

AGENDA

City of El Cajon Successor Agency – Oversight Board

8:00 a.m., Wednesday, November 15, 2017

El Cajon City Hall – Fifth Floor Conference Room
200 Civic Center Way, El Cajon, CA 92020

Board Members:

Scott Buxbaum, County Board of Education Rep.
Gloria Chadwick, Grossmont Healthcare District Rep.
Dennis Davies, City of El Cajon
Michelle Nguyen, County Board of Supervisors Rep.
Sue Rearic, Chancellor of the California Community Colleges Rep.
Dan Pavao, (Former RDA/MMPEG Employee) City of El Cajon
Debra Emerson, County Board of Supervisors Rep.

OB Legal Counsel: **Meyers Nave**

Successor Agency Staff:

Douglas Williford, Exec. Director/City Manager
Clay Schoen, Director of Finance
Anthony Shute, Director of Community Development
Victoria Danganan, Senior Accountant
Ron Luis Valles, Administrative Secretary

General Counsel: **Morgan Foley**

- I. Call to Order and Pledge of Allegiance
- II. Chair welcomes.
- III. Roll Call
- IV. Public Comment: (This is the opportunity for a member of the public to address the Oversight Board on any item of business within the jurisdiction of the Board that is not on the agenda. Under State law no action can be taken on items brought forward under Public Comment, except to refer the item to the staff for administrative action or to place it on a future agenda.)
- V. **ACTION ITEMS:**
 - Item No. 1: Approval of Action Minutes – November 1, 2017, Special Meeting
 - Item No. 2: Approval of proposed resolution for: **Refunding the 2005 and 2007 Tax Allocation Bonds of the Former El Cajon Redevelopment Agency**
 - Item No. 3: Approval of proposed resolution for: **Modification to Prior Approved Agreement for the Purchase and Sale of Successor Agency Property at 100 Fletcher Parkway**
- VI. Other Items for Consideration
 - Staff Communications:
 - Board Reports/Comments:
- VII. Adjournment

SUMMARY MINUTES

Successor Agency to the El Cajon Redevelopment Agency Oversight Board

**Special Meeting - Wednesday, November 1, 2017
El Cajon City Hall, Fifth Floor Conference Room
200 Civic Center Way, El Cajon, CA 92020**

BOARD PRESENT: Scott Buxbaum, Gloria Chadwick, Dennis Davies (Vice Chair), Debra Emerson (Chair), and Dan Pavao

BOARD ABSENT: Michelle Nguyen and Sue Rearic

OB LEGAL COUNSEL: Steven Mattas, representing law firm of Meyers Nave (*Via Conference Call*)

STAFF PRESENT: Director of Community Development Anthony Shute, Director of Finance Clay Schoen, and Administrative Secretary Ron Luis Valles

[Steven MATTAS was telephoned and placed on speaker phone.]

CALL TO ORDER AND PLEDGE OF ALLEGIANCE:

The meeting was called to order at 8:00 a.m. by EMERSON.

PUBLIC COMMENT: None

ACTION ITEM NO. 1: APPROVAL OF ACTION MINUTES – September 20, 2017

CHADWICK made a motion, seconded by PAVAO, to approve the action minutes of the September 20, 2017, meeting.

Motion carried 5-0 (NGUYEN and REARIC, absent)

ITEM NO. 2: APPROVAL OF THE PURCHASE AND SALE AGREEMENT FOR 115 REA AVENUE.

SHUTE summarized the staff report and recommended approval by the Oversight Board.

BUXBAUM was pleased that the purchase price came in above the appraisal price.

CHADWICK made a motion, seconded by BUXBAUM, to adopt Resolution OB-05-17 approving the Purchase and Sale Agreement for 115 Rea Avenue.
Motion carried 5-0 (NGUYEN and REARIC, absent).

STAFF COMMUNICATIONS:

Staff reviewed and approved the proposed 2018 Oversight Board Meeting Calendar, for meetings. In response to a query, SHUTE responded that after the last meeting on June 20, 2018, anything related to the City of El Cajon's items, the County of San Diego will have jurisdiction.

DAVIES made a motion, seconded by PAVAO, to adopt Resolution OB-05-17 approving the Purchase and Sale Agreement for 115 Rea Avenue.
Motion carried 5-0 (NGUYEN and REARIC, absent).

BOARD REPORTS / COMMENTS:

There were no reports.

ADJOURNMENT:

BUXBAUM made a motion, seconded by CHADWICK, to adjourn this Special Meeting of the El Cajon Successor Agency Oversight Board at 8:09 a.m. this 1st day of November 2017, to 8:00 a.m., November 15, 2017, in the Fifth Floor Conference Room at City Hall, 200 Civic Center Way, El Cajon, California.
Motion carried 5-0 (NGUYEN and REARIC, absent).

APPROVED:

Debra Emerson, Chairperson

ATTEST:

Anthony Shute, Oversight Board Secretary

AGENDA REPORT

CITY OF EL CAJON SUCCESSOR AGENCY OVERSIGHT BOARD

November 15, 2017, Meeting

SUBJECT: Refunding the 2005 and 2007 Tax Allocation Bonds of the Former El Cajon Redevelopment Agency

RECOMMENDED ACTION: That the Oversight Board adopt proposed Resolution No. OB-06-17 approving the issuance of Refunding Bonds of the Successor Agency of the former Redevelopment Agency of the City of El Cajon, making certain determinations with respect to the Refunding Bonds, and providing other matters relating thereto.

BACKGROUND

The former El Cajon Redevelopment Agency issued Tax Allocation Refunding Bonds, Issue of 2005 (the "2005 Bonds") and Tax Allocation Bonds, Issue of 2007 (the "2007 Bonds") in the amounts of \$40,000,000 and \$15,750,000. The 2005 Bonds have \$28,110,000 remaining in principal through October 1, 2036 with interest rates ranging from 4.00% to 4.50%. The 2007 Bonds have \$12,220,000 remaining in principal through October 1, 2037 with interest rates ranging from 4.00% to 4.375%.

Due to the current low interest rate environment and the ability to refund the Bonds, significant debt service savings can be generated to benefit affected taxing entities, including the County, City, Schools, and Special Districts.

As part of the process for refunding the Prior Bonds, California law requires the Successor Agency Board to adopt a resolution authorizing the issuance of refunding bonds, approving the related legal documents and finding that there is a significant potential savings. The City Council acting as the Successor Agency Board will be considering a proposed resolution at the meeting on November 14, 2017. Their decision will be presented to the Oversight Board, and if the resolution is approved, the Oversight Board would consider a resolution that would authorize sending the bond refunding resolution and supporting documents to the California Department of Finance. If the Department of Finance determines that there are significant potential savings, Agency staff would return to the Successor Agency Board with a resolution approving a Preliminary Official Statement, tentatively scheduled for the meeting of January 9, 2018.

The municipal advisory firm Urban Futures, Inc. has reviewed the following refunding summary and savings analysis that was prepared by the Underwriter (Brandis Tallman LLC) using current market interest rates. The results of the preliminary refunding analysis are as follows:

Refunding Results

Outstanding Amount of Bonds:	\$40,330,000	
Refunding Par Amount:	\$36,215,000	
Total Gross Savings:	\$4,787,069	(Including All Costs)
Average Annual Savings:	\$250,795	(Including All Costs)
Net Present Value Savings:	\$3,653,289	(Including All Costs)
Net Present Value Savings % New:	10.09%	
Net Present Value Savings % Prior:	9.06% (1)	
Average Interest Rate (Prior):	4.44%	
Average Interest Rate (New):	3.35% (2)	

Final Maturity (Prior): 10/1/2037
Final Maturity (New): 10/1/2037
2005 Bonds Call Date: any date @ 100%
2007 Bonds Call Date: any date @ 100%

Notes

- (1) Net present value savings exceeding 3.00% of the prior bonds are generally considered significant.
- (2) Interest rates are subject to change with market conditions

As stated above, refunding the Prior Bonds would produce a total net present value savings of \$3,653,289, and an average annual savings of \$250,795 on debt service payments based on the estimated gross total savings of \$4,787,069. The savings would be shared among the affected taxing entities from the redevelopment project area, in the approximate proportion of each respective entity's share of a property tax dollar.

Most of the costs of issuance associated with the refunding are contingent upon a successful close, and are paid out of bond proceeds at closing. Other costs, such as those of the Fiscal Consultant and the S&P rating fee are non-contingent, but may also be paid out of bond proceeds upon the successful closing of the bonds. Should the refunding not close, these costs would be eligible to be included on future ROPS.

The Fiscal Consultant will prepare a formal report to the Successor Agency including a projection of expected future tax increment. This report will be prepared early in the refunding process. The S&P rating fee will not be realized until much later in the process when the refunding bonds have only a short time remaining until they are marketed to investors.

FISCAL IMPACT

Savings from the refunding will accrue to the affected taxing entities from the redevelopment project area. The total estimated gross debt service savings is \$4.78 million (\$250,795 per year over the remaining term of the bonds), with each affected taxing entity receiving a share based on their usual share of a property tax dollar.

ATTACHMENTS

1. Resolution No. OB-06-17

Prepared by:



Graham Mitchell
Assistant City Manager

Approved by:



Douglas Williford
Executive Director / City Manager

PROPOSED RESOLUTION NO. OB-06-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON APPROVING THE ISSUANCE OF REFUNDING BONDS OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EL CAJON, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, El Cajon Redevelopment Agency (the "Former Agency"), was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"); and

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to section 34173, the Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency; and

WHEREAS, pursuant to section 34179, this Oversight Board has been established for the Successor Agency; and

WHEREAS, a redevelopment plan for the Former Agency's El Cajon Redevelopment Project in the City of El Cajon (the "City") has been adopted in compliance with all requirements of the Law (the "Redevelopment Project"); and

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency incurred certain obligations to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which the following remain outstanding:

- (a) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Taxable Tax Allocation Refunding Bonds, Issue of 2000 (the "2000 Bonds")
- (b) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2005 (the "2005 Bonds"), and
- (c) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007 (the "2007 Bonds" and, with the 2000 Bonds and the 2005 Bonds, the "Former Agency Obligations"); and

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the "Savings Parameters"); and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Urban Futures, Inc. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay or defease and refund all or a portion of the Former Agency Obligations (the "Debt Service Savings Analysis"); and

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds and the 2007 Bonds (the "Refundable Former Agency Obligations") will satisfy the Savings Parameters; and

WHEREAS, the Successor Agency, by its resolution adopted on November 14, 2017 (the "Successor Agency Resolution"), approved the issuance of its Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, to refund the Refundable Former Agency Obligations (the "Bonds"), pursuant to section 34177.5(a)(1); and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also authorized the execution and delivery of an indenture of trust, by and between the and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), an escrow agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), relating to the defeasance and redemption of the 2005 Bonds, and an escrow agreement, by and between Successor Agency the Escrow Bank relating to the defeasance and redemption of the 2007 Bonds; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Bonds pursuant to the Successor Agency Resolution and the Indenture and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Bonds; and

WHEREAS, the Successor Agency has determined to sell the Bonds to Brandis Tallman LLP (the "Underwriter"); and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Bonds to provide funds to refund and defease the Refundable Former Agency Obligations, as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 3. Direction and Approval of Issuance of the Bonds. As authorized by section 34177.5(f), the Oversight Board hereby approves the issuance by the Successor Agency of the Bonds pursuant to section 34177.5(a)(1) and under other applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in the aggregate principal amount of not to exceed \$45,000,000, provided that the principal and interest payable with respect to the Bonds complies in all respects with the requirements of the Savings Parameters with respect thereto, as shall be certified to by the Municipal Advisor upon delivery of the Bonds or any portion thereof.

SECTION 4. Sale and Delivery of Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Bonds, then the Oversight Board approves the sale and delivery of the Bonds from time to time in part. In the event the Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional series of the Bonds without the prior approval of this Oversight Board provided that in each such instance the Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 5. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Bonds:

- (a) The Successor Agency is authorized, as provided in section 34177.5(f), to recover its costs related to the issuance of the Bonds from the proceeds of the Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the Bonds;

- (b) The application of the proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the Refundable Former Agency Obligations, as well as the payment by the Successor Agency of costs of issuance of the Bonds, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the San Diego County Auditor-Controller or any other person or entity other than the Successor Agency; and
- (c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees and auditing and fiscal consultant fees (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to section 34183. In addition and as provided by section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the Refundable Former Agency Obligations from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

SECTION 6. Effective Date. Pursuant to section 34177(f) and section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

SECTION 7. Certification. The Secretary shall confirm the passage and adoption hereof.

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AGENDA REPORT
CITY OF EL CAJON SUCCESSOR AGENCY OVERSIGHT BOARD
November 15, 2017

SUBJECT: PROPOSED MODIFICATION OF PRIOR DISPOSITION AND DEVELOPMENT AGREEMENT TO CREATE A PURCHASE AND SALE AGREEMENT FOR A PROPOSED HOTEL AND COMMERCIAL DEVELOPMENT (SITE NO. 15), APN 483-071-52-00.

RECOMMENDED ACTION: That the Oversight Board adopt the proposed Resolution No. OB-07-17 to:

1. Approve the proposed modification of the prior DDA to create a purchase and sale agreement between the City of El Cajon, as Successor Agency to the former El Cajon Redevelopment Agency, and Brixton Fletcher, LLC, for the sale of 100 Fletcher Parkway (APN 483-071-52-00), with such changes as approved by the Executive Director; and
2. Approve execution by the Executive Director or his designee of all documents necessary to implement approved terms and conditions and complete the sale upon approval by the Oversight Board.

BACKGROUND

Enactment of Assembly Bill 1484 on June 27, 2012 required the City of El Cajon, as Successor Agency to the former El Cajon Redevelopment Agency (Successor Agency) to prepare and submit a Long Range Property Management Plan (LRPMP) for the disposition of former redevelopment agency properties. The LRPMP was amended (Amended Plan), and approved by the Oversight Board on January 15, 2014, by the DOF on February 21, 2014, and by the City Council as Successor Agency, on March 11, 2014.

Included in the Amended Plan as Site No. 15 is the real property located at 100 Fletcher Parkway (Property). The property was developed as the El Cajon Police Station in 1967 and operated as the Police Department headquarters and administrative offices until 2011. It was subsequently sold to the El Cajon Redevelopment Agency and was identified in the Amended Long Range Property Management Plan for disposition by the Successor Agency as required by AB x1 26 and AB 1484 (the "Dissolution Law").

At its July 11, 2017 meeting the City Council, acting solely in its capacity as the legislative body for the Successor Agency to the El Cajon Redevelopment Agency, approved the DDA for the sale of the Successor Agency's parcel to Brixton Fletcher, LLC. Following that approval the DDA was approved by the Oversight Board on July 19, 2017, and thereafter sent to the Department of Finance (the "DOF") for its review.

On August 23, 2017, the DOF notified the Successor Agency that it conducted its review and would not approve the DDA, on the basis that it creates a new, continuing, obligation on the part of the Successor Agency, which is prohibited by the Dissolution Law.

In order to complete the transaction with Brixton the Successor Agency staff has negotiated a modification of the DDA to create a standard purchase and sale agreement (the "Agreement") with the Developer, which allows the sale of the Successor Agency

parcel in conjunction with the City's sale of its parcel to allow the development of the proposed Hampton Inn hotel and associated retail uses on the combined parcels.

The changes between the DDA and the Agreement are to remove any continuing obligations and duties on the part of the Successor Agency, leaving those to be included in, and enforceable by, the City as a part of its DDA. (Although minor amendments to the City's DDA were made to ensure its completeness, no substantive modifications were necessary and it remains ready for execution and delivery to escrow.)

A separate report to the City Council, acting in its capacity as the Successor Agency, for approval and execution of the proposed modification and Purchase and Sale Agreement and related documents, under terms outlined in this report, will be presented at its regularly scheduled meeting on November 14, 2017.

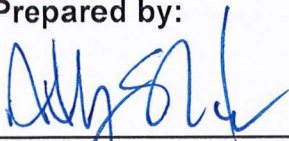
FISCAL IMPACT

Net proceeds from the sale of the Property (\$4,000,000) will be remitted to the County of San Diego Auditor-Controller's Office for distribution to the Affected Taxing Entities. The City will receive approximately \$440,000. Because the property has not been assessed property taxes in decades, additional annual property taxes will benefit the City through the redevelopment of the property. After the close of escrow, the Successor Agency will no longer be responsible for property maintenance and other financial obligations associated with the Property.

ATTACHMENTS

1. Proposed Resolution No. OB-07-17
2. Resolution No. OB-03-17
3. Draft Modified Agreement

Prepared by:



Anthony Shute
Director of Community Development

Approved by:



Douglas Williford
Executive Director / City Manager

PROPOSED RESOLUTION NO. OB-07-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER EL CAJON REDEVELOPMENT AGENCY TO AUTHORIZE THE MODIFICATION OF A DISPOSITION AND DEVELOPMENT AGREEMENT TO, AND THE EXECUTION AND DELIVERY OF, A PURCHASE AND SALE AGREEMENT AND SUCH OTHER DOCUMENTS NECESSARY TO SELL SUCCESSOR AGENCY PROPERTY LOCATED AT 100 FLETCHER PARKWAY (APN 483-071-52-00).

WHEREAS, on January 15, 2014, the Oversight Board approved the Amended Long Range Property Management Plan ("Amended Plan") pursuant to Resolution No. OB-07-14; and

WHEREAS, the California Department of Finance ("DOF") approved the Amended Long Range Property Management Plan on February 21, 2014; and

WHEREAS, the El Cajon City Council, acting solely in its capacity as Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency"), approved the Amended Plan on March 11, 2014; and

WHEREAS, the disposal strategy of the Amended Plan for Site No. 15, APN 483-071-52-00, located at 100 Fletcher Parkway (the "Property"), authorizes the sale of the Property; and

WHEREAS, following offers to sell the property by soliciting proposals for the development of the property, the Successor Agency entered into an Exclusive Negotiating Agreement with Brixton Capital and Excel Hotel Group to negotiate a Disposition and Development Agreement (the "DDA") for the sale of the property for the purpose of developing an upscale Hampton Inn Hotel and potential secondary retail and office uses; and

WHEREAS, at its July 11, 2017 meeting the City Council, acting solely in its capacity as the legislative body for the Successor Agency to the El Cajon Redevelopment Agency, approved the DDA for the sale of the Successor Agency's parcel to Brixton Fletcher, LLC, and

WHEREAS, following that approval, the DDA was approved by the Oversight Board on July 19, 2017, and thereafter sent to the Department of Finance (the "DOF") for its review; and

WHEREAS, on August 23, 2017, the DOF notified the Successor Agency that it conducted its review and would not approve the DDA, on the basis that it creates a new,

continuing, obligation on the part of the Successor Agency, which is prohibited by the Dissolution Law and directed the Successor Agency to transfer the property through a purchase and sale agreement; and

WHEREAS, in order to complete the transaction with Brixton, staff has negotiated a modification of the DDA to create a standard purchase and sale agreement (the "Agreement") with the Developer, which allows the sale of the Successor Agency parcel in conjunction with the City's sale of its parcel to allow the development of a Hampton Inn hotel and associated retail uses on the combined parcels; and

WHEREAS, the changes between the DDA and the Agreement are to remove any continuing obligations and duties on the part of the Successor Agency, leaving those to be included in, and enforceable by, the City as a part of its DDA; and

WHEREAS, the City Council, acting in its capacity as the Successor Agency, approved execution of the Agreement and related documents at its regularly scheduled meeting held on November 14, 2017; and

WHEREAS, a Mitigated Negative Declaration ("MND") was adopted by the City Council on March 27, 2012 by Resolution No. 33-12, which included an evaluation of the land use changes and the potential future development of the property consistent with the regional commercial land use and zoning; and on July 11, 2017, an Addendum to the MND was prepared for the Hampton Inn project, and approved by the City Council at the time that the DDA was initially approved; and

WHEREAS, the proposed sale would be in the best interests of the Successor Agency, the City of El Cajon, and all affected taxing entities by disposing of properties in an expeditious manner, as approved in the Amended Plan by the DOF; and

WHEREAS, proceeds from the sale of the Property will be remitted by the Successor Agency to the San Diego County Auditor-Controller's Office for distribution to the affected taxing entities, which include the City of El Cajon.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER CITY OF EL CAJON REDEVELOPMENT AGENCY AS FOLLOWS:

- A. The Oversight Board finds that:
 - 1. The recitals above are true and correct and have been incorporated herein by reference.
 - 2. The proposed sale would be in the best interest of the taxing entities because it will dispose of the property in an expeditious manner, as approved in the Amended Plan by the DOF.

3. The proposed modification and purchase and sale agreement between the Successor Agency and the Developer for the sale of the Successor Agency-owned property located at of 100 Fletcher Parkway (APN 483-071-52-00), is hereby approved with such non-substantive changes as approved by the Executive Director, or his designee.
4. The Executive Director, or his designee, is authorized to execute all documents necessary to implement approved terms and conditions and complete the sale upon approval by the Oversight Board.

[The remainder of this page intentionally left blank.]

PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a regularly-scheduled meeting held this 15th day of November, 2017, by the following vote to wit:

AYES :
NOES :
ABSENT :

Debra Emerson, Chairperson

ATTEST:

Anthony Shute, Oversight Board Secretary

RESOLUTION NO. OB-03-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL CAJON REDEVELOPMENT AGENCY APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH BRIXTON FLETCHER, LLC FOR THE SALE AND DEVELOPMENT OF THE SUCCESSOR AGENCY PROPERTY AT 100 FLETCHER PARKWAY (SITE #15) APN# 483-071-52-00

WHEREAS, enactment of Assembly Bill 1484 on June 27, 2012, required the City of El Cajon, as Successor Agency to the former El Cajon Redevelopment Agency (the "Successor Agency") to prepare and submit a Long Range Property Management Plan (the "LRPMP") for the disposition of former redevelopment agency properties; and

WHEREAS, the LRPMP was amended (the "Amended Plan"), and approved by the Oversight Board on January 15, 2014, by the California Department of Finance (the "DOF") on February 21, 2014, and by the City Council as Successor Agency on March 11, 2014; and

WHEREAS, included in the Amended Plan as Site #15 is the real property located at 100 Fletcher Parkway (the "Property"), which is approximately a 3.48 acre parcel on a premium location at the intersection of State Route 67 and Interstate 8; and

WHEREAS, in order to market the Property at its optimum value, the City of El Cajon acquired the adjacent property and access rights to Fletcher Parkway from Caltrans, and sought proposals for the development of both parcels; and

WHEREAS, in accordance with the Amended Plan, the disposal strategy for the Property was to offer the property for sale to persons on an interest list or to offer the property for sale in the open market with the Successor Agency's approved broker, Commercial Properties Group and Retail Insite (the "Broker"); and

WHEREAS, the Broker solicited proposals from potential investors for the development of the property that is best suited for the property and will bring the greatest overall economic benefits to the community; and

WHEREAS, in early May 2015, Brixton Capital and Excel Hotel Group, Inc. (the "Developer") submitted a viable proposal, and this development team was selected because they clearly demonstrated their competency in completing project developments coupled with their experience in hotel development and management and solid financial portfolio; and

WHEREAS, on August 19, 2015, the Oversight Board adopted Resolution OB-05-15 approving the Exclusive Negotiation Agreement (the "ENA") between the Developer, and the Successor Agency for the sale and development of the Property; in a letter dated

October 2, 2015, the DOF approved Resolution OB-05-15; and on May 18, 2016, the Oversight Board and DOF approved Resolution OB-05-16 to extend the ENA to continue the ongoing negotiations for the sale and planned development of the Successor Agency Property; and

WHEREAS, following execution of the ENA, the Successor Agency and the Developer negotiated the terms and conditions of the sale and development of the Property which are presented in the attached proposed Disposition and Development Agreement (the "DDA"); and

WHEREAS, although the ENA was with Brixton Capital, the company formed a related entity in January of 2017, Brixton Fletcher, LLC, for the purposes of acquiring the site and development of the Project (as defined below), and the assignment of the rights under the ENA is permitted in Section G of the ENA. The terms and conditions of the sale include:

1. The Successor Agency parcel and the City parcel shall be sold together to the Developer for the development of the properties. The Developer's purchase price for both parcels is \$4,075,000. Of the purchase price, \$4,000,000 will be attributed to the Successor Agency parcel.
2. The Developer will be purchasing the Property in "AS IS" condition and will be responsible for demolishing the existing vacant building in preparation for the development of a commercial center consisting of: (a) a 96-room, but no less than 85, hotel, its amenities, and ancillary services and (b) approximately 17,000 square feet of retail and restaurant uses (the "Project").

The Project is part of the City's efforts to revitalize dormant properties along Fletcher Parkway and to maintain a vibrant and expanding group of businesses in the City to promote economic development that will provide significant public benefits in the form of increased revenues and employment opportunities, and prevention or elimination of blight in the community.

3. The DDA and related documents involving the Successor Agency requires that upon transfer of the property to the Developer, the Agreement and all related agreements establishing operating covenants to which the Successor Agency is a party, shall be assigned to the City for enforcement of obligations and enjoyment of benefits at the close of escrow, thereby removing the Successor Agency from any responsibility and further participation. The City's resolution approving the sale of the City's parcel to the Developer acknowledges the future assignment of the DDA and related documents by the Successor Agency, after transfer to the Developer, and directs the City Manager to accept the assignment of the Successor Agency's rights and interests in DDA and such other documents related to the Property.
4. The DDA requires the Developer and the Successor Agency to close escrow not later than February 1, 2018, and to complete construction of

the Project within 18 months following the close of escrow. All costs related to construction will be the responsibility of the Developer.

WHEREAS, during its regularly-scheduled meeting held on July 11, 2017, the City Council, acting in its capacity as the Successor Agency, approved the DDA and related documents.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER CITY OF EL CAJON REDEVELOPMENT AGENCY, AS FOLLOWS:

- A. The Oversight Board finds that:
 - 1. The recitals above are true and correct and have been incorporated herein by reference.
 - 2. The proposed DDA between the Successor Agency and the Developer for the sale and development of the Successor Agency-owned property located at of 100 Fletcher Parkway (APN 483-071-52-00), is hereby approved with such non-substantive changes as approved by the Executive Director, or his designee.
 - 3. The Executive Director, or his designee, is authorized to execute all documents necessary to implement approved terms and conditions and complete the sale upon approval by the Oversight Board.
- B. The Oversight Board hereby APPROVES the proposed DDA between the Successor Agency and the Developer, for the sale and development of the Successor Agency-owned property located at of 100 Fletcher Parkway (APN 483-071-52-00), with such non-substantive changes as approved by the Executive Director, or his designee, and approves execution of said Agreement by the City Manager, or such person designated by the City Manager, acting in the capacity of Chief Executive Officer of the Successor Agency.

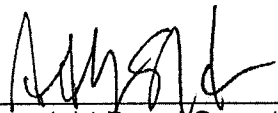
PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a regularly-scheduled meeting held this 19th day of July 2017, by the following vote to wit:

AYES: BUXBAUM, CHADWICK, DAVIES, EMERSON
ABSTAIN: NONE
ABSENT: NGUYEN, REARIC, VACANCY (ANTHONY SHUTE)



Debra Emerson, Chairperson

ATTEST:



Oversight Board Secretary

PURCHASE AND SALE AGREEMENT

By and Between

SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY

And

**BRIXTON FLETCHER, LLC,
a Delaware limited liability company**

Dated as of _____, 2017

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ATTACHMENTS

Attachment No. 1	Property Map
Attachment No. 2	Legal Description
Attachment No. 3	Grant Deed

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the “Agreement”) is made and entered into as of _____, 2017 (the “Effective Date”), by and between the **SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY** the _____ (the “Agency”), and **BRIXTON FLETCHER, LLC**, a Delaware limited liability company (the “Developer”) (the Agency and the Developer are collectively referenced in this Agreement herein as the “Parties”), with reference to the following:

RECITALS

A. The Agency owns fee title to certain real property located at 100 Fletcher Parkway in the City of El Cajon, County of San Diego, State of California (“Parcel 2”). Parcel 2 is part of a larger site depicted in Attachment No. 1 (the “Property”) comprised of two parcels: Parcel 1, owned by the City of El Cajon (the “City”), which is the subject of a separate agreement between Developer and the City (the “City Agreement”) and Parcel 2, which is owned by the Agency, which is the subject of this Agreement. The City, the Successor Agency, and Developer contemplate that the entirety of the Property will be conveyed to Developer and developed in accordance with the City Agreement.

B. The Agency’s Long Range Property Management Plan, which was approved by the State Department of Finance on February 21, 2014, identifies the Property as available for sale to a third party for potential private redevelopment. The Agency is entering this Agreement in accordance with the approved Long Range Property Management Plan.

C. The Parties intend, in this Agreement, to set forth the terms and conditions relating to the Agency’s sale of the Parcel 2 to Developer.

D. On or about July 11, 2017, the El Cajon Planning Commission adopted Resolution Nos. _____, approving Specific Plan No. 530, for the development and operation of the Project, and found the environmental review of the Project in accordance with the California Environmental Quality Act (CEQA) and Title 14, section 15332 of the California Code of Regulations has been addressed in an Addendum to a previously adopted Final Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program.

E. On or about July 11, 2017, the El Cajon City Council similarly adopted Resolution Nos. 065-17 and 066-17, approving Specific Plan No. 530, for the development and operation of the Project, and found the environmental review of the Project in accordance with the California Environmental Quality Act (CEQA) and Title 14, section 15332 of the California Code of Regulations has been addressed in an Addendum to a previously adopted Final Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the Agency and Developer hereto agree as follows:

1. The Property.

The Property is designated on the “Property Map” which is attached hereto as Attachment No. 1, and described in the “Legal Description,” which is attached hereto as Attachment No. 2, both of which are incorporated herein by reference. The Property is located between Fletcher Parkway, Magnolia Avenue and Highway 67, in the City of El Cajon, California.

2. Parties to the Agreement.

2.1 Agency. The Agency is the City of El Cajon, solely in its capacity as the Successor Agency to the El Cajon Redevelopment Agency. The principal office of the Agency is located at 200 Civic Center Way, El Cajon, California 92020.

2.2 Developer. The Developer is Brixton Fletcher, LLC, a Delaware limited liability company, whose principal office and mailing address of the Developer for the purposes of this Agreement is 120 South Sierra Avenue, Solana Beach, California 92075, Attention: Travis King. “Developer” shall mean any transferee of Developer’s interest in the Project or Hotel Component made in accordance with Section 2.3 of this Agreement.

The Developer represents and warrants to the Agency as follows:

(a) The Developer is a duly established Delaware limited liability company and has duly authorized, executed and delivered this Agreement and any and all other agreements and documents required to be executed and delivered by the Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement.

(b) The Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of the Developer to carry out its obligations hereunder.

(c) There are no material pending or, so far as is known to the Developer, threatened, legal proceedings to which the Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed in the documentation submitted to the Agency, which could materially adversely affect the ability of the Developer to carry out its obligations hereunder.

(d) There is no action or proceeding pending or, to the Developer’s best knowledge, threatened, relating to the dissolution or liquidation of the Developer, and there is no action or proceeding pending or, to the Developer’s best knowledge, threatened by or against the Developer, which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of the Developer to carry out its obligations hereunder.

(e) The Developer has performed, and will perform, all of its obligations to be performed at or prior to this date, or subsequent to this date, in accordance with the “Schedule of Performance,” which is attached hereto as Attachment No. 3 and incorporated herein, and is not in default hereunder.

Each of the foregoing items (a) to (e), inclusive, shall be deemed to be ongoing representations and warranties; however, provided the Developer gives the notice required by the following sentence, a legal proceeding commenced after the date hereof shall not constitute a breach of item (c) above. The Developer shall advise the Agency in writing if there is any material change pertaining to any matters set forth or referenced in the foregoing items (a) to (e), inclusive.

2.3 Prohibition Against Change in Ownership, Management and Control. The qualifications and identity of the Developer are of particular interest and concern to the Agency. It is because of these qualifications and identities that the Agency has entered into this Agreement with the Developer. Consequently, except as expressly set forth in this Section 2.3, no person, whether a voluntary or involuntary successor in interest of the Developer, shall acquire any rights or powers under this Agreement nor shall the Developer assign or transfer all or any part of this Agreement or any rights hereunder without the prior written approval of the Agency. Written approval of the Agency shall also be required prior to any and all changes whatsoever in the identity of the person in control of the Developer, including any change in, or addition of, general partners of the Developer. Any purported transfer, voluntary, involuntary, or by operation of law, except with the prior written consent of the Agency in accordance with this Section 2.3, shall constitute a default of Developer and shall confer no rights whatsoever upon any purported assignee or transferee.

Notwithstanding any other provision of this Agreement to the contrary, Agency approval of an assignment of this Agreement or conveyance of the Property, the Project, or any part thereof, shall not be required in connection with paragraphs (a) through (d) below and shall not be unreasonably withheld in connection with (e) below:

(a) Any transfer by the Developer to a “Related Person or Entity” (as defined below).

(b) A transfer consisting of the conveyance or dedication of any portion of the Property to the City or other appropriate governmental agency or public utilities, where the granting of such easements permits or facilitates the development of the Property and the Project.

(c) A partial assignment and/or transfer by the Developer of the Hotel Component to Excel Hotel Group, Inc. (“Excel”) or an Excel Related Person or Entity.

(d) A transfer by the Developer to an entity that is not a Related Person or Entity, but which is approved by Hilton Franchise Holding, LLC, for continued operation as a Hampton Inn or other Permitted Replacement Hotel.

(e) Any transfer for (i) financing purposes to the holder of a mortgage; (ii) any refinancing or permanent financing of the mortgage; (iii) any transfer to any person or entity pursuant to foreclosure or deed in lieu of foreclosure of any such mortgage referred to in clauses (i) or (ii).

As used in this Agreement, a “Related Person or Entity” shall mean an entity in which Developer or any entity which controls, is controlled by or under with common control by Developer, provided, however, that in the event such transfer or assignment includes the Hotel Component, such Related Person or Entity shall demonstrate that such person or entity has been

approved in writing by Hilton Franchise Holding, LLC, to operate the Hotel Component of the Project.

In the event of any transfer by Developer not requiring the Agency's prior approval, including a partial assignment or transfer of the Hotel Component to Excel, Developer agrees that at least thirty (30) days prior to such transfer, Developer shall give written notice to the City of such transfer and Developer shall provide satisfactory evidence that the transferee has assumed or upon the effective date of transfer will assume in writing through an assignment and assumption agreement, in a form reasonably acceptable to the Agency, all of the obligations of the Developer under this Agreement related to the portion of the property and/or Agreement being assigned and/or transferred that remain unperformed as of such transfer or which arise from and after the date of transfer.

Following a transfer of the Hotel Component, (i) the Developer of the Retail Component shall be solely responsible for the development of the Retail Component and shall not be responsible for development of the Hotel Component and (ii) the Developer of the Hotel Component shall be solely responsible for development of the Hotel Component and shall not be responsible for development of the Retail Component. A default by one Developer shall not be considered a Default by the other Developer.

2.4 Agency Consideration of Proposed Transfer; Release of Transferor Upon Permitted or Approved Transfer. If the Developer desires to cause a transfer of any of its interests in this Agreement or the Property and such transfer requires the Agency's approval under Section 2.3, Developer shall request in writing to the Agency that it consent to such transfer, which consent shall not be unreasonably delayed, conditioned, or withheld. A transfer shall be conditioned upon: (i) the proposed assignee expressly assuming, in writing, the unexecuted obligations hereunder of the transferor/assignor, as applicable, as to times following the effective date of the assignment and (ii) the proposed assignee demonstrating to the reasonable satisfaction of the Agency that such person or entity has adequate financial capacity to complete the development and/or operation of the Project on the Property.

Notwithstanding any other provision set forth in this Agreement to the contrary, upon the effective date of a permitted or approved transfer, and provided that the transferor/assignor shall have delivered to the Agency an executed assignment and assumption agreement in a form reasonably acceptable to Agency legal counsel, the transferor/assignor shall be released from all further liabilities and obligations hereunder and the Operating Covenant that have been so transferred and assigned.

2.5 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall run with the Property and be binding upon the Developer and the Agency and their successors and assigns. Whenever the term "Developer" or "Agency" is used in this Agreement, such term shall include any other successors and assigns.

3. Definitions.

3.1 Defined Terms. As used in this Agreement, capitalized terms are defined where first used or as set forth in this Section 3.1. Capitalized terms used in an attachment attached hereto and not defined therein shall also have the meanings set forth in this Section 3.1.

“Building Permit” means all permits issued by City and required for commencement of construction of the Project.

“Business Day” means a weekday on which El Cajon City Hall is open to conduct the public’s business.

“City” means the City of El Cajon, California.

“City Agreement” means that certain Disposition and Development Agreement between the City and the Developer for the conveyance of Parcel 1 by the City to the Developer.

“Construction Contract” has the meaning set forth in Section 5(a).

“County” means the County of San Diego, California.

“Developer” has the meaning set forth in the opening paragraph of this Agreement, subject to Section 2.2.

“Developer Title Policy” has the meaning set forth in Section 6.8(c).

“Director” means the Executive Director of the Agency, or an individual designated by the Director.

“Escrow” means the escrow through which the Property Closing is conducted.

“Escrow Agent” means First American Title Company.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees, of the United States, the State of California, the County of San Diego, the City and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Project.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance that is (i) defined as a “hazardous waste,” “acutely hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Sections 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous

Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tertiary butyl ether, (xiii) perchlorate or (xiv) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. For purposes hereof, “Hazardous Materials” excludes materials and substances in quantities as are commonly used in the construction and operation of a hotel, provided that such materials and substances are used in accordance with all applicable laws.

“Hotel” means the proposed 85 room or more Hampton Inn (or a Permitted Replacement Hotel) that is the subject of this Project.

“Hotel Component” means that portion of the Project that is exclusively dedicated to the Hotel and its related facilities.

“Indemnitees” means the Agency, its subdivisions, departments, and its respective elected and appointed officers, officials, members, employees, representatives, agents, volunteers, predecessors, and successors.

“Official Records” means the Official Records of the County.

“Operator” means the Developer of the Hotel Component or its designee.

“Outside Closing Date” means the time frame identified in the Schedule of Performance (Attachment No. 3) for closing escrow on the sale of the Project Site, but in no event more than twelve (12) months from the Effective Date of this Agreement.

“Parcel 1” means that portion of the Property owned by the City, designated as Parcel 1 in the depiction in Attachment No. 1.

“Parcel 2” means that portion of the Property owned by the Agency, designated as Parcel 2 in the depiction in Attachment No. 1.

“Permitted Replacement Hotel” means (i) another Hilton brand that meets or exceeds the attributes of a “Hampton Inn” or (ii) another national hotel franchisor’s brand comparable to “Hampton Inn.”

“Project” means the Developer’s acquisition of the Property, and the design and construction of the following two Project components: (i) an approximately 85 room or more,

limited service Hampton Inn (or a Permitted Replacement Hotel) (the “Hotel Component”), and the continuous operation of the Hotel, its amenities, and ancillary services, on the Property by Operator for a minimum of fifteen (15) years, on approximately 1.5 acres of land, depicted as Parcel 3 on the Tentative Parcel Map, and (ii) approximately 17,000 rentable square feet of retail and/or restaurant on the remaining 2.5 acres of land, depicted as Parcels 1 and 2 on the Tentative Parcel Map (the “Retail Component”), each in accordance with this Agreement, including, without limitation, in accordance with the Scope of Development and the Final Construction Documents.

“Property” is defined in Recital A.

“Property Closing” means closing of the conveyance, and delivery of possession, of the Property to Developer pursuant thereto.

“Public Improvements” means all on- and off-site improvements that (i) are required to be constructed to serve the Project and (ii) will be dedicated to the City of El Cajon upon Developer’s completion thereof. The Public Improvements are described in the Scope of Development.

“Retail Component” means that portion of the Project that is exclusively dedicated to the retail improvements (exclusive of the Hotel) and its related facilities.

“Specific Plan” means a specific plan, as defined in California Government Code sections 65450 *et seq.*, and Chapter 17.70 of the El Cajon Municipal Code, which is applicable to the Property and which is required by Section 16 of this Agreement. The Specific Plan may be supplemental and in addition to, or may be a part of, any existing specific plans applicable to the Property.

“Successor Agency,” or “Agency,” means the City, solely in its capacity as the successor agency to the Redevelopment Agency for the City of El Cajon. The Successor Agency owns Parcel 2.

“Title Company” means First American Title Company, or such other title insurance company as may be agreed to by Developer and Executive Director.

4. Intentionally Omitted.

5. Intentionally Omitted.

6. Acquisition of the Property; Purchase Price.

The Developer shall acquire a fee simple title to Parcel 2 pursuant to the grant deed in the form attached hereto and incorporated herein as Attachment No. 3 (the "Grant Deed"). Developer's purchase price for the Property (the "Purchase Price") is FOUR MILLION SEVENTY FIVE THOUSAND DOLLARS AND NO CENTS (\$4,075,000.00) that will be paid through a deposit, into escrow as further described below. Of the Purchase Price \$75,000 will be attributed to Parcel 1, and \$4,000,000 will be attributed to Parcel 2, which will be paid to the Successor Agency. Closing under this Agreement and the Property Closing under the Successor Agency Agreement must occur concurrently. Closing under this Agreement and the Property Closing under the City Agreement must occur concurrently.

6.1 Escrow. Agency and Developer agree to open an Escrow with First American Title Company (the "Escrow Agent"). This Agreement constitutes the Agency's and Developer's escrow instructions for the Agency's sale and the Developer's purchase of the Parcel 2 and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. The Escrow Agent is hereby empowered to act under this Agreement, and the Escrow Agent, upon indicating within five (5) days after the opening of the Escrow its acceptance of the provisions of this Section 6.1, in writing, delivered to the Agency and the Developer, shall carry out its duties as Escrow Agent hereunder. In the event of any conflict between any additional escrow instructions required by the Escrow Agent and the provisions of this Agreement, the provisions of this Agreement shall supersede and control. Any amendment of the escrow instructions set forth or described herein shall be in writing and signed by both the Agency and the Developer. All communications from the Escrow Agent to Agency or Developer shall be in writing and directed to the addresses and in the manner established in Section 9.1 of this Agreement for notices, demands and communications between Agency and Developer.

6.2 Deposits Into Escrow. Agency and Developer shall deposit the following documents and pay into the Escrow the following fees, charges, and costs promptly after the Escrow Agent has notified the City and the Developer of the total amount of such fees, charges, and costs, but not earlier than five (5) days prior to the scheduled date for the Property Closing:

- a. Developer shall deposit the Purchase Price;
- b. Agency and Developer shall each pay one-half of the Escrow Fee;
- c. Agency shall pay the costs, if any, of drawing the Grant Deed;
- d. Agency shall pay the recording fees, if any;
- e. Agency and Developer shall pay their respective notary fees;
- f. Agency shall pay for any transfer tax and any state, county or city documentary stamps; and
- g. Agency shall deposit with the Escrow Agent the fully executed Grant Deed, and any other document required by the Agency or Escrow Agent for execution.

6.3 Escrow Agent Obligations. The Escrow Agent shall notify the Agency and Developer when all outstanding documents, including the Grant Deed, have been executed and submitted to Escrow by the applicable party.

Upon confirmation by the Escrow Agent that all of the Agency's Conditions to Closing and all of the Developer's Conditions to Closing have been satisfied, or waived by the appropriate party, the Escrow Agent shall record the following documents in the following order of recordation: Grant Deed, the Grant Deed for the conveyance of Parcel 1 by the City to the Developer, and the City Agreement.

6.4 Funds in Escrow. All funds received in the Escrow shall be deposited by the Escrow Agent in a general escrow account with any state or national bank doing business in the State of California and reasonably approved by the Director and Developer, and such funds may be combined with other escrow funds of the Escrow Agent. All disbursements shall be made on the basis of a thirty (30) day month.

6.5 Failure to Close. If the Property Closing does not occur on or before the Outside Closing Date, any party who then shall have fully performed the acts to be performed before the conveyance of Parcel 2 may, in writing, demand the return of its money, papers, or documents from the Escrow Agent. No demand for return shall be recognized until fifteen (15) days after the Escrow Agent (or the party making such demand) shall have mailed copies of such demand to the other party. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the fifteen (15) day period, in which event the Escrow Agent is authorized to hold all money, papers and documents until instructed by mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the Escrow Agent shall conduct the Property Closing as soon as possible.

If objections are raised in the manner provided above, the Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both the Director and Developer, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within said fifteen (15) day period, the Escrow Agent shall immediately return the demanded money, papers or documents.

6.6 Amendments. Any amendment to these Escrow instructions shall be in writing and signed by the Director or Agency legal counsel, and Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as the Escrow Agent under such amendment.

6.7 Agency's Conditions to Closing. The Agency's obligations to convey Parcel 2 and the closing of Escrow shall, in addition to any other conditions set forth herein in favor of the City, be conditional and contingent upon the satisfaction, or waiver by the Agency in its sole and absolute discretion, on or before the Outside Closing Date, of each and all of the following conditions (collectively, "Agency's Conditions to Closing"):

(a) Developer shall have deposited into Escrow the Purchase Price and all other sums and documents required by the Developer by this Agreement.

(b) Developer shall have deposited into Escrow any other document required by the Escrow Agent for execution.

(c) The Developer shall have obtained all required Project entitlements.

(d) The Title Company is prepared to issue a CLTA Policy of title insurance naming Developer as the insured, and showing Developer as holding title to Parcel 1 (“Agency Title Policy”).

(e) The representations of Developer contained in this Agreement shall be correct in all material respects as of the Property Closing as though made on and as of that date and, if requested by the Director, Agency shall have received a certificate to that effect signed by Developer.

(f) No Event of Default by Developer shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both would constitute an Event of Default by Developer and, if requested by the Director, Agency shall have received a certificate to that effect signed by Developer.

(g) Developer shall have executed and delivered to Escrow a disposition and development agreement (or executed counterpart thereof) with the City, in form and content acceptable to the Agency, for Developer’s acquisition and subsequent development of Parcel 1.

6.8 Developer’s Conditions to Closing. Developer’s obligations to purchase Parcel 2 from the Agency and the closing of the Escrow shall, in addition to any other conditions set forth herein in favor of the Developer, be conditional and contingent upon the satisfaction, or waiver by the Developer in its sole and absolute discretion, on or before the Outside Closing Date, of each and all of the following conditions (collectively, the “Developer’s Closing Conditions”):

(a) Agency has deposited into Escrow the Grant Deed, duly executed and acknowledged by the Agency, and all other sums and documents required of Agency by this Agreement.

(b) Agency shall have delivered to Escrow a disposition and development agreement (or executed counterpart thereof) executed by the City, in form and content acceptable to the Developer, for Developer’s acquisition and subsequent development of Parcel 1.

(c) On the Closing Date, the Title Company shall be prepared to issue its ALTA extended coverage form policy of title insurance, with liability in the amount of \$4,075,000, showing title to Parcel 2 vested in Developer, subject only to such other exceptions as Developer previously approved (the “Developer Title Policy”). The Developer shall further deposit such funds necessary to pay the difference between the premiums for the Agency Title Policy and the Developer’s Title Policy.

(d) Developer shall have approved of the condition of title to Parcel 2. With respect thereto, Agency and Developer acknowledge that Developer has obtained from the Title Company a Preliminary Title Report, with copies of all exceptions noted therein, as order number 846973 (the “Report”). If Developer objects to any exception or exceptions in the Report, Agency

shall notify Developer within ten (10) days whether or not Agency will cause such exception to be removed by the Property Closing. If Agency declines to cause any such exception to be removed, Developer shall, within ten (10) days, elect either to waive the exception and/or objection or terminate this Agreement by written notice to Agency.

(e) No Event of Default by Agency shall then exist, and no event shall then exist which, with only the giving of notice or the passage of time or both, would constitute an Event of Default by Agency.

(f) City shall have Approved all Required Entitlements necessary for development of the Project, including without limitation, the Parcel Map and the Specific Plan. The term "Required Entitlements" shall mean all entitlements, permits, approvals, consents and waivers from any federal, state or local, governmental or quasi-governmental agency, body or authority (each an "Authority") and which may be necessary or desirable for Developer's contemplated development and use of the Property consistent with the Qualifying Development, including, as applicable, without limitation, use permits, including conditional use permits, and/or any required approvals under the California Environmental Quality Act, all of which (A) shall be in such form, on such terms and subject only to such conditions as are acceptable to Developer in its sole discretion, and (B) shall have been "Approved" (as defined below) by all applicable Authorities. The term "Approved" shall mean the date on which the Required Entitlements have been approved and, if applicable, executed by all applicable Authorities, including, without limitation, the City of El Cajon, and the greater of (1) a period of ninety (90) days has passed after the date on which the City has voted in favor of the adoption of and has taken final action on all of the Required Entitlements (the "Final Action Date"), and (2) a period of thirty-five (35) days has passed after the filing and posting of a notice of determination, related to such final action by the City of El Cajon with the County Clerk for the County of San Diego in accordance with Section 21152 of the Public Resource Code or, if no such notice of determination, as applicable, has been filed, a period of one hundred eighty (180) days has passed after the Final Action Date, all without an administrative appeal or judicial challenge to the Required Entitlements having been filed, or, if an administrative appeal or judicial challenge has been filed, such administrative appeal or judicial challenge has been finally resolved in a manner acceptable to Developer in its sole discretion.

6.9 Agency Right to Terminate. Prior to the Property Closing, Agency, if it is not then in material default under this Agreement, may terminate this Agreement by giving thirty (30) days' written notice to Developer if, by the Outside Closing Date, any of the conditions set forth in Section 6.7 have not been satisfied.

6.10 Developer Right to Terminate. Prior to the Property Closing, Developer, if it is not then in material default under this Agreement, may terminate this Agreement by giving thirty (30) days' written notice to Agency if, by the Outside Closing Date, any of the conditions set forth in Section 6.8 have not been satisfied.

6.11 Waiver of Conditions. The conditions set forth in Section 6.7 are for Agency's benefit only and the Director may waive all or any part of such rights by written notice to Developer. The conditions set forth in Section 6.8 are for Developer's benefit only and Developer may waive all or any part of such rights by written notice to Agency.

6.12 Inspections. The Developer shall conduct the Developer's own investigation of the Property, including but not limited to its physical condition, the soils and toxic conditions of the Property and all other matters which in the Developer's judgment affect or influence the Developer's proposed use of the Property and the Developer's willingness to develop the Property pursuant to this Agreement. The Developer's investigation may include, without limitation, the preparation by a duly licensed soils engineer of a soils report for the Property. If, in the Developer's reasonable judgment, the physical condition of the Property is unsuitable for the use or uses to which the Property will be put to the extent that it is not economically feasible for the Developer to develop the Property pursuant to this Agreement, then the Developer shall have the option either to take any action necessary to place the Property in a condition suitable for development, or terminate this Agreement pursuant to Section 6.10 hereof. If the Developer has not notified the Agency of its determinations concerning the suitability of the physical condition of the Property by the date scheduled for the Property Closing, the Developer shall be deemed to have waived its right to terminate this Agreement pursuant to this Section.

6.13 "AS-IS". Developer acknowledges and agrees that it is purchasing the Property solely in reliance on its own investigation, and that no representations and/or warranties of any kind whatsoever, express or implied, have been made by Agency, or by its officers, employees, representatives or agents. Developer further acknowledges and agrees that Developer will be purchasing the Property in "AS IS" condition with all faults and conditions then existing in and on the Property, whether known or unknown; provided that the foregoing shall not constitute a release of Agency under any statute or common law theory. Notwithstanding the foregoing, Agency acknowledges and agrees that neither this Section 6.13, nor any other term, provision or condition of this Agreement obligates Developer, as between it and Agency, and prior to the Property Closing, to remediate, or to incur any cost to remediate, any Hazardous Materials that were released or existed on the Property prior to the Property Closing. Developer acknowledges and agrees that, as between it and Agency, nothing in this Agreement shall ever be deemed, construed or interpreted to obligate Agency to remediate, or to incur any expense to remediate, any Hazardous Materials discovered on the Property either before or after the Property Closing unless and until Agency expressly agrees to do so in writing. The Agency represents and warrants to Developer that the Agency has disclosed to Developer all information that the City has in its possession concerning the presence of Hazardous Materials at the Property.

6.14 Developer Right to Terminate Upon Discovery of Hazardous Materials. If, prior to the Property Closing, Developer discovers Hazardous Materials the cost of remediation of which exceeds the limits of any applicable insurance policy, then Developer, subject to the condition set forth below, shall have the right, prior to the Property Closing, to terminate this Agreement by thirty (30) days' written notice to Agency. Developer's right so to terminate this Agreement shall be subject to the condition precedent that Developer first have (a) submitted to Agency any and all information then available to Developer as to the nature and scope of the Hazardous Materials discovered and as to the cost estimated to remediate them, if any such cost estimate exists, and (b) offered to Agency the right, within fifteen (15) days after receipt of said statement, or such longer period of time as may reasonably be required by Agency to obtain competitive bids for the work, to elect, at its sole and absolute discretion, to cause such work to be performed, at Agency's sole cost and expense, to the reasonable satisfaction of Developer. If Agency so elects and causes such work to be performed as soon as reasonably possible, then Developer shall not have the right to

terminate this Agreement under this Section 6.14 provided the work can be, and is, completed by the Outside Closing Date.

6.15 Failure of Conditions Precedent; Termination. In the event that by the Outside Closing Date each of the conditions set forth in Section 6.7 is not fulfilled, or waived by Agency pursuant to Section 6.11, Agency may at its option, terminate this Agreement and the Escrow opened hereunder, thereby releasing the parties from further obligations hereunder. In the event that by the Outside Closing Date each of the conditions set forth in Section 6.8 are not fulfilled, or waived by the Developer pursuant to Section 6.11, Developer may, at its option, terminate this Agreement and the Escrow opened hereunder, thereby releasing the parties from further obligations hereunder. In the event this Agreement is terminated, all documents and funds delivered by the Developer to Agency or Escrow Agent shall be immediately returned to Developer and all documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency. Nothing in this Section 6.15 shall be construed as releasing any party from liability for any default of its obligations hereunder or breach of its representations and warranties under this Agreement occurring prior to the termination of this Agreement and/or the Escrow to be opened hereunder.

6.16 Condition of Title. The Agency shall convey to the Developer fee simple title to Parcel 2 free and clear of the deed restriction prohibiting access from the Property to Fletcher Parkway and all other recorded liens, encumbrances, assessments, leases and taxes, except the provisions of the Grant Deed, and the printed conditions and exceptions contained in the Agency Title Policy as approved the Developer pursuant to Section 6.8(d). Developer shall have the right to reasonably approve or disapprove the condition of title as reflected in the Agency Title Policy; provided, however, that Developer hereby approves the lien of current non-delinquent real property taxes and assessments, if any.

6.17 Taxes and Assessments. Ad valorem taxes and assessments, if any, on Parcel 2, and taxes upon this Agreement or any rights hereunder levied, assessed or imposed for any period commencing prior to conveyance of title shall be borne by the Agency. All ad valorem taxes and assessments levied or imposed for any period of time commencing after the close of the Escrow shall be paid by the Developer.

6.18 Conveyance Free of Possession. Parcel 2 shall be conveyed free of any possession or right of possession by any person except that of Developer and the easements and other encumbrances of record (subject to Developer's right to review the condition of title pursuant to Section 6.8(c)).

6.19 Initiation of Specific Plan. Prior to the Property Closing, the Agency shall have approved, or (if not approved) initiated the Specific Plan as described in Section 16 of this Agreement and the Developer shall have deposited with Escrow its waiver of objections, and its irrevocable and written consent to the Specific Plan application.

any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

9.3 Enforced Delay: Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: war, insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts or omissions of the other party; acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of the Agency) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Any requests for extension shall be in writing. Times of performance under this Agreement may also be extended in writing by the mutual agreement of Agency and Developer.

10. Defaults and Remedies.

10.1 Defaults – General. Subject to the extensions of time set forth in Section 9.3 or this Section 10.1, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings for damages or specific performance against the party in default until thirty (30) days after giving such notice; provided that if the party is proceeding with diligence to cure, such party shall have such greater time as may be necessary to cure given the nature of the default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

10.2 Institution of Legal Actions. In addition to any other rights or remedies, but subject to the notice and cure period set forth in Section 10.1 above, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Legal actions must be instituted in the Superior Court of the County of San Diego, State of California, or in the Federal District Court in the Southern District of California. Each party hereby waives its right to remove any action from San Diego County as is otherwise provided in California Code of Civil Procedure section 394.

10.3 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

10.4 Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Director or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by personal service upon an agent designated for service of process as filed with the California Secretary of State and shall be valid whether made within or without the State of California or in such other manner as may be provided by law.

10.5 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

10.6 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

10.7 Attorneys' Fees. If any action at law or equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs of litigation from the non-prevailing party.

10.8 Termination by the Developer. In the event that the Agency is in material default of any of its obligations under this Agreement, and such default has not been cured in accordance with Section 10.1 hereof, then this Agreement, at the option of the Developer, and in addition to any other remedies available to Developer at law or in equity, may be terminated by written notice thereof to the Agency.

10.9 Termination by the Agency. In the event that:

(a) The Developer (or any successor in interest) assigns or attempts to assign this Agreement or any rights therein or in the Property, the Project or any portion thereof in violation of this Agreement; or

(b) There is a change in the ownership of the Developer contrary to the provisions of Section 2.3 hereof; or

(c) The Developer is in material default of any of its obligations under this Agreement, and such default has not or is not being cured in accordance with Section 10.1 hereof, then at the option of the Agency this Agreement and any rights of the Developer or any assignee or transferee in the Agreement shall, upon written notice from the City, be terminated by the Agency.

11. Special Provisions.

11.1 Commissions. The Agency and the Developer both represent to the other party that they have not engaged the services of any finder or broker and that they are not liable for any commissions, broker's fees, or finder's fees, and agree to indemnify and hold harmless the other party from such commissions or fees as are alleged to be due from the party making such representations.

11.2 Successors in Interest. The terms, covenants, conditions and restrictions of this Agreement shall extend to and shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Agency and the Developer. Immediately after the Property Closing, the Agency shall assign its interest in this Agreement to the City.

11.3 Entire Agreement. This Agreement contains the entire agreement between the parties relating to the subject matter hereof. Any prior agreements, promises, negotiations or representations, whether oral or in writing, which are not expressly set forth in this Agreement, are superseded and of no further force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both the Agency and the Developer.

11.4 Captions and Construction. Captions in this Agreement are for convenience only and shall not be used in construing meaning. This Agreement shall be construed as a whole and in accordance with its fair meaning.

11.5 Severability. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding on the parties hereto.

11.6 Cooperation. The Agency and the Developer agree to cooperate with each other so as to achieve the objectives of this Agreement in a timely and efficacious manner.

11.7 Further Documents. Upon written request, the Agency and the Developer shall execute, deliver, or cause to be executed and delivered, such additional instruments and documents as are necessary to perform the terms of this Agreement.

11.8 Developer and Agency Relationship. It is hereby acknowledged that the relationship between Agency and Developer is not that of a partnership or joint venture and that Agency and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, Agency shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Project, provided that the Developer remains in compliance with this Agreement.

11.9 Agency Approvals and Actions. The Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the City's Director (or his or her duly authorized representative). The Director shall have the authority, but not the obligation, to make approvals, issue interpretations, waive provisions, execute documents, make and execute further agreements and/or enter into amendments of this Agreement on behalf of the Agency so long as such actions do not materially or substantially change the uses on the Project, or materially or substantially add to the costs incurred or to be incurred by the Agency as specified herein, and

such interpretations, waivers and/or amendments may include extensions of time to perform as specified in the Schedule of Performance.

11.10 Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term “holiday” shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

12. Entire Agreement, Waivers.

This Agreement may be signed in counterparts, and is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 19 and Attachments 1 through 3, which constitute the entire understanding and agreement of the parties.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and the Developer, and all amendments hereto must be in writing by the appropriate authorities of the Agency and the Developer.

In any circumstance where under this Agreement either party is required to approve or disapprove any matter, approval shall not be unreasonably withheld.

13. Time For Acceptance Of Agreement By Agency.

This Agreement, when executed by the Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before thirty (30) days after signing and delivery of this Agreement by Developer or this Agreement shall be void, except to the extent that the Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement. The date of this Agreement shall be the date when it shall have been signed by the Agency.

14. Intentionally Omitted.

15. Intentionally Omitted.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK].

IN WITNESS WHEREOF, the Agency and the Developer have signed this Agreement on the respective dates set forth below.

APPROVED AS TO CONTENT:

“Agency”

**SUCCESSOR AGENCY TO THE EI
CAJON REDEVELOPMENT AGENCY,**
a public body, corporate and politic

Dated: _____

By: _____

DOUGLAS WILLIFORD
Executive Director

ATTEST:

Belinda Hawley, City Clerk

“Developer”

BRIXTON FLETCHER, LLC,
a Delaware limited liability company

Dated: _____

By: _____

Name: _____

Title: _____

Dated: _____

By: _____

Name: _____

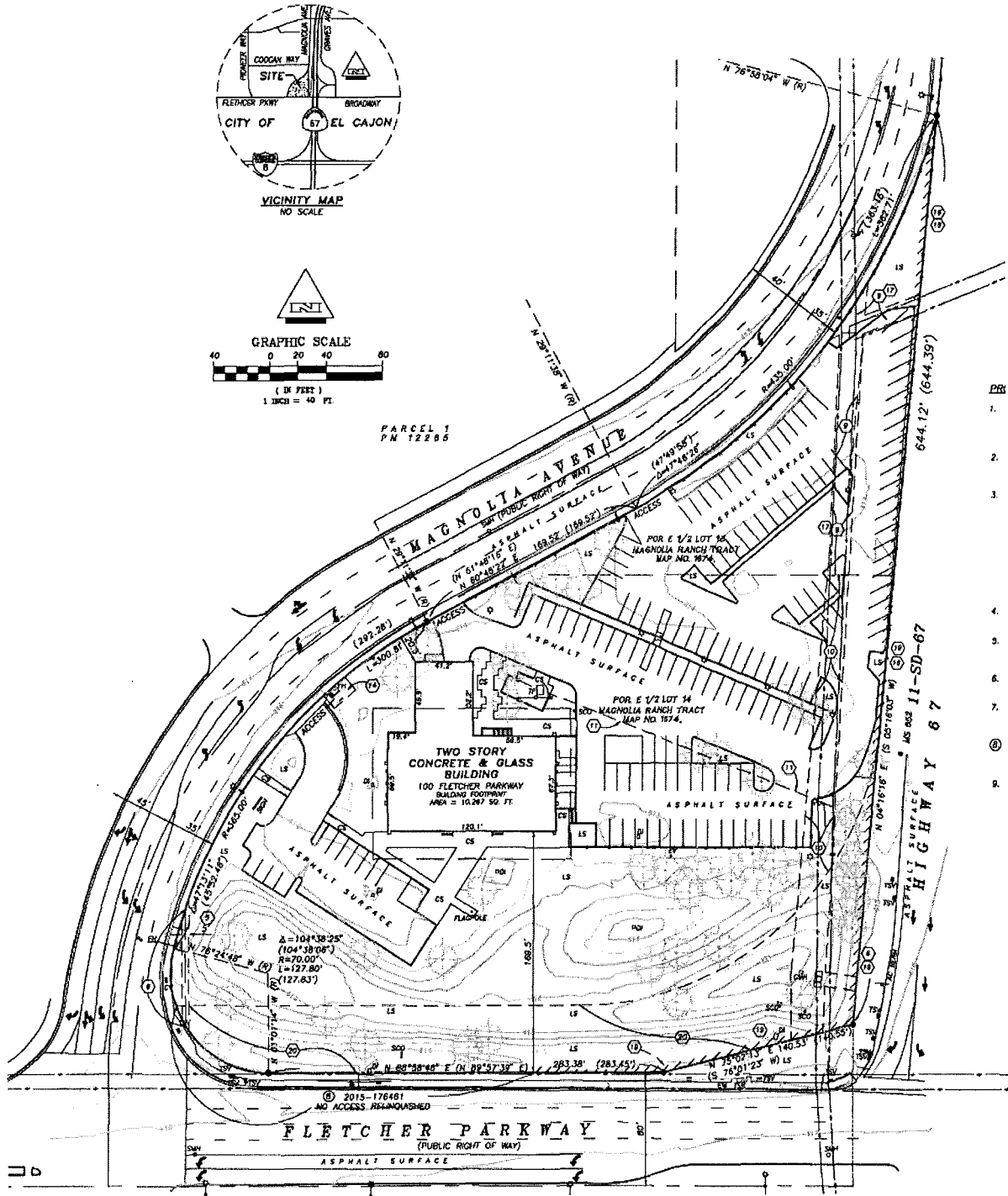
Title: _____

APPROVED AS TO FORM:

Morgan L. Foley
City Attorney

ATTACHMENT "1"

PROPERTY MAP



ATTACHMENT "2"

LEGAL DESCRIPTION OF PROJECT SITE

All of that real property located in the City of El Cajon, County of San Diego, State of California, described as follows:

"Parcel 2"

THAT PORTION OF LOT 14 OF MAGNOLIA RANCH TRACT, IN THE CITY OF EL CAJON, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1674, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 29, 1915, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE EAST ONE-HALF OF SAID LOT 14, DISTANT ALONG SAID NORTH LINE, NORTH 89°57'39" EAST, 234.20 FEET FROM THE NORTHWEST CORNER OF SAID EAST ONE-HALF OF LOT 14; THENCE ALONG THE FOLLOWING COURSES:

1. LEAVING SAID NORTH LINE, SOUTH 67°17'57" EAST, 286.37 FEET; THENCE
2. FROM A TANGENT THAT BEARS NORTH 6°39'55" EAST, SOUTHWESTERLY ALONG A CURVE CONCAVE TO THE NORTHWEST, WITH A RADIUS OF 218 FEET, THROUGH AN ANGLE OF 83°17'44", A DISTANCE OF 316.82 FEET; THENCE
3. TANGENT TO SAID CURVE SOUTH 89°57'39" WEST 281.84 FEET TO SAID WEST LINE OF THE EAST ONE-HALF OF SAID LOT 14; THENCE
4. CONTINUING SOUTH 89°57'39", 6.67 FEET; THENCE
5. FROM A TANGENT THAT BEARS NORTH 19°13'16" WEST, NORTHERLY ALONG A CURVE CONCAVE TO THE EAST WITH A RADIUS OF 70 FEET, THROUGH AN ANGLE OF 33°48'51", A DISTANCE OF 41.31 FEET TO A POINT OF COMPOUND CURVATURE; THENCE
6. FROM A TANGENT THAT BEARS NORTH 14°35'35" EAST, NORTHEASTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST WITH A RADIUS OF 365 FEET, THROUGH AN ANGLE OF 47°12'41", A DISTANCE OF 300.76 FEET; THENCE
7. TANGENT TO SAID CURVE NORTH 61°48'16" EAST, 69.85 FEET TO THE POINT OF BEGINNING.

APN: PORTION OF 483-071-52

(continued)

“Parcel 2” continued

THAT PORTION OF THE EAST HALF OF LOTS 13 AND 14 OF MAGNOLIA RANCH TRACT, IN THE CITY OF EL CAJON, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1674, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON SEPTEMBER 29, 1915, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE EAST HALF OF SAID LOT 14; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 14, SOUTH 89°57'39" EAST, 254.30 FEET TO THE SOUTHEASTERLY CORNER OF LAND DESCRIBED IN DEED TO THE CITY OF EL CAJON, RECORDED AUGUST 25, 1965 AS INSTRUMENT NO. 154881 AND THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTHEASTERLY BOUNDARY OF SAID LAND AS FOLLOWS: NORTH 61°48'16" EAST, 99.67 FEET TO THE SOUTHEASTERLY BOUNDARY OF A TANGENT 435.00 FOOT RADIUS CURVE THEREIN, CONCAVE NORTHWESTERLY; AND NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 24°48'51" A DISTANCE OF 188.35 FEET TO THE NORTHEASTERLY CORNER OF SAID LAND DESCRIBED IN DEED TO TITLE INSURANCE AND TRUST COMPANY, RECORDED AUGUST 25, 1965 AS INSTRUMENT NO. 154882; THENCE ALONG THE BOUNDARY OF SAID LAND AS FOLLOWS: CONTINUING NORTHEASTERLY ALONG THE ARC OF SAID 435.00 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 23°01'29" A DISTANCE OF 174.81 FEET; SOUTH 05°16'03" WEST, 432.50 FEET TO THE BEGINNING OF A TANGENT 218 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01°23'52" A DISTANCE OF 5.32 FEET; AND NORTH 67°17'57" WEST 286.37 FEET TO THE TRUE POINT OF BEGINNING.

APN: PORTION OF 483-071-52

ATTACHMENT "3"

GRANT DEED

(to be prepared by Escrow)