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, caused by, claimed to be caused by, pertain to, or relate to, directly or indirectly, in whole or in part, any services or operations performed under this Grant by, including acts or omissions to act by, GRANTEES and/or their officers, officials, agents, contractors, representative, employees, invites, guests, subcontractors, anyone directly or indirectly employed by them, or anyone whom they control. GRANTEES' duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising solely from the established active negligence or willful misconduct of the Indemnified Parties. If GRANTOR chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, GRANTEES shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs.

b. Insurance. The provisions of this Section are not limited by the requirements of Section 25 of this Grant relating to insurance.

- c. Enforcement Costs. GRANTEES agree to pay any and all costs the GRANTOR incurs due to enforcing the indemnity and defense provisions set forth in this Section.
21. Taxes. GRANTEES, alone, shall pay any and all taxes, charges, and use fees levied by any governmental agency against GRANTEES' interest in the Easement Area, or against any of the GRANTOR Property as a result of the Easement granted hereby.
22. Encumbrances. GRANTEES shall keep the GRANTOR Property free from all encumbrances and liens of any nature which arise out of or are in any manner directly or indirectly connected with this Grant or GRANTEES' use of the Easement Area. GRANTEES shall defend (with legal counsel reasonably acceptable to the Agency), indemnify, protect, and hold harmless GRANTOR, the AGENCY and their agents, officers, officials, departments, contractors and employees [Indemnified Parties] from and against any and all such encumbrances and/or liens, and from and against any claim, liability, cost or expense, including without limitation all attorney fees and costs, relating to or charged against the GRANTOR Property, including without limitation GRANTEES' failure or the failure of any contractor or Subcontractor hired by GRANTEES to pay any person or persons referred to in Section 3181 of the California Civil Code or other applicable sections thereof.
23. No Discrimination. Each GRANTEE and GRANTOR herein covenants by and for itself, its successors and assigns and all persons or entities claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the transfer, use, occupancy, tenure, or enjoyment of the Easement or the Easement Area, nor shall each GRANTEE or GRANTOR or any person or entity claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of persons in the Easement Area. The foregoing covenants shall run with the land and shall be binding upon and shall obligate each GRANTEE and GRANTOR, its successors and assigns and all persons or entities claiming under or through them.
24. GRANTEES' Risk. GRANTEES shall bear all risks and liability arising out of or in any manner directly or indirectly connected with GRANTEES' use of the Easement Area and any damages to the improvements on, under, or in the vicinity of the Easement Area resulting directly or indirectly thereby.
25. Insurance. On or before the Effective Date, GRANTEES shall deliver to GRANTOR current certificate(s) of insurance for:

**Commercial General Liability Insurance**, providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least Two Million Dollars (\$2,000,000) per occurrence, subject to an annual aggregate of Four Million Dollars (\$4,000,000); and

**Automobile Liability Insurance**, providing coverage for all bodily injury and property damage, with a limit of not less than Two Million Dollars (\$2,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles). Coverage shall be written on ISO form CA 00 01 12 90, or a substitute form providing equivalent liability coverage; and

**Workers' Compensation Insurance**, as required by the laws of the State of California for all of GRANTEES' employees who are subject to this Grant of Easement, with Employers' Liability coverage with limits not less than One Million Dollars (\$1,000,000). A waiver of subrogation shall be provided to the GRANTOR.

- a. Additional Insureds. Pursuant to a separate endorsement [CG2010 (11/85) or equivalent form], "The City of San Diego, the Redevelopment Agency of the City of San Diego and their officials, officers, representatives, agents, departments, contractors and employees" shall be named as additional insureds in all policies.
- b. Primary & Non-Contributory. Insurance policies shall be endorsed such that the coverage is primary and non-contributory to any coverage carried or maintained by GRANTOR. The policies shall be kept in force for the duration of this Grant and the Easement and any extended use. The certificate(s) of insurance shall be filed with GRANTOR upon execution of this Grant.
- c. Qualified Insurer(s). All insurance required by the terms of this Grant must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the current AM Best Ratings Guide and which are acceptable to GRANTOR. Non-admitted surplus lines insurers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet GRANTOR'S requirements.
- d. Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of GRANTEES and must be disclosed and acceptable to GRANTOR at the time evidence of insurance is provided.
- e. Continuity of Coverage. All policies shall be in effect on or before the Effective Date. At least thirty (30) calendar days prior to the expiration of each insurance policy, GRANTEES shall furnish to GRANTOR a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Grant. Immediately upon receipt of notice that a policy is being or may be terminated or cancelled, GRANTEES shall notify GRANTOR in each instance.
- f. Modification. To assure protection from and against the kind and extent of risk existing on the Easement Area, GRANTOR, at its discretion, may require an increase of amounts and coverage at any time by giving GRANTEES thirty (30) calendar days prior written notice.

- g. Accident Reports. In addition to the weekly Incident Reports required under Section 3 c., GRANTEES shall immediately report to GRANTOR any accident causing property damage or injury to persons on the Easement Area, or related in any way to the Easement Use. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.
  - h. Failure to Comply. If GRANTEES fail or refuse to obtain and maintain the required insurance, or fail to provide proof of coverage, GRANTOR may obtain the insurance. GRANTEES shall reimburse the obtaining party for the premiums paid, with interest at the maximum allowable legal rate then in effect in California. Such obtaining party shall notify GRANTEES of such payment of premiums stating the amount paid, the name(s) of the insurer(s), and the rate of interest. GRANTEES shall pay such reimbursement and interest within thirty (30) calendar days after demand therefor. Notwithstanding any other provision of this Grant, if GRANTEES fail or refuse to obtain or maintain insurance as required by this Grant, or fail to provide proof of insurance, GRANTOR may terminate this Grant and the Easement immediately upon such breach.
26. Compliance with Law. GRANTEES shall, at their sole cost and expense, comply with all laws and the requirements of all municipal, state, and federal authorities now in effect or which may hereafter be in effect, which pertain to the Easement Area and GRANTEES' maintenance services and operations on and within the Easement Area.
27. Recordation of Grant of Maintenance and Operations Easement and Agreement. Upon execution of this Grant, this Grant, together with all Exhibits, shall be recorded against the GRANTOR Property, the CITY HEIGHTS REALTY (Grantee) Property, the CITY HEIGHTS SQUARE (Grantee) Property, and the LA MAESTRA (Grantee) Property in the Official Records of San Diego County, California, and GRANTEES shall pay all fees, charges, costs, and expenses of such recording. Recordation of this Grant shall constitute constructive notice to the public and all successors and assigns of each of the Parties that all conditions, covenants and restrictions contained in this Grant shall be covenants running with the land.
28. No Assignment. GRANTEES shall not assign any rights granted by this Grant or any interest herein without GRANTOR'S prior written consent. Approval of any such proposed assignment may be withheld in GRANTOR'S sole and absolute discretion.
29. Signs. No signs may be displayed on the Easement Area without GRANTOR'S prior written consent.
30. Rights and Remedies. The rights and remedies of the Parties enumerated in Grant are cumulative and shall not limit the Parties' rights under any other provision of this Grant or otherwise waive or deny any right or remedy at law or in equity, existing as of the date of this Grant or enacted or established at a later date, that may be available to the Parties.

31. Waiver. GRANTOR'S failure to insist upon the strict performance of any of GRANTEE'S obligations under this Grant, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. The property constituting the Easement Area is publicly-owned and held in trust for the benefit of GRANTOR'S citizens. GRANTOR'S failure to discover a breach of any obligation of this Grant or to take prompt action to require the cure of any such breach shall not result in an equitable estoppel, but GRANTOR may at any and all times require the cure of any such breach.
32. Survival. Any obligation which accrues under this Grant prior to its expiration or termination shall survive such expiration or termination.
33. Entire Grant. This Grant, including exhibits, contains the entire agreement between the Parties relating to the rights granted hereby and the obligations assumed herein. No modification of this Grant shall be valid unless in writing and signed by all Parties.
34. Successors and Assigns. This Grant shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.
35. Legal Proceedings. In the event of any controversy, claim, or dispute relating to the Easement or this Grant, the prevailing Party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses thereof, including without limitation attorney's fees and costs.
36. Jurisdiction and Venue. The venue for any suit or proceeding concerning this Grant, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California.
37. Governing Law. The laws of the State of California shall govern and control the terms and conditions of this Agreement.
38. Municipal Powers. Nothing contained in this Grant shall be construed as a limitation on any powers of the City as a chartered City of the State of California.
39. Notices. Any notice, request, payment, demand, or other communication required or permitted to be given under this Grant shall be in writing and deemed received upon personal service, delivery by a reputable overnight service, or delivery by United States registered or certified mail, return receipt requested, postage prepaid, and addressed to the parties as follows:

GRANTOR: THE CITY OF SAN DIEGO  
Attn: Park and Recreation Director  
Park and Recreation Department

\_\_\_\_\_  
San Diego, California 92101

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

With a copy by First Class mail to: SAN DIEGO CITY ATTORNEY  
Attention: \_\_\_\_\_  
1200 Third Avenue, Suite \_\_\_\_\_  
San Diego, California 92101-4106

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

GRANTEES: CITY HEIGHTS REALTY, LLC,

\_\_\_\_\_

Attn: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

CITY HEIGHTS SQUARE, L.P.

\_\_\_\_\_

Attn: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

LA MAESTRA FAMILY CLINIC, INC.

\_\_\_\_\_

Attn: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

40. Authority. Each individual executing this Grant on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Grant

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 Grant, and that this Grant is binding upon such person or entity in accordance with its terms. Each person executing this Grant on behalf of another person or legal entity shall provide GRANTOR with evidence, satisfactory to GRANTOR, that such authority is valid and that such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

41. No Benefit to Third Parties. The Parties acknowledge and agree that the provisions of this Grant are for the sole benefit of the GRANTOR, the AGENCY and GRANTEES and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.
42. Severability. In the event that any provision of this Grant is found to be invalid, unenforceable, or illegal, it shall be deemed deleted from the Grant, and the balance of the provisions of this Grant shall be valid and enforceable as to the parties as if the deleted portion were never a part hereof.
43. Counterparts. This Grant may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.
44. Exhibits Incorporated. All Exhibits referenced in this Grant are incorporated into the Agreement by this reference.

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

GRANTOR:

THE CITY OF SAN DIEGO,  
a California municipal corporation

By: \_\_\_\_\_  
William Anderson, Director  
City Planning and Community Investment

APPROVED AS TO FORM AND LEGALITY:

Date: \_\_\_\_\_

MICHAEL J. AGUIRRE, City Attorney

By: \_\_\_\_\_  
Shannon Thomas  
Deputy City Attorney

GRANTEES:

CITY HEIGHTS REALTY, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\*Signatures continue on next page

CITY HEIGHTS SQUARE, L.P.,  
a California limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LA MAESTRA FAMILY CLINIC, INC.,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\* All signatures must be notarized

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**  
As of January 1, 2008

State of California  
County of San Diego

On \_\_\_\_\_ before me, \_\_\_\_\_, a  
**Notary Public**, in and for State, personally appeared, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

As of January 1, 2008

State of California  
County of San Diego

On \_\_\_\_\_ before me, \_\_\_\_\_, a  
**Notary Public**, in and for State, personally appeared, \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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County of San Diego

On \_\_\_\_\_ before me, \_\_\_\_\_, a  
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WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT "A"**

**Description of GRANTOR Property**

**EXHIBIT "B"**

**Description of CITY HEIGHTS REALTY (Grantee) Property**

EXHIBIT "C"

Description of CITY HEIGHTS SQUARE (Grantee) Property

**EXHIBIT "D"**

**Description of LA MAESTRA (Grantee) Property**

**EXHIBIT "E"**

**Map of Easement Area**

**EXHIBIT "F"**

**Scope of Services and Schedule of Performance**

TASK DESCRIPTION	YEARLY FREQUENCY
<b>CITY HEIGHTS MINI PARK</b>	
• Facility Inspection	365
• Maintenance and Repair of Irrigation Systems	As Needed
• Litter Inspection and Removal	365
• Weed Removal	As Needed
• Mowing	52
• Edging	52
• Pruning – Trees	As Needed
• Pruning – Shrubs and Groundcover	As Needed
• Fertilization – Turf	3
• Fertilization – Trees, Shrubs, and Groundcover	2
• Top Dress and Overseed-Turf	Once Minimum or More As Needed
• Pest/Fungicide Control	Prompt Remedial Action
• Plant Replacement	As Needed
• Renovation - Turf	Once Minimum or More As Needed
• Aerification - Turf	3
• Sweeping – Paved Areas	As Needed
• Graffiti Abatement	As Needed
• Mulch Inspection / Replacement	2

**Park Parcel** – Landscaped with Turf, Trees, Shrubs, Groundcover, Hardscape and Various Site Amenities and Furnishings.

## Facility Inspection

All areas under this Agreement shall be inspected a minimum of once a day. Any major problems shall be reported to the GRANTOR within twenty-four (24) hours. Facility Inspection includes such items as: Irrigation Inspection, Playground Inspection, Picnic Table/Bench/Site Furnishing Inspection, Drinking Fountain Inspection, Drainage Inspection, Security Lighting Inspection, Fence Inspection, and Overhead Picnic/Pergola/Trellis Inspection.

*Irrigation Inspection* - Once a day, to ensure complete electronic operation and proper distribution of water, including the water meter, backflow preventer, master valve, quick couplers, irrigation heads, valves, wires, mainlines, lateral lines, controllers, flow sensors, rain sensors, pressure regulators, etc. Maintenance and repair of irrigation systems shall be as needed, to ensure proper operation of irrigation systems using only City-approved irrigation equipment per the *Consultant's Guide to Park Design and Development*.

*Playground Inspection* - Once a day. Visual safety inspections will be performed each time litter is removed. A written inspection shall be completed every Friday. Potential hazards shall be immediately barricaded/taped off for non-use until the problem can be evaluated and/or repaired. GRANTOR shall immediately be notified of such hazards. Repairs shall be completed as needed.

Sand around play equipment shall be evenly spread and free of debris and litter or hazardous materials. Sand shall be replaced as needed to attain acceptable levels.

Rubberized surfacing around the play equipment shall be inspected weekly for cracks or other issues. GRANTOR shall immediately be notified of such issues. Surfacing should be cleaned and repaired as needed.

*Picnic Table/Benches/Site Furnishings Inspection* - Once a day. Potential hazards shall be barricaded/taped off immediately for non-use until the problem can be evaluated and/or repaired. GRANTOR shall be immediately notified of such hazards. Repairs and cleaning shall be completed as needed on all site furnishings to include grills and trash cans.

*Drinking Fountain Inspection* - Once a day. Visual inspections will be performed at the time litter is removed. Repairs shall be completed as needed.

*Drainage Inspection* - Once a day. Visual inspections or area drains, landscape drains, etc. will be performed at the time litter is removed. Repairs shall be completed as needed. Site drainage shall comply with local (City) and Federal Best Management Practices (BMPs).

*Security Lighting Inspection* – Once a day. Visual inspections will be performed at the time litter is removed. Repairs shall be completed as needed.

*Fencing* - Once a day. Visual inspections will be performed at the time litter is removed. Repairs shall be completed as needed.

*Overhead Picnic Structures, Pergolas, Trellis' Inspection* - Visual inspections will be performed at the time litter is removed. Repairs shall be completed as needed.

**Litter Removal**

Once a day, three hundred sixty-five (365) times per year, litter shall be removed by 11:00 a.m. to keep all areas litter-free and allow the public usage of park facilities. Includes emptying all trash receptacles as needed and daily removal of litter on the ground or in lawn/planter/play/sand areas. Trash receptacles shall be repaired or replaced as needed. All litter removed shall be disposed of at City-approved waste disposal site.

**Weed Removal**

As needed to maintain all turf, shrub and hardscape areas in a weed-free condition.

**Mowing**

Once a week. Rake and/or sweep to remove mowing clippings after every mowing. Sidewalks will be swept in conjunction to mowing. Blowers may be used, if operated in a reasonable manner, after 8 am.

**Edging**

Once a week, edge turf areas and trim plant material overhanging gutters. All edging must be perpendicular to the hard surface and not removed from it. Chemical edging is unacceptable. Edge in conjunction with mowing.

**Pruning - Trees**

As needed to maintain in optimum condition, provide clearance for irrigation, prevent encroachment into public thoroughfare/sidewalk or into other plant material, and to ensure clear visibility of all street signs and traffic signals. All sucker growth is to be removed as it appears. Prune to correct hazards and to remove all dead, diseased, or damaged limbs, as well as those limbs crossing or competing.

**Pruning – Shrubs and Groundcover**

As needed to shape, train, and prevent encroachment into public thoroughfare/sidewalk or into other plant material and to ensure clear visibility of all street signs and traffic signals. All sucker growth is to be removed as it appears. Prune to correct hazards and to remove all dead, diseased, or damaged limbs and to prevent blockage of irrigation system components and patterns. Shrubs shall not exceed 36" in height and groundcover shall not exceed 18" in height.

**Fertilization – Turf**

Three (3) times a year to promote healthy plant growth. Application shall be Turf Supreme 16-6-8 or other approved fertilizer.

**Fertilization – Trees, Shrubs, and Groundcover**

Two (2) times a year using one (1) pound of actual nitrogen per 1,000 square feet of planted area applied to shrubs, vines, groundcovers, and trees as specified.

**Overseed and Top Dress - Turf**

Once a year minimum, between December and May or more as needed. To provide continuity of turf surfaces. Seed mix shall be spread at 6.0 lbs. per 1,000 sq. ft. Top Dress at a rate of one (1) yard of top soil per 2,500 sq. ft. or 1/8 inch shall be spread ½ sand and ½ organic materials.

Seed and top dress material shall be dragged and rolled to correct low spots and seed is to be in contact with soil. Top dress and overseed shall be spread in conjunction with aerification.

**Pest Control**

Prompt remedial action as necessary to maintain plant material in optimum condition.

**Fungicide or other Special Treatment**

Prompt remedial action as necessary to maintain plant material in optimum condition.

**Plant Replacement**

Replace plants as needed when plants must be removed.

**Renovation - Turf**

Once a year minimum or more as needed. Remove accumulated thatch from the turf.

**Aerification - Turf**

Three (3) times a year. Aerification shall be completed in conjunction with turf fertilization.

**Sweeping / Cleaning - Paved Areas**

Once a day, three hundred sixty-five (365) times per year, all paved areas shall be inspected each time litter is removed. Remove sand, dirt, and debris; especially around playground to avoid hazardous conditions. Blowers may be used, if operated in a responsible manner – not before 8:00 a.m. Areas should also be inspected for safety and/or items requiring repair. Potential hazards shall be immediately barricaded/taped off for non-use until the problem can be evaluated and/or repaired. GRANTOR shall immediately be notified of such hazards. Repairs shall be completed as needed.

**Graffiti Abatement**

Once a day, three hundred sixty-five (365) times per year, all graffiti should be identified. Graffiti shall be eradicated within forty-eight (48) hours of observation. Includes graffiti on buildings, concrete, benches, tables, play equipment, site furnishings, etc.

**Mulch Inspection**

Two (2) times a year, inspect mulch provided in planting areas and add mulch to ensure adequate levels (2" minimum).

**Other/Additional Items or Park Amenities**

This Scope of Services and Schedule of Performance may be modified in the future by the GRANTOR in its sole discretion if additional items not listed herein are added to the park and require maintenance.



**EXHIBIT "G"**

**Landscape Maintenance Specifications**

## Park Landscape Maintenance Specifications

### A. SCOPE

Complete landscape maintenance of all park areas including, but not limited to, irrigation, pruning, shaping, and training of trees, shrubs, turf, and groundcover plants; fertilization; litter control; weed control; control of all plant diseases and pests; mowing; edging; renovation and aerification; maintenance and repairs of playground and equipment; sweeping; pathways, irrigation and drainage systems; and all other maintenance required to maintain the areas included in this Grant in safe, attractive and useable condition and to maintain the plant material in good condition with horticulturally acceptable growth and color.

### B. SCHEDULING OF WORK

GRANTEES shall accomplish all normal landscape maintenance required under this Grant between the hours of 6:00 a.m. and 4:00 p.m., Monday through Sunday. Exceptions may be made to normal working hours where incidence of use may be too great during the hours specified to allow for proper maintenance. No maintenance functions that generate excess noise, e.g., operations of power equipment which would cause annoyance to residents of the area, shall be commenced before 8:00 am.

GRANTEES shall conduct the work at all times in a manner which will not unreasonably interfere with pedestrian traffic on adjacent sidewalks or vehicular traffic on adjacent streets.

### C. METHOD OF PERFORMING WORK

#### Irrigation

Irrigation shall be done by the use of automatic, mechanical sprinkler systems where available and operable; however, failure of the existing irrigation system to provide full and proper coverage shall not relieve GRANTEES of the responsibility to provide adequate irrigation with full and proper coverage to all areas.

GRANTEES shall maintain all sprinkler systems in such a way as to guarantee proper coverage and full working capability, and shall make whatever adjustments may be necessary to prevent excessive run-off into streets, rights-of-way or other areas not meant to be irrigated.

All areas not adequately covered by a sprinkler system shall be irrigated by a portable irrigation method. GRANTEES shall furnish all hoses, nozzles, sprinklers, etc. necessary to accomplish this supplementary irrigation. Care shall be exercised to prevent water waste, erosion, and/or detrimental seepage into existing underground improvements or structures.

Irrigation shall be accomplished as follows:

1. Landscaped improved banks and slopes shall be irrigated as required to maintain horticulturally acceptable growth and color, and to encourage deep rooting.

2. Shrub beds shall be irrigated as required to maintain horticulturally acceptable growth and color, and to promote deep rooting. Shrub areas shall be irrigated at a rate which keeps surface runoff to a minimum. The irrigation rate shall be adjusted to the needs of shrub types, seasons and weather conditions.

3. Newly planted trees, shrubs, and groundcover shall receive special attention until these plants are established. Adequate water and fertilizer shall be applied to promote normal, healthy growth. Proper berms or basins shall be maintained during the establishment period.

### **Pruning Shrubs and Groundcover Plants**

All shrubs and groundcover plants growing in the Park shall be pruned as required to maintain plants in a healthy, growing condition; to maintain plant growth within reasonable bounds; and to prevent encroachment of passage ways, walks, streets, or view of signs; or encroachment in any manner deemed objectionable by the GRANTOR. Dead or damaged limbs shall be removed with sharp pruning tools, with no stubs remaining. Pruning shall be done so as to permit plants to grow naturally in accordance with their normal growth characteristics. Shearing, hedging or severe pruning of plants, unless authorized by the GRANTOR, shall not be permitted. Growth regulators shall not be used.

### **Tree Maintenance**

1. All trees shall be maintained in their natural shapes. Pruning shall be performed in such a manner as to promote the best growth habits, appearance, and health of the tree, and to prevent encroachment which blocks vision or is in any manner deemed undesirable by the GRANTOR. GRANTEES shall, as part of this Grant, be responsible for tree pruning all trees. Trees shall not be topped. GRANTEES shall bring to the attention of the GRANTOR within twenty-four (24) hours any tree that shows signs of root heaving or leaning, or is in any manner a safety hazard.

2. All newly planted trees shall be securely staked with two (2) "lodge pole" type stakes placed on opposite sides of the tree, outside the root ball, and secured to the tree with at least two (2) flexible rubber tree ties.

3. Tree ties shall be inspected regularly to ensure against girdling and abrasion.

4. Trees and shrubs that are uprooted and/or broken due to storms, regardless of size, shall be up righted immediately, if possible. If this is not possible, they shall be removed immediately (including roots) and the holes must be filled.

### **Fertilization**

Fertilizer shall be delivered to the site only in the original unopened containers bearing the manufacturer's guaranteed analysis. Damaged packages will not be accepted.

Fertilizers shall be applied at the rates as follows: One (1) pound of actual nitrogen per 1,000 square feet of planted area shall be applied to shrubs, vines, groundcovers, and trees as specified.

Acceptable complete fertilizers include, but are not limited to: Nitra King 22-3-9-(S), Turf Supreme 16-6-8, Turf Supreme with Best-Cote 15-5-7, and Best Super Turf (for September fertilization). Acceptable organic fertilizers include, but are not limited to, Milorganite or Gro-Power, which have been processed to remove excess levels of salt.

As deemed necessary, other materials including, but not limited to, iron chelate, soil sulfur, gypsum, surfactant enzymes such as Sarvon or Naiad, etc., may be needed and shall be applied as necessary.

Adequate irrigation shall immediately follow the application of fertilizers and/or amendments to force fertilizer material to rest directly on the soil surface. Drip irrigated areas shall be adequately hand watered using quick coupler valves and hoses to dissolve fertilizer.

Fertilization must occur in prescribed months, and shall be accomplished in a manner so as to achieve an even green. If fertilization results are patchy, remedial fertilizer must be applied immediately.

### **Weed Control**

Weeds shall be removed from all shrub and groundcover beds, planters, tree wells, cracks in paved areas, including sidewalks, and areas covered with ornamental rocks, as shown in Scope of Services and Performance Schedule (Exhibit "F").

Weed removal shall mean complete removal of all weed growth. For the purpose of this specification, a weed will be considered "any undesirable or misplaced plant". Weeds shall be controlled by manual, mechanical, or chemical methods except as set forth in the Scope of Services and Schedule of Performance (Exhibit "F").

### **Mulch**

Mulch is all planting beds which shall be checked regularly for appropriate coverage and depth (2" minimum). Replace as needed.

### **Disease and Pest Control**

GRANTEES shall regularly inspect all landscaped areas for presence of disease, insect, or rodent infestation. GRANTEES shall identify the disease, insect, or rodent and specify control measures to be taken, and shall implement an approved control measures, exercising extreme caution in the application of all sprays, dusts, or other materials utilized. Approved control measures shall be continued until the disease, insect or rodent is controlled to the satisfaction of the GRANTOR. GRANTEES shall utilize all safeguards necessary during disease, insect, or rodent control operations to ensure safety of the public and the employees, in accordance with current standard practices accepted by the State of California Department of Food and Agriculture.

**All individuals who supervise the mixing and application of herbicides, pesticides, and rodenticides shall possess valid Qualified Applicators Certificate for Category B issued to them by the State Department of Food and Agriculture and submit to GRANTOR a copy of the valid certificate.**

### **Replacement of Plant Material**

1. GRANTEES shall supply the labor and all materials to replace any tree, shrub, groundcover, or other plant which is damaged or lost as a result of faulty maintenance or negligence.
2. Any plant damaged or lost through vehicular damage, theft, or vandalism shall be replaced in kind and size.
3. In order to ensure maximum healthy growth and overall aesthetic appearance of planting in the work area, it may be desirable to replace certain plants. The necessity or desirability of such plant replacement shall be determined upon agreement by and between GRANTEES and GRANTOR.

### **Turf Grass Mowing**

1. Mowing Equipment. Mowing equipment shall be maintained so as to provide a smooth, even cut without tearing. The blade adjustment shall provide a uniform, level cut without ridges or depressions. The mower blades shall be kept sharp. Equipment shall not be allowed to create ruts or depressions in the turf.
2. Frequency. Turf shall be mowed in accordance with the Scope of Services and Schedule of Performance (Exhibit "F").

Mowing shall be performed so that no more than one-third (1/3) of the grass blade is removed during each mowing in returning the grass to the accepted height for the species of grass being mowed.

Mowing must be done in a neat pattern. Mowing patterns are to be alternated to avoid compaction of soil. All sidewalks shall be cleaned immediately after mowing. Cuttings shall be removed from all hardscape and turf areas and not blown into the street or shrub beds. Persons providing the mowing services shall report wet soggy areas in turf due to over watering or leaks to their supervisors immediately.

### **Turf Grass Edging**

1. Method. All turf shall be edged adjacent to all improved surfaces. Where no improved surfaces exist, turf edges shall be maintained if the turf area abuts a shrub bed or property line or any other area where turf delineation is required. All edging must have a clean cut with the cut perpendicular to the hard surface and not removed from it. Edging shall include all fixtures (e.g., fire hydrants, manhole covers, meter boxes, valve boxes, quick couplers, gate valves). Chemical edging is unacceptable.

2. Frequency. All turf shall be edged as specified in the Scope of Services and Schedule of Performance (Exhibit "F").

### **Turf Grass Renovation and Aerification**

1. Renovation. Renovation shall be the operation that removes accumulated thatch from turf areas. Refuse generated from renovation shall be removed from the work site no later than the day following renovation. Thatch and other debris left on the site overnight shall be completely contained in bags or burlap sheets so that it does not migrate to adjacent areas.

2. Aerification. All turf areas shall be aerified by core removal to a depth of 2" in accordance with the Scope of Services and Schedule of Performance (Exhibit "F"). Under adverse conditions or where turf is suffering from compaction due to high use, aerification may be necessary at more frequent intervals. The frequency interval shall be as required to promote healthy, vigorous growth.

In performing periodic operations as required herein, routine grounds maintenance services at the same work site such as, but not limited to, litter control, weed control, and irrigation shall continue without interruption.

### **Groundcovers**

Groundcovers are low growing plants that grow in colonies to form a solid mat over the surface of the ground. They spread by rhizomes, by stolens or by roots which form at the nodes of trailing branches that come in contact with the soil. The plants give a flat or two (2) dimensional effect to the landscape; such plants include, but are not limited to, arctotheca, osteospermum, trailing gazania and lantana, ivy, trachelospermum, baccharis, and varieties of ice plant and myoporum.

1. Irrigation. All areas planted with groundcovers shall be adequately irrigated and fertilized to maintain the planting in a healthy condition. Frequent, light irrigations shall be avoided.

2. Edging. Groundcover beds shall be maintained within their intended bounds and shall not be permitted to encroach into lawns, shrub beds, sidewalks, or adjacent areas, or to encroach in any manner deemed undesirable. Edging is to be completed as specified in the Scope of Services and Schedule of Performance (Exhibit "F") and shall include all fixtures (e.g., fire hydrants, manhole covers, meter boxes, valve boxes, quick couplers, gate valves). All edging must have a clean cut with the cut perpendicular to the hard surface and not removed from it. Chemical edging is unacceptable.

3. Pruning. All groundcover plantings shall be thinned and pruned as necessary to maintain them within their intended bounds, and at such other times for the health of the planting and the appearance of the site.

4. Replanting. Replanting will be required to maintain the continuity of the groundcover area. The open soil between plants shall be cultivated where the planting permits.

### **Facility Maintenance**

1. Sidewalks and Paved Areas. All sidewalks and other paved surfaces shall be maintained in a safe, non-hazardous, and useable condition at all times. All fecal matter, stones, glass, paper, leaves, twigs, and all other debris shall be removed from paved areas. See, the Scope of Services and Schedule of Performance (Exhibit "F").

2. Playground/Picnic Equipment. All play and picnic equipment shall be maintained in a clean and safe condition at all times. All trash, foreign substances, cobblestones, dangerous objects, and other debris shall be removed from the area. Any damage to or malfunction of picnic or play equipment shall be reported to the GRANTOR and repaired immediately.

3. Repair of Damage or Malfunction. Damage to or malfunction of any facility not specifically provided for shall be reported to the GRANTOR within twenty-four (24) hours and repaired immediately.

4. Inspection. GRANTEES shall provide comprehensive, ongoing daily inspections of the job site(s). **This inspection shall be performed by the field supervisor as well as a non-working supervisor who shall provide a written punch list each week of items requiring remedial action or attention together with dates when the required work will be performed. Failure to provide such a punch list will indicate that no remedial action is required and that all work has been performed in accordance with these specifications.**

EXHIBIT "J"

Release of Construction Covenants

[Behind This Page]

OFFICIAL BUSINESS  
Document entitled to free  
recording per Government Code  
Section 27383.

Recording Requested By:  
THE REDEVELOPMENT AGENCY OF THE CITY  
OF SAN DIEGO  
1200 Third Avenue; Suite 1400  
San Diego, California 92101  
Attention: City Heights Project Manager

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RELEASE OF CONSTRUCTION COVENANTS

This RELEASE OF CONSTRUCTION COVENANTS [Release] is made by the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic [Agency], in favor of CITY HEIGHTS REALTY, LLC, a California limited liability company [Developer], as of the date set forth below.

WHEREAS, on or about May 3, 2005, the Agency and Developer entered into that certain Disposition and Development Agreement, a copy of which is on file in the office of the secretary to the Agency as Document No. D-03900 / R-03900, as amended by that certain First Implementation Agreement dated November 30, 2007 and filed as Document No. D-04225 / R-04225, and that certain Second Implementation Agreement dated \_\_\_\_\_ and filed as Document No. D-\_\_\_\_\_/R-\_\_\_\_\_ [collectively, the DDA]. The DDA, the Loan Agreement, the Promissory Note, the Pledge Agreement and other associated documents were assigned by Price Charities, a California public benefit corporation, to the Developer by that certain Assignment and Assumption Agreement dated \_\_\_\_\_; and

WHEREAS, Developer holds fee title to that certain real property described in the legal description attached hereto as Exhibit "A" and incorporated herein by this reference [Developer's Parcel]. Developer holds fee title in that certain real property described in the legal description attached hereto as Exhibit "B" and incorporated herein by this reference [Acquisition Parcel]. The Developer's Parcel and the Acquisition Parcel are collectively referred to herein as the "Site."

WHEREAS, the DDA provides for the Developer's acquisition and development of the Site in the City Heights Redevelopment Project area [Project], as more particularly described in

the DDA and the Redevelopment Plan for the City Heights Redevelopment Project. All terms not specifically defined herein, shall have the meanings ascribed to them in the DDA; and

WHEREAS, promptly after completion of the construction of the Improvements as required by the DDA, but not before the Developer enters into a park maintenance agreement pursuant to Section 323 of the DDA, the Agency shall deliver to the Developer a Release of Construction Covenants at the request of the Developer, acknowledging the completion of the Project and releasing certain obligations and rights of the Developer and the Agency set forth in the DDA; and

WHEREAS, the Developer has completed the Project on the Site and entered into a park maintenance agreement as required by the DDA and has requested that the Agency issue this Release for the construction of the Improvements; and

WHEREAS, Agency has inspected and determined that the Project has been satisfactorily completed and now desires to issue the Release pursuant to the terms and conditions of the DDA.

NOW THEREFORE, it is hereby acknowledged and certified by the Agency:

1. That the Improvements described in the DDA have been fully and satisfactorily constructed and completed by the Developer in conformance with the DDA.
2. That the construction covenants contained in the DDA and other documents executed and/or recorded pursuant to the DDA are hereby released.
3. That the covenants contained in the DDA and other documents executed and/or recorded pursuant to the DDA prohibiting any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Site or the Improvements thereon, without prior written approval of the Agency are hereby released.
4. That the covenants contained in the DDA and other documents executed and/or recorded pursuant to the DDA providing for the Agency's right, at its option, to reenter and take possession of the Acquisition Parcel with all improvements thereon, and to terminate and revest in the Agency the estate theretofore conveyed to the Developer are hereby released.
5. That any operating requirements and all use, maintenance, security or nondiscrimination covenants contained in the DDA and other documents executed and/or recorded pursuant to the DDA shall remain in effect and enforceable according to their terms.
6. That nothing contained in this Release shall modify in any way any provisions of the DDA or other instrument executed and/or recorded pursuant to the DDA.

7. That this Release shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the Improvements or any part thereof.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Agency has executed this Release this \_\_\_\_ day of \_\_\_\_\_, 200.

AGENCY

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

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

APPROVED the form and legality of this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

MICHAEL J. AGUIRRE  
General Counsel Redevelopment Agency

By: \_\_\_\_\_  
Kendall D. Berkey  
Deputy General Counsel

APPROVED the form and legality of this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

KANE, BALLMER & BERKMAN  
Special Counsel Redevelopment Agency

By: \_\_\_\_\_  
Murray O. Kane

APPROVED BY DEVELOPER:

CITY HEIGHTS REALTY, LLC  
a California limited liability company

By: PRICE CHARITIES,  
a California non-profit benefit corporation;  
Formerly named SAN DIEGO  
REVITALIZATION CORPORATION, a  
California non-profit public benefit  
corporation

Its: Sole and Managing Member

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN DIEGO )

On \_\_\_\_\_, 200\_ before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

EXHIBIT "A"

LEGAL DESCRIPTION OF DEVELOPER'S PARCEL

Parcel 1 of Parcel Map No. 19854 in the City of San Diego, County of San Diego, State of California per map thereof filed in the Office of the County Recorder of San Diego County, October 7, 2005 as File No. 2005-0871269 of Official Records.

EXHIBIT "B"

LEGAL DESCRIPTION OF THE ACQUISITION PARCEL

PARCEL 10:

All of Lots 25, 26, 27 and 28 in Block 46 of City Heights, in the City of San Diego, County of San Diego, State of California, according to Amended Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906.

Together with Easterly 10.00 feet of the alley adjacent to said Lots 25 through 28 as vacated by Resolution No. 200796, recorded September 16, 1970 as File No. 167930 of Official Records of said County.

EXCEPTING THEREFROM the Easterly 10.00 feet of Lots 26, 27 and 28, Block 46, City Heights, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906, together with that portion of Lot 25 of said Block 46 lying Easterly and Southeasterly of a line described as follows:

Beginning at the intersection of the North line of said Lot 25 with the West line of the Easterly 10.00 feet of said Lot 25; thence South along said West line, a distance of 10.00 feet to the beginning of a tangent curve concave Northwesterly, having a radius of 15.00 feet; thence Southwesterly along the arc of said curve, through a central angle of  $90^{\circ}00'00''$  a distance of 23.56 feet to the point of tangency in the South line of said Lot 25, said point being 25.00 feet Westerly of the Southeast corner of said Lot 25.

PARCEL 10A:

An easement and right of way for road, access and utility purposes over and through the following described property in the City of San Diego, County of San Diego, State of California:

Beginning at a point in the center line of the alley in Block 46 of City Heights, according to Amended Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906, which point is on the Easterly prolongation of the Northerly line of Lot 21; in said Block 46, thence Southerly along the center line of said alley to a point in the Easterly prolongation of the Southerly line of Lot 24 in said Block 46; thence Westerly along the prolongation of the Southerly line of said Lot 24 in said Block 46 to the Southeasterly corner of said Lot 24 in said Block 46; thence Northerly along the Westerly line of said alley to the Northeasterly corner of Lot 21 in said Block 46; thence Easterly along the Easterly prolongation of the Northerly line of said Lot 21 in said Block 46 to the Point of Beginning.

(APN: 471-452-27; 471-452-30)

City Heights Square  
Form Release of Construction Covenants

EXHIBIT "K"

First Amended Method of Financing

[Behind This Page]

FIRST AMENDED  
METHOD OF FINANCING

This is the First Amended Method of Financing attached to the Disposition and Development Agreement effective May 3, 2005, as amended by that certain First Implementation Agreement dated November 30, 2007, and that Second Implementation Agreement dated \_\_\_\_\_ (collectively, the "DDA") between the Redevelopment Agency of the City of San Diego and City Heights Realty, LLC pertaining to the sale of certain property (the "Acquisition Parcel") and construction on a combined Site consisting of the Acquisition Parcel and adjacent property (the "Developer's Parcel") of a mixed-use development and related parking facilities. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA.

1. **Agency to Acquire the Acquisition Parcel.** Subject to the terms and conditions set forth in the DDA, the Agency purchased the Acquisition Parcel from the Current Owner.

2. **Developer's Purchase Price.** The Developer shall pay a purchase price for the Acquisition Parcel equal to \$586,000, which is the fair market price of the Acquisition Parcel. The Purchase Price shall be paid by Developer as follows:

a. **Developer's Advance.**

(1) Developer agrees to advance funds to the Agency (the "Developer's Advance"), to pay all costs and expenses associated with the acquisition of the Acquisition Parcel by the Agency, including, but not limited to acquisition and relocation expenses and the fees and expenses of Agency's legal counsel, financial consultants, engineers and other experts necessary to acquire and deliver the Acquisition Parcel to the Developer in the condition required by Section 207 of the DDA, relocate all tenants and occupants from the Acquisition Parcel as required by applicable law, demolish and remove the improvements from the Acquisition Parcel (which will include abatement of asbestos and lead based paint if required by law), and all costs incurred in connection with assessing and remediating any Hazardous Substances from the Acquisition Parcel as and to the extent required in Section 214 of the DDA (collectively, the "Acquisition Costs"). Provided, however, that (A) in no event shall the Developer's Advance exceed an original principal amount of \$3,500,000 (it being understood that the foregoing cap shall not be construed as limiting the obligations of the Agency to perform its obligations in full hereunder); and (B) no more than \$100,000 of the loan funds may be used to pay for condemnation counsel fees and expenses.

(2) The Developer's Advance shall be in the form of a cash deposit. Developer shall deposit funds with the Agency from time to time upon written application by Agency in accordance with the disbursement procedures set forth in the Loan Agreement attached to the DDA as Attachment No. 10. The Agency shall have no responsibility for paying or earning interest on any portion of the Developer's Advance. Agency shall have the right to use

the Developer's Advance to pay all Acquisition Costs, including but not limited to purchasing the Acquisition Parcel, as follows:

(A) In the event the Agency is successful in negotiating the purchase of the Acquisition Parcel, the Agency shall have the right to disburse all or a portion of Developer's Advance, in an amount sufficient to purchase the Acquisition Parcel, and to be paid to the seller upon the close of escrow.

(B) In the event the Agency is unsuccessful in negotiating the purchase and sale of the Acquisition Parcel, and adopts a Resolution of Necessity relating to the Acquisition Parcel, the Agency shall have the right, concurrently with applying to the Superior Court for an order for prejudgment possession in an eminent domain proceeding, to use all or a portion of Developer's Advance, to be deposited with the Superior Court, as the deposit required by California Code of Civil Procedure Section 1255.010, in such eminent domain proceeding. Subject to the \$3,500,000 cap described in paragraph 2.a.(1), above, Developer shall advance to Agency, as part of the Developer's Advance, any additional amounts payable to the defendant in any such eminent domain action, including reasonable settlement amounts as determined by the Agency, both before and after the Close of Escrow in accordance with the DDA.

(C) At the Closing, upon conveyance of title (or possession, as provided in Section 209 of the DDA) to the Developer, the actual amount of the Developer's Advance which was disbursed pursuant to paragraphs (A) and/or (B) above (with no interest) shall be credited against the Purchase Price.

b. Net Purchase Price. Upon the Close of Escrow, Developer shall pay the balance of the Purchase Price, if any, to Agency (after crediting the Developer's Advance against the Purchase Price), in cash, through escrow. The parties anticipate that the Developer's Advance will be greater than the Purchase Price and therefore that no balance of the Purchase Price shall be payable at the Close of Escrow.

c. Loan. That portion of the Developer's Advance, if any, that exceeds the Purchase Price shall be repayable by Agency to the Developer in accordance with the terms of the Loan Agreement attached to the DDA as Attachment No. 10, which shall be evidenced by the promissory note attached to the Loan Agreement as Exhibit "A" (the "Loan Note") and secured by a pledge of tax increment revenues in the form of the Pledge Agreement attached to the Loan Agreement as Exhibit "B" (the "Pledge Agreement").

d. Expected Contamination Value. Factored into the fair market price of the Acquisition Parcel, as determined by that certain Updated Conceptual Cost Estimate dated September 4, 2008, prepared by the Agency's engineering consultants and on file with in the offices of the Agency, is an amount of Two Hundred Sixty Four Thousand Dollars (\$264,000) (the "Expected Contamination Value") which represents the estimated costs to be incurred by the Developer to remediate, remove and transport any Hazardous Substances on the Acquisition

Parcel pursuant to Section 214 of the DDA. If the Remediation Costs (as defined in Section 214 of the DDA) is less than the Expected Contamination Value, the difference between the Expected Contamination Value and the total Remediation Costs (within ninety (90) days of calculating the total Remediation Costs in accordance with the procedures as set forth in Section 214 of the DDA) shall be applied as a credit to reduce the outstanding principal balance owed by the Agency to the Developer under the Loan Note as of the date said ninety (90) day period expires. If the total Remediation Costs are more than the Expected Contamination Value, any amount over the Expected Contamination Value shall be added to the outstanding principal balance owed by the Agency to the Developer under the Loan Note as of the date said ninety (90) day period expires.

3. **Total Development Cost.** The parties estimate that the cost of the development of the Site by Developer will be approximately \$48,048,000.

4. **Sources of Financing.** The parties anticipate that the costs of the development of the Site and the construction of the improvements thereon (the "Development Costs") shall be financed with a combination of funds to be provided to the Developer, and Developer's equity, as follows:

- a. A construction loan from a lending institution (the "Construction Lender") in the approximate original principal amount of \$15,140,000, to be secured by a deed of trust (such loan referred to as the "Construction Loan").
- b. Equity from the Developer (the "Developer Equity") in the approximate amount of \$32,908,000. Developer Equity consists of funds provided by Developer that are not secured by any deed of trust.
- c. Developer shall be responsible, during the construction period, to provide funds if and as needed to pay for cost overruns and contingencies not otherwise funded by Construction Financing.

5. **Project Budget.** The parties anticipate that all the Development Costs shall be as set forth in the First Amended Project Budget attached to the Second Implementation Agreement as Exhibit "A" (the "First Amended Project Budget"), incorporated herein by this reference. The First Amended Project Budget shall be subject to change from time-to-time, subject to the prior written approval of material changes by the Agency Executive Director or designee (which approval shall not be unreasonably withheld), upon which approval the First Amended Project Budget shall be replaced by the approved revised First Amended Project Budget.

6. **Evidence of Financing.**

The sum of the Construction Loan plus the Developer's Equity shall be sufficient at all times to pay all Development Costs as set forth in the most recently approved Project Budget. Within the time provided therefor in the Schedule of Performance, Developer shall submit for Agency review and approval evidence of such financing, including copies of all documents required by the Construction Lender to obtain such financing. The Agency shall not unreasonably withhold its approval. Developer shall provide written certification to the Agency that such financing documents are correct copies of the actual financing documents to be executed by Developer on or before the Closing date. To the extent that the sum of the Construction Loan plus the Developer's Equity is insufficient to pay all Development Costs, Developer shall increase the amount of the Developer's Equity.

EXHIBIT "L"

First Amended Site Map and Concept Drawing

[Behind This Page]



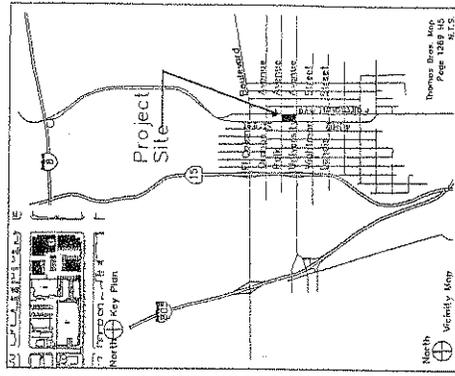








**FLOOR AREAS:**  
 PARKING LEVEL: INTERIMINARY  
 GARAGE ENTRY AREA: AS SHOWN  
 DAMAGE RISK AREA: AS SHOWN  
 PARKING SPACES: 174 Total Spaces  
 (5 Accessible Spaces)



**PROJECT INFORMATION**

Project Name: City Heights Realty, LLC  
 Project Address: 4305 University Avenue, Suite 600, San Diego, CA 92104  
 Project Phone: (619) 794-2004  
 Project Fax: (619) 794-2710

**CLIENT INFORMATION**

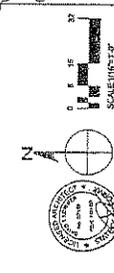
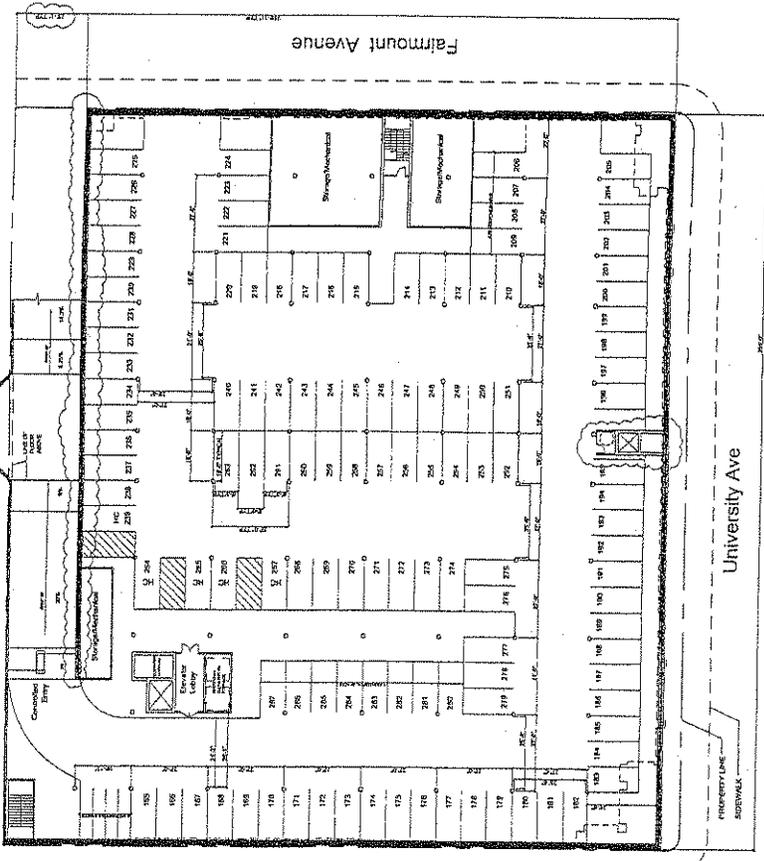
Client Name: City Heights Realty, LLC  
 Client Address: 4305 University Avenue, Suite 600, San Diego, CA 92104  
 Client Phone: (619) 794-2004  
 Client Fax: (619) 794-2710

**DESIGNER INFORMATION**

Designer Name: David L. Sommer Architects & Associates, APC  
 Designer Address: 1111 Broadway, Suite 100, San Diego, CA 92101  
 Designer Phone: (619) 594-1111  
 Designer Fax: (619) 594-1111

**DATE**

Project Start: 01/18/2008  
 Project End: 01/18/2008  
 Revision: 01/18/2008  
 Drawing No.: 01/18/2008  
 Drawing Title: P2 PLAN



**PROPERTY LINE**

**UNIVERSITY AVE**

**FAIRMOUNT AVENUE**

**43rd Street**

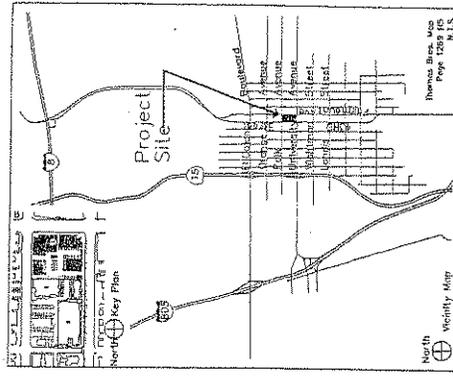
# PARKING GARAGE P2 PLAN

**CITY HEIGHTS SQUARE**  
 SAN DIEGO, CALIFORNIA

**DAVID L. SOMMER ARCHITECTS & ASSOCIATES, APC**  
 1111 BROADWAY, SUITE 100  
 SAN DIEGO, CALIFORNIA 92101  
 TEL: (619) 594-1111  
 FAX: (619) 594-1111

**City Heights Realty, LLC**  
 4305 University Avenue, Suite 600  
 SAN DIEGO, CALIFORNIA 92104  
 TEL: (619) 794-2004  
 FAX: (619) 794-2710

**FLOOR AREAS:**  
 PARKING LEVEL AREA SUMMARY 55,175 SF  
 GARAGE LEVEL AREA 50,000 SF  
**PARKING SPACES:** 197  
 11 Automobile  
 187 Motorcycle



**PROJECT INFORMATION**

Project Name: City Heights Realty, LLC  
 4305 University Avenue, Suite 600  
 San Diego, CA 92105  
 Project No.: 1111111111  
 Date: 04/18/2008

**CLIENT INFORMATION**

Client Name: City Heights Realty, LLC  
 Client Address: 4305 University Avenue, Suite 600  
 San Diego, CA 92105  
 Client Phone: (619) 795-8004  
 Client Fax: (619) 255-2710

**DESIGNER INFORMATION**

Designer Name: David L. Lormer Architect & Associates, Inc.  
 Designer Address: 2200 Camino del Rio South, Suite 100  
 San Diego, CA 92108  
 Designer Phone: (619) 594-8888  
 Designer Fax: (619) 594-8889

**DATE**

Issue Date: 04/18/2008  
 Revision Date: 04/18/2008  
 Revision Description: 1. Initial Issue

**PROJECT LOCATION**

Project Address: 4305 University Avenue, Suite 600  
 San Diego, CA 92105  
 Project Phone: (619) 795-8004  
 Project Fax: (619) 255-2710

**PROJECT STATUS**

Project Status: In Progress  
 Project Manager: David L. Lormer  
 Project Engineer: David L. Lormer

**PROJECT DESCRIPTION**

Project Description: City Heights Realty, LLC  
 4305 University Avenue, Suite 600  
 San Diego, CA 92105  
 Project Type: Office Building

**PROJECT CONTACTS**

Project Contact: David L. Lormer  
 Project Contact Address: 2200 Camino del Rio South, Suite 100  
 San Diego, CA 92108  
 Project Contact Phone: (619) 594-8888  
 Project Contact Fax: (619) 594-8889

**PROJECT NOTES**

Project Note: 1. Initial Issue

**PROJECT DRAWING**

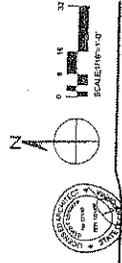
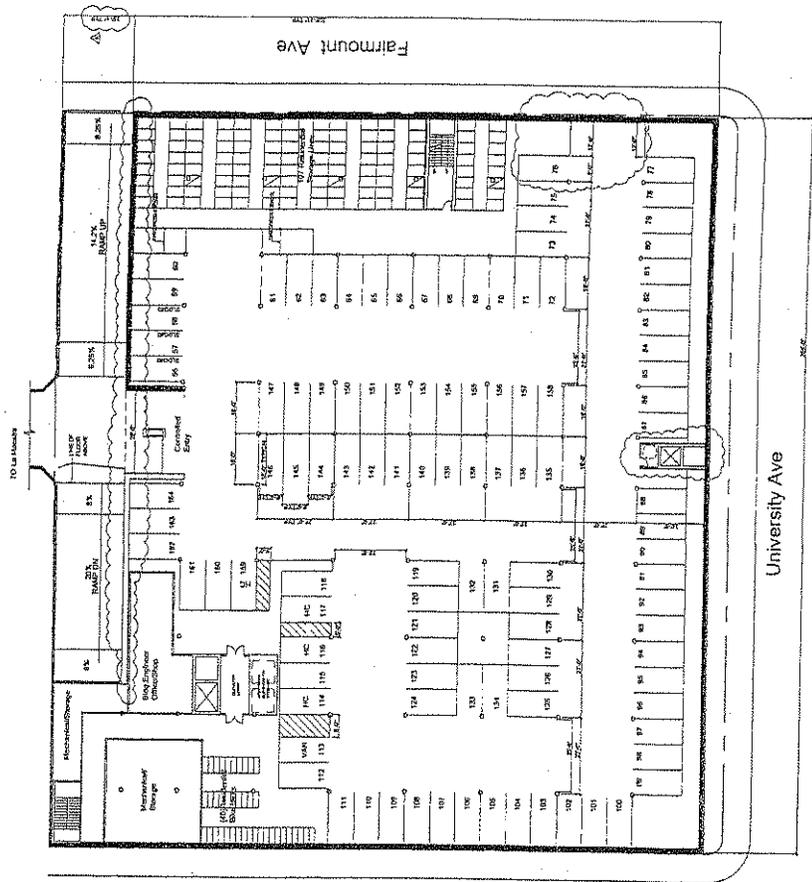
Project Drawing: P1 PLAN  
 Project Drawing No.: 1111111111  
 Project Drawing Date: 04/18/2008

**PROJECT SCALE**

Project Scale: 1/8" = 1'-0"

**PROJECT SHEET**

Project Sheet: P1 PLAN  
 Project Sheet No.: 1111111111  
 Project Sheet Date: 04/18/2008



# PARKING GARAGE P1 PLAN

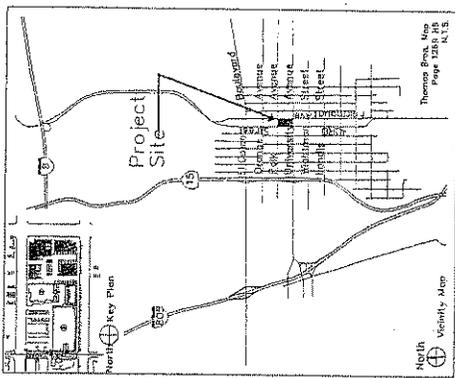
**CITY HEIGHTS SQUARE  
 SAN DIEGO, CALIFORNIA**

**City Heights Realty, LLC  
 4305 University Avenue, Suite 600  
 SAN DIEGO, CALIFORNIA 92105  
 TEL: (619) 795-8004  
 FAX: (619) 255-2710**

**DAVID L. LORMER ARCHITECT & ASSOCIATES, INC.**  
 2200 CAMINO DEL RIO SOUTH, SUITE 100  
 SAN DIEGO, CALIFORNIA 92108  
 TEL: (619) 594-8888  
 FAX: (619) 594-8889  
 WWW.DAVIDLLOMERARCHITECT.COM

- FLOOR AREAS:**  
 RES-1 451,000 sq ft  
 RES-2 1,700 sq ft  
 RES-3 750 sq ft  
 RES-4 750 sq ft  
 RES-5 750 sq ft  
 RES-6 750 sq ft  
 RES-7 750 sq ft  
 RES-8 750 sq ft  
 RES-9 750 sq ft  
 RES-10 750 sq ft  
 RES-11 750 sq ft  
 RES-12 750 sq ft  
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 RES-89 750 sq ft  
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 RES-91 750 sq ft  
 RES-92 750 sq ft  
 RES-93 750 sq ft  
 RES-94 750 sq ft  
 RES-95 750 sq ft  
 RES-96 750 sq ft  
 RES-97 750 sq ft  
 RES-98 750 sq ft  
 RES-99 750 sq ft  
 RES-100 750 sq ft

**PARKING:**  
 56 Total Spaces  
 12 Accessory Spaces  
 1 BM Carport  
 1 15'x10' Loading Space



**Project Name:** CITY HEIGHTS SQUARE  
**Site:** 4305 UNIVERSITY AVENUE  
**City:** SAN DIEGO, CALIFORNIA 92105  
**TEL:** (619) 755-2004  
**FAX:** (619) 259-2710

**Architect:** DAVID T. CORNERS ARCHITECT & ASSOCIATES, APC  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Engineer:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Interior Designer:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Structural Engineer:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

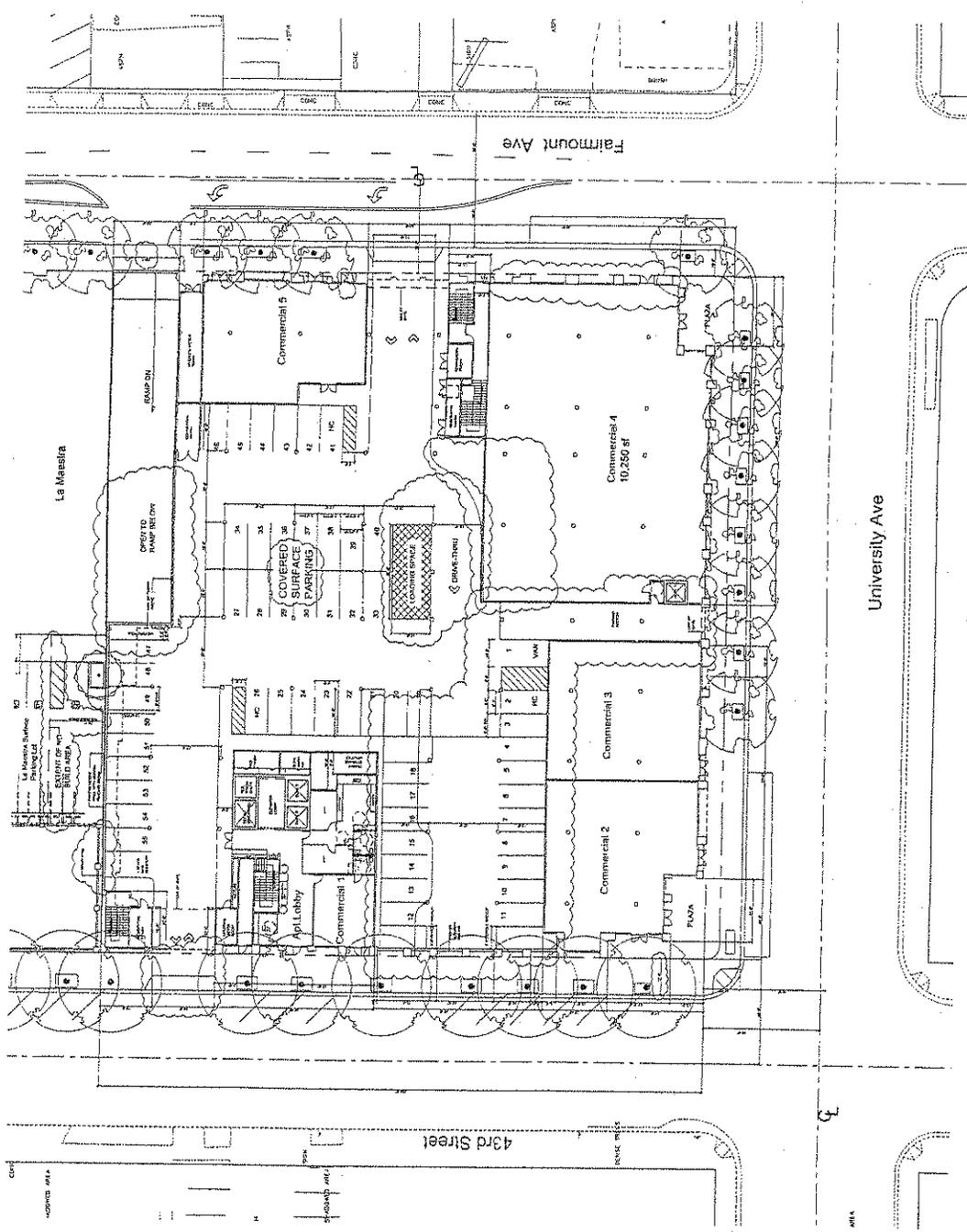
**MEP Engineer:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Construction Manager:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Permitting:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Surveyor:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**Other:** JAMES W. HARRIS & ASSOCIATES, INC.  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111



**GROUND LEVEL FLOOR PLAN**

**CITY HEIGHTS SQUARE**  
 SAN DIEGO, CALIFORNIA

**DAVID T. CORNERS ARCHITECT & ASSOCIATES, APC**  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

**JAMES W. HARRIS & ASSOCIATES, INC.**  
 1111 LAUREL STREET  
 SAN DIEGO, CA 92101  
 (619) 594-1111

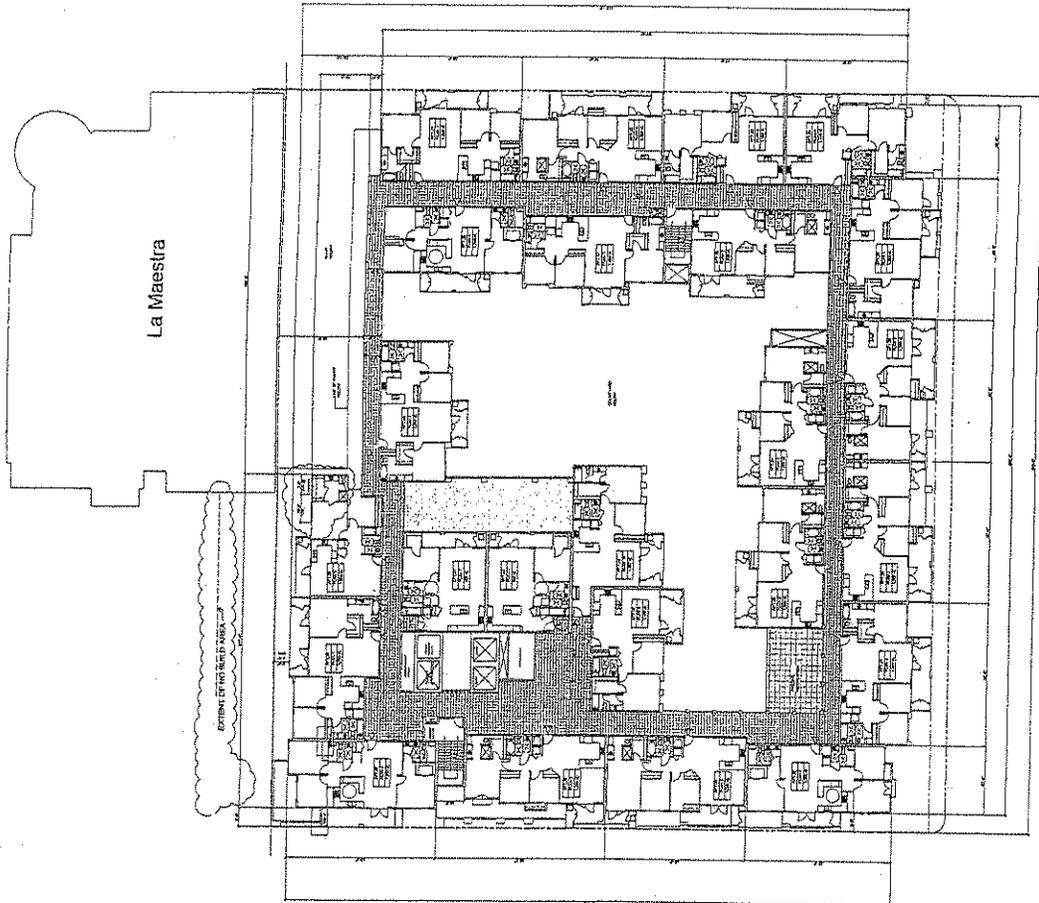
**CITY HEIGHTS REALTY, LLC**  
 4305 UNIVERSITY AVENUE, SUITE 600  
 SAN DIEGO, CALIFORNIA 92105  
 TEL: (619) 755-2004  
 FAX: (619) 259-2710



FLOOR AREAS:

NO.	DESCRIPTION	AREA
1	101	1,200
2	102	1,200
3	103	1,200
4	104	1,200
5	105	1,200
6	106	1,200
7	107	1,200
8	108	1,200
9	109	1,200
10	110	1,200
11	111	1,200
12	112	1,200
13	113	1,200
14	114	1,200
15	115	1,200
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17	117	1,200
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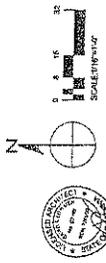
DATE: 08/14/2008  
 DRAWN BY: J. L. LOPINHO  
 CHECKED BY: J. L. LOPINHO  
 PROJECT NO.: 08-0001  
 SHEET NO.: 05



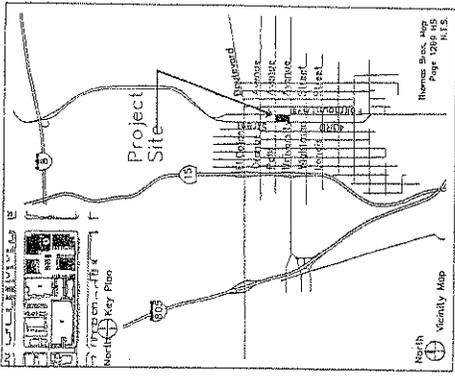
THIRD FLOOR PLAN

CITY HEIGHTS SQUARE  
 SAN DIEGO, CALIFORNIA

**LA**  
 DAVID T. LOPINHO ARCHITECT & ASSOCIATES, INC.  
 2000 GARDNER  
 SAN DIEGO, CA 92108  
 TEL: (619) 594-1100  
 FAX: (619) 594-1101  
 WWW.DTLA.COM



City Heights Realty, LLC  
 4305 University Avenue, Suite 800  
 SAN DIEGO, CALIFORNIA 92105  
 TEL: (619) 795-2004  
 FAX: (619) 255-2710



REVISIONS

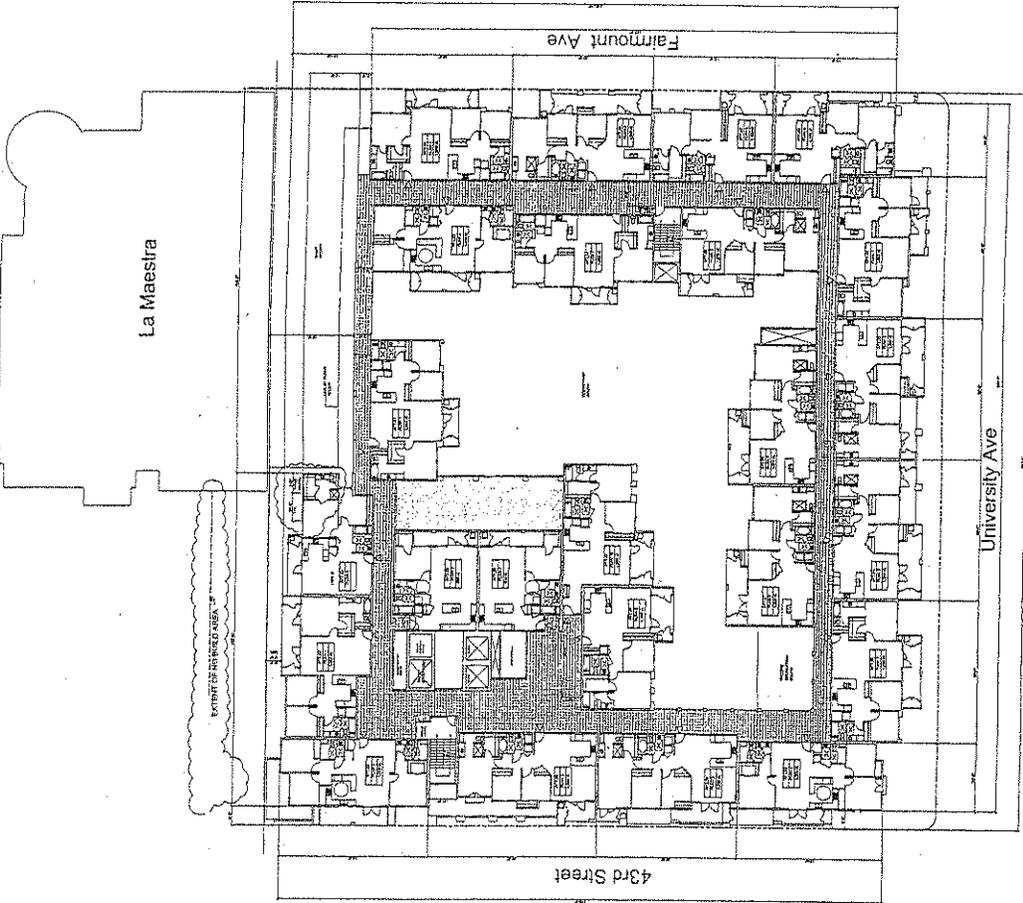
NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMITTING	08/14/08

PROJECT NO.: 08-0001  
 SHEET NO.: 05

DATE: 08/14/2008  
 DRAWN BY: J. L. LOPINHO  
 CHECKED BY: J. L. LOPINHO

FLOOR AREAS:

FLOOR	AREA	TYPE	AREA	TYPE	AREA
1	1000	Office	1000	Office	1000
2	2000	Office	2000	Office	2000
3	3000	Office	3000	Office	3000
4	4000	Office	4000	Office	4000
5	5000	Office	5000	Office	5000
6	6000	Office	6000	Office	6000
7	7000	Office	7000	Office	7000
8	8000	Office	8000	Office	8000
9	9000	Office	9000	Office	9000
10	10000	Office	10000	Office	10000
11	11000	Office	11000	Office	11000
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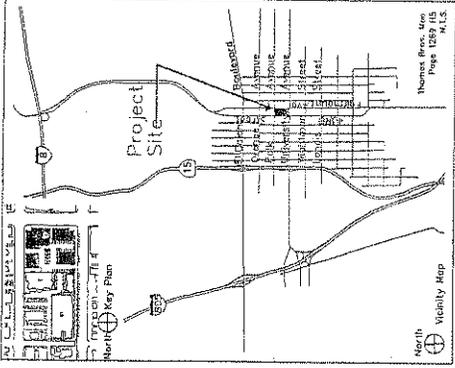


**FOURTH FLOOR PLAN**

**CITY HEIGHTS SQUARE  
SAN DIEGO, CALIFORNIA**

**City Heights Realty, LLC  
4305 University Avenue, Suite 600  
SAN DIEGO, CALIFORNIA 92106  
TEL. (619) 755-2004  
FAX (619) 255-2710**

**LA**  
 3000 J. FIRMER ARCHITECT ASSOCIATES, INC.  
 4400 LA JOLLA VILLAGE  
 SAN DIEGO, CA 92161  
 TEL. (619) 451-1000  
 FAX (619) 451-1001  
 WWW.FIRMERARCHITECTS.COM



**THOMAS BROS. INC.**  
 10000 LA JOLLA VILLAGE  
 SAN DIEGO, CA 92161  
 TEL. (619) 451-1000  
 FAX (619) 451-1001  
 WWW.TBINC.COM

**PROJECT INFORMATION**  
 Project Name: CITY HEIGHTS SQUARE  
 Project No.: 10000  
 Date: 10/11/2004  
 Designer: THOMAS BROS. INC.  
 Architect: CITY HEIGHTS REALTY, LLC  
 Engineer: [blank]  
 Surveyor: [blank]  
 City: SAN DIEGO, CA  
 County: SAN DIEGO, CA  
 State: CALIFORNIA

**REVISIONS**

NO.	DATE	DESCRIPTION
1	10/11/2004	ISSUE FOR PERMIT
2	10/11/2004	ISSUE FOR PERMIT
3	10/11/2004	ISSUE FOR PERMIT
4	10/11/2004	ISSUE FOR PERMIT
5	10/11/2004	ISSUE FOR PERMIT
6	10/11/2004	ISSUE FOR PERMIT
7	10/11/2004	ISSUE FOR PERMIT
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48	10/11/2004	ISSUE FOR PERMIT
49	10/11/2004	ISSUE FOR PERMIT
50	10/11/2004	ISSUE FOR PERMIT





EXHIBIT "M"

Universal Design Checklist

[Behind This Page]

# UNIVERSAL DESIGN FEATURES

VER 08282008

## Entrances

1. Stepless front entrance or other primary entrance.
2. If only one entry, not through a garage or from a patio or raised deck.
3. Minimum 5' x 5' level clear space inside and outside entry door.
4. Power door operators.
5. Weather protection such as a porch, stoop with roof, awning, or carport.
6. Full length sidelights, windows in doors, and/or windows nearby.

## Interior Circulation

7. Open plan design, with at least one bedroom and bathroom located on an accessible ground floor entry level.
8. Clear door opening width (32" minimum, 34"-36" wide doors) for all doorways.
9. Flush thresholds at all doorways.
10. Clear floor space (18" minimum) beside door on pull side at latch jamb.
11. Circulation route 42" minimum width.
12. Turning space in all rooms (5' diameter).

## Vertical Circulation

13. All stairs should have space at the bottom for later installation of a platform lift.
14. At least one set of staked closets, pantries or storage spaces with knock-out floor.
15. Stair handrails to extend horizontally beyond the top and bottom risers.

## Bathrooms

16. At least one bathroom with one of the following:
  - a) minimum 5'x3' curbless shower
  - b) tub with integral seat, waterproof floor and a floor drain
17. 60" diameter turning space in the room and 30" x 48" clear floor space at each fixture.
18. Clear space (3') in front and to one side of toilet
19. Toilet centered 18" from any side wall, cabinet or tub.
20. Lavatory counter height 32" minimum
21. Offset controls in tub/shower with adjacent clear floor space.

## Kitchens

22. Space between face of cabinets and cabinets and walls 48" minimum
23. Variable height (28"-42") work surfaces such as countertops, sinks and cooktops.
24. Stretches of continuous countertops, particularly between refrigerator, sink and stove-top.
25. Full height pantry storage with easy access pull-out and/or adjustable height shelves.
26. Under-counter or drawer type refrigerators installed on raised platforms.
27. Built in oven with knee space beside, set for one pull-out oven rack at the same height as adjacent countertop.

# UNIVERSAL DESIGN FEATURES

VER 08282008

## Laundry/Storage

28. Laundry sink and countertop surface no more than 34" above finished floor with knee space below.
29. Clear floor space 36" wide across full width in front of washer and dryer and extending at least 18" beyond right and left sides.
30. 50% of all storage less than 54" high
31. 8' minimum door height or alternate on-site parking for tall vehicles
32. Electrical panel with top no more than 54" above floor located with a minimum 30" x 48" clear floor space in front

## Windows

33. Windows for viewing 36" maximum still height
34. Exterior sliding doors: drop frame and threshold into subfloor to reduce height of track.
35. By-passing closet doors: each panel should create an opening at least 32" clear.

## Non-structural features

36. Lever door handles, motion detector light switches in garage, utility spaces, audible and visual alarms for doorbell, smoke detectors, etc.
37. Color contrast between floor surfaces and trim.
38. Contrast between countertops and front edges or cabinet faces

This checklist shall not be interpreted to *require* design features in excess of existing/current California Building Code. It is a list of features that contribute to or can be components of Universal Design. Not all features are expected to be included in any given development proposal and this list is not exhaustive.

EXHIBIT "N"

Notice of Affordability Restrictions on Transfer of Property

[Behind This Page]

OFFICIAL BUSINESS  
Document entitled to free  
recording per Government Code  
Section 27383.

Recording Requested By:  
THE REDEVELOPMENT AGENCY OF THE CITY  
OF SAN DIEGO  
1200 Third Avenue; Suite 1400  
San Diego, California 92101  
Attention: City Heights Project Manager

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### **Notice of Affordability Restrictions on Transfer of Property**

NOTICE IS HEREBY GIVEN that pursuant to Health & Safety Code Section 33334.3(f)(3) as amended and effective January 1, 2008, the Redevelopment Agency of the City of San Diego [Agency] is recording this Notice of Affordability Restrictions on Transfer of Property [Notice] with regard to certain real property consisting of three (3) parcels totaling approximately 1.42 acres and 61,986 square feet, referenced by Assessor Parcel Numbers 471-452-27, 471-452-30, and 471-452-37 located at \_\_\_\_\_, San Diego, California, bounded on the west by 43rd Street, the south by University Avenue, and the east by Fairmont Avenue, within the City Heights Redevelopment Project Area of the City of San Diego, State of California, as more particularly described in the "Legal Description of the Developer's Parcel" attached hereto as Exhibit "A" and incorporated herein by this reference and the "Legal Description of the Acquisition Parcel" attached hereto as Exhibit "B" and incorporated herein by this reference. The Developer's Parcel and the Acquisition Parcel are collectively referred to herein as the "Site."

The Site is subject to the Disposition and Development Agreement entered into by and between the Agency and City Heights Realty, LLC, a California limited liability company [Owner] on May 3, 2005, as amended by that certain First Implementation Agreement dated November 30, 2007, and further amended by that certain Second Implementation Agreement dated \_\_\_\_\_ [collectively, DDA].

The Site is also subject to the Agreement Affecting Real Property [AARP] and the affordability covenants set forth therein [Covenants] recorded concurrently herewith, in which Owner, the owner of the Site, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Site or any part thereof, covenants and agrees to restrict the use of the Site as follows:

(1) The Site shall be developed and used as a mixed-use residential/commercial project consisting of 92 residential apartment units (6 1-bedroom, 20 2-bedroom, and 66 3-bedroom, subject to minor revisions to bedroom mix approved by the Executive Director or designee) to include a minimum of 14 units for affordable housing (the "Affordable Apartments" as defined below), approximately 20,500 square feet of retail space, approximately 3,000 square feet of office space, two (2) levels of subterranean parking (to include a minimum of 210 parking spaces), and a minimum of 45 covered surface level parking spaces, all as described in the Scope of Development, as amended, and attached to the DDA.

(2) A minimum of 14 Affordable Apartments, of which a minimum of four (4) apartment units shall be restricted to households with incomes not exceeding 50% of the Area Median Income adjusted for household size (the "Very Low-Income" households as defined below) and a minimum of ten (10) apartment units shall be restricted to households with incomes not exceeding 65% of the Area Median Income adjusted for household size (the "Low-Income" households as defined below) consistent with the chart below, all of which shall be dispersed throughout the Site.

# of Units	# of Bedrooms	Income Level	% of Affordable Apartments	# of Years
10	3	65% AMI	71%	55
4	3	50% AMI	29%	55

(3) For purposes of the Notice, the following capitalized terms shall have the following definitions:

(a) "Affordable Apartments" shall mean a minimum of 14 residential apartment units constructed by Owner which shall be restricted

by Owner for rental to and occupancy by Very-Low Income and Low-Income households at an Affordable Rent.

(b) "Affordable Rent" shall mean monthly rent (including a reasonable utility allowance) which does not exceed for a Low Income household, one-twelfth of the product of 30 percent times 65 percent of the Area Median Income, adjusted for household size appropriate to the unit, and which does not exceed for a Very Low Income household, one-twelfth of the product of 30 percent times 50 percent of the Area Median Income, adjusted for household size appropriate to the unit. As used in this paragraph, "household size appropriate to the unit" shall equal the number of bedrooms in the unit plus one.

(c) "Area Median Income" shall mean the area median income for San Diego County as published annually by California's Housing and Community Development Department pursuant to Health and Safety Code section 50093.

(d) "Low-Income" shall mean household income that does not exceed 65% of the Area Median Income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development and published by the California Department of Housing and Community Development.

(e) "Very Low-Income" shall mean household income that does not exceed 50% of the Area Median Income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development and published by the California Department of Housing and Community Development.

3. To satisfy the requirements of California Health and Safety Code Section 33418, prior to the initial occupancy of the Affordable Apartments by Low-Income and Very Low-Income households, the Owner shall enter into a reporting and monitoring agreement with the Agency and the San Diego Housing Commission [Administration Agreement]. The Administration Agreement for this purpose shall be substantially in the form attached to the Second Implementation Agreement as Exhibit "H" and incorporated herein by this reference. The Administration Agreement shall establish a Five Hundred Dollar (\$500.00) initial set up fee and Sixty Five Dollar (\$65.00) monitoring fee per year for each

Affordable Apartment.

4. Owner, its successors and assigns, shall market the availability of apartment units and select residents for occupancy in the Affordable Apartments in accordance with all applicable local, state and federal laws and regulations.

The affordability restrictions imposed on the Site by the Covenants shall remain in effect for the longest feasible time, but not less than fifty five (55) years after the date of recordation of the AARP.

This Notice is recorded for the purpose of providing notice only and it in no way modifies the provisions of the Covenants.

REDEVELOPMENT AGENCY OF THE  
CITY OF SAN DIEGO

Date: \_\_\_\_\_

By: \_\_\_\_\_

Janice Weinrick  
Deputy Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION OF THE DEVELOPER'S PARCEL

Parcel 1 of Parcel Map No. 19854 in the City of San Diego, County of San Diego, State of California per map thereof filed in the Office of the County Recorder of San Diego County, October 7, 2005 as File No. 2005-0871269 of Official Records.

EXHIBIT B”

LEGAL DESCRIPTION OF THE ACQUISITION PARCEL

PARCEL 10:

All of Lots 25, 26, 27 and 28 in Block 46 of City Heights, in the City of San Diego, County of San Diego, State of California, according to Amended Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906.

Together with Easterly 10.00 feet of the alley adjacent to said Lots 25 through 28 as vacated by Resolution No. 200796, recorded September 16, 1970 as File No. 167930 of Official Records of said County.

EXCEPTING THEREFROM the Easterly 10.00 feet of Lots 26, 27 and 28, Block 46, City Heights, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906, together with that portion of Lot 25 of said Block 46 lying Easterly and Southeasterly of a line described as follows:

Beginning at the intersection of the North line of said Lot 25 with the West line of the Easterly 10.00 feet of said Lot 25; thence South along said West line, a distance of 10.00 feet to the beginning of a tangent curve concave Northwesterly, having a radius of 15.00 feet; thence Southwesterly along the arc of said curve, through a central angle of 90°00'00” a distance of 23.56 feet to the point of tangency in the South line of said Lot 25, said point being 25.00 feet Westerly of the Southeast corner of said Lot 25.

PARCEL 10A:

An easement and right of way for road, access and utility purposes over and through the following described property in the City of San Diego, County of San Diego, State of California:

Beginning at a point in the center line of the alley in Block 46 of City Heights, according to Amended Map thereof No. 1007, filed in the Office of the County Recorder of San Diego County, October 3, 1906, which point is on the Easterly prolongation of the Northerly line of Lot 21; in said Block 46, thence Southerly along the center line of said alley to a point in the Easterly prolongation of the Southerly line of Lot 24 in said Block 46; thence Westerly along the prolongation of the Southerly line of said Lot 24 in said Block 46 to the Southeasterly corner of said Lot 24 in said Block 46; thence Northerly along the Westerly line of said alley to the Northeasterly corner of Lot 21 in said Block 46; thence Easterly along the Easterly prolongation of the Northerly line of said Lot 21 in said Block 46 to the Point of Beginning.

(APN: 471-452-27; 471-452-30)

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN DIEGO )

On \_\_\_\_\_, 200\_ before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_