A G E N D A

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

THURSDAY, OCTOBER 9, 2014

4:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting will include teleconference participation by Board member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

Next Board Res. No. OB2014 – __

ROLL CALL
Board Members

PUBLIC COMMENT
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR
Consent calendar items requiring little or no discussion may be acted upon with one motion.

1) Board Approval of the Minutes of the Regular Meetings of the Oversight Board held on June 12, 2014, June 27, 2014, August 13, 2014, August 25, 2014, and September 19, 2014. – (Hobson)

GENERAL BUSINESS

2) PUBLIC HEARING (Continued from 2 p.m. Meeting of October 9, 2014) – Main Street West Disposition and Development Agreement (Garben)
   a) Adoption of Oversight Board Resolution No. OB2014 - __: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA); and
   b) Adoption of Oversight Board Resolution No. OB2014 - __: Approving and Authorizing the Execution of the Fourth Amendment to the Disposition and Development Agreement (DDA) with Main Street West Partners, LLC.

REPORTS: *(Informational items only.)*

3) Chair/Boardmembers
4) Staff

ADJOURNMENT

A complete packet of information containing Staff Reports and exhibits related to each item is available for public review at least 72 hours prior to a Board Meeting or, in the event that it is delivered to the Boardmembers less than 72 hours prior to a Board Meeting, as soon as it is so delivered. The packet is available for review in the Suisun City Manager's Office during normal business hours, and online at www.suisun.com/Oversight-Board.html.

M I N U T E S

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

THURSDAY, JUNE 12 2014

2:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting will include teleconference participation by Board Member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda was posted at the teleconference location.

ROLL CALL

Vice Chair Sanchez called the meeting to order at 2:03 PM with Board Members Kearns, Sheldon, Thurston and Sanchez present. Absent: Chairman Spering.

PUBLIC COMMENT: None
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR: None
Consent calendar items requiring little or no discussion may be acted upon with one motion.

GENERAL BUSINESS

1) Adoption of Oversight Board Resolution No. OB2014-04: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA) - (Garben)

   Motioned by Board Member Sheldon and seconded by Board Member Kearns to adopt Resolution No. OB2014-04. Motion carried by the following vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Sanchez
   NOES: Board Members: None
   ABSENT: Board Members: Spering

REPORTS: *(Informational items only.)*

1) Chair/Board Members

2) Staff: Economic Development Director Garben commented that the next meeting of the Oversight Board is June 27, 2014. Also, there is new legislation circulating, SB 1129, approved by the Senate and heading into the Assembly. One of the provisions of this new bill would authorize the Successor Agency, if the Successor Agency received a Finding of Completion, to amend existing contracts or agreement like this DDA as long no new tax increment is proposed to be used. This could streamline the dissolution process.

ADJOURNMENT

There being no further business, Vice Chair Sanchez adjourned the Oversight Board at 2:13 p.m.

_____
Linda Hobson, CMC
City Clerk

M I N U T E S

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

FRIDAY, JUNE 27, 2014

2:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

ROLL CALL

Vice Chair Sanchez called the meeting to order at 2:00 PM with Board Members Kearns, Sheldon, Thurston and Sanchez present. Absent: Chairman Spering.

PUBLIC COMMENT: None
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR:
Consent calendar items requiring little or no discussion may be acted upon with one motion.

1) Adoption of Oversight Board Resolution No. OB2014-05: Approving the Administrative Budget for the Period Ending December 31, 2014 – (Garben)

   Motioned by Board Member Sheldon and seconded by Board Member Thurston to adopt Resolution No. OB2014-05. Motion carried by the following vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Sanchez
   NOES: Board Members: None
   ABSENT: Board Members: Spering

GENERAL BUSINESS

2) Actions relating to the State Controller's Asset Transfer Review.
   A. Adoption of Oversight Board Resolution No. OB2014-06: Ratifying the Transfer of Governmental Purpose Assets to the City of Suisun City – (Garben)

   Motioned by Board Member Kearns and seconded by Board Member Sheldon to adopt Resolution No. OB2014-06. Motion carried by the following vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Sanchez
   NOES: Board Members: None
   ABSENT: Board Members: Spering

REPORTS: *(Informational items only.)*

1) Chair/Board Members

2) Staff: The July meeting is cancelled; the next meeting is scheduled for the third Friday in August.

ADJOURNMENT

There being no further business, Vice Chair Sanchez adjourned the Oversight Board at 2:37 p.m.

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Linda Hobson, CMC
City Clerk

M I N U T E S

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

WEDNESDAY, AUGUST 13, 2014

4:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting will include teleconference participation by Board Member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

ROLL CALL

Chairman Spering called the meeting to order at 4:00 PM with Board Members Kearns, Sheldon, Thurston and Spering present. Absent: Board Member Sanchez.

PUBLIC COMMENT: None
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR: None
Consent calendar items requiring little or no discussion may be acted upon with one motion.

GENERAL BUSINESS

1) Adoption of Oversight Board Resolution No. OB2014-__: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA) – (Garben)

   Motioned by Board Member Thurston and seconded by Board Member Kearns to adopt Resolution No. OB2014-07. Motion carried by the following roll call vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Spering
   NOES: Board Members: None
   ABSENT: Board Members: Sanchez

REPORTS: *(Informational items only.)*

1) Chair/Board Members
2) Staff: Economic Development Director Garben reported that we are in the process of working on a refund of the former Agency's outstanding bonds. This will be brought to the Successor Agency next Tuesday, it does have to come before the Oversight Board and approved by the Department of Finance. The next regular meeting of the Oversight Board is scheduled for September 19, 2014 to approve the ROPS which is due in October. We would like to move forward with the Bonds as soon as soon as possible to take advantage of interest

rates that are very favorable at this point in time so we would like a Board meeting sooner than September 19.

ADJOURNMENT

There being no further business, Chairman Spering adjourned the Oversight Board at 4:07 p.m.

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Linda Hobson, CMC
City Clerk

M I N U T E S

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

MONDAY, AUGUST 25, 2014

4:30 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting will include teleconference participation by Board Member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

ROLL CALL

Chairman Spering called the meeting to order at 4:30 PM with Board Members Kearns, Sanchez, Sheldon, Thurston and Spering present.

PUBLIC COMMENT: None
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR: None
Consent calendar items requiring little or no discussion may be acted upon with one motion.

GENERAL BUSINESS

1) Adoption of Oversight Board Resolution No. OB2014-08: A Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Suisun City Approving the Issuance of Refunding Bonds, Making Certain Determinations With Respect to the Refunding Bonds and Providing Other Matters Relating Thereto.– (Garben)

   Motioned by Board Member Sanchez and seconded by Board Member Kearns to adopt Resolution No. OB2014-08. Motion carried by the following roll call vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Sanchez, Spering
   NOES: Board Members: None

REPORTS: *(Informational items only.)*

1) Chair/Board Members
2) Staff: The next meeting of the Oversight Board is scheduled for September 19, 2014 at 2:00 p.m.

ADJOURNMENT

There being no further business, Chairman Spering adjourned the Oversight Board at 4:50 p.m.

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Linda Hobson, CMC
City Clerk

M I N U T E S

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

FRIDAY, SEPTEMBER 19, 2014

2:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting will include teleconference participation by Board member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

ROLL CALL

Chairman Spering called the meeting to order at 2:00 PM with Board Members Kearns, Sheldon, Thurston and Spering present. Absent: Board Member Sanchez

PUBLIC COMMENT: None
(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR: None
Consent calendar items requiring little or no discussion may be acted upon with one motion.

GENERAL BUSINESS

1) Adoption of Oversight Board Resolution No. OB2014-09: Approving the Recognized Obligation Payment Schedule 14/15B (ROPS 14/15B) for the Period of January to June 2014, and Directing Transmittal Pursuant to State Law.– (Garben)

   Motioned by Board Member Thurston and seconded by Board Member Sheldon to adopt Resolution No. OB 2014-09. Motion carried by the following roll call vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Spering
   NOES: Board Members: None
   ABSENT: Board Members: Sanchez

2) Adoption of Oversight Board Resolution No. OB2014-10: Approving the Administrative Budget for the Period Ending June 30, 2015. – (Garben)

   Motioned by Board Member Kearns and seconded by Board Member Sheldon to adopt Resolution No. OB 2014-10. Motion carried by the following roll call vote:

   AYES: Board Members: Sheldon, Thurston, Kearns, Spering
   NOES: Board Members: None
   ABSENT: Board Members: Sanchez

REPORTS: *(Informational items only.)*

1) Chair/Board Members
2) Staff: The next meeting of the Oversight Board is scheduled for October 9, 2014 at 4:00 p.m.

ADJOURNMENT

There being no further business, Chairman Spering adjourned the Oversight Board at 2:11 p.m.

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Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: October 9, 2014

OVERSIGHT BOARD AGENDA ITEM: PUBLIC HEARING – Main Street West Disposition and Development Agreement:

a. Adoption of Oversight Board Resolution No. OB2014 - __: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA); and
b. Adoption of Oversight Board Resolution No. OB2014 - __: Approving and Authorizing the Execution of the Fourth Amendment to the Disposition and Development Agreement (DDA) with Main Street West Partners, LLC.

FISCAL IMPACT: Any sale of property, payment of fees, or other revenues associated with the Main Street West DDA will be distributed to the affected taxing entities.

IMPACT ON PASS THROUGHS TO OTHER TAXING ENTITIES: This item has no impact on the existing pass-through payments to the other affected taxing entities.

BACKGROUND:

MSW DDA

In mid-2005, Main Street West Partners, LLC was selected as the master developer of the Main Street West Project, which initially consisted of 13 former Redevelopment Agency-owned properties in the Waterfront District amounting to approximately 8.4 acres for development of residential, commercial, and mixed-use projects. A Disposition and Development Agreement (DDA) was executed in April 2006.

In July 2006, the Agency approved the First Amendment to the DDA, which added a 7.44-acre property (the former Crystal Middle School site) to the Project. In September 2007, the Second Amendment to the DDA was approved, which updated the Schedule of Performance. In January 2009, the Third Amendment to the DDA was approved, which allowed the former Agency to acquire property from MSW Partners, provide an advance of developer reinvestment funds in the form of a loan, and to amend the Schedule of Performance. A map is provided as Attachment 1 that provides a graphic representation of the location of these properties.

MSW Accomplishments

Despite the economic downturn that developed into the "Great Recession," significant progress has been made since the inception of this project on several fronts including:

- The "Harbor Square" mixed-use project located at the southwest corner of Main Street and Solano Street is complete and approximately 71% occupied. This project contains approximately 40,000 square feet of retail and office space, and includes a public courtyard area that features the fireplace centerpiece.
- Main Street West Partners purchased a privately held 2± acre site adjacent to the eastern line of the One Harbor Center office development at the north end of the waterfront, and subsequently sold the property to Basin Street Properties, which resulted in the

PREPARED BY: Jason Garben, Economic Development Director
REVIEWED/APPROVED BY: Suzanne Bragdon, Executive Director

development of the Hampton Inn and Suites - Suisun City's first hotel in more than 50 years.

- Two other commercial projects have been approved through construction documents (on Parcels 3 and 7). Parcel 3 will consist of approximately 5,500 square feet of ground floor retail with 5,500 square feet of office (or possibly residential) on the second floor. Parcel 7 consists of approximately 4,100 square feet of restaurant space on the ground floor with a 3,600± square foot banquet facility on the second floor. These projects are positioned such that construction can begin as soon as the market will allow.
- A tentative subdivision map has been approved on Parcel 10 (currently 16 single-family residences similar in size and character of neighboring Victorian Harbor product). However, modifications are expected to the tentative map to better accommodate current market conditions.

DDA Extensions

Despite the aforementioned accomplishments, the Main Street West Project as a whole fell victim to the "Great Recession," which resulted in project delays due to economic conditions beyond the control of the City or Main Street West Partners. Financing was non-existent for several years as the real estate markets in all sectors experienced declining values, low occupancy rates, and high rates of foreclosure activity. The initial term of the DDA expired on February 19, 2014. Thus, a 120-day extension was granted in order to allow additional time to modify terms and conditions to the DDA that would provide for the development to move forward in light of market conditions and redevelopment agency dissolution law. The intent was to update the DDA such that the original intent of the DDA could be carried out within the confines of economic realities and the State laws governing dissolution of former redevelopment agencies for the benefit of the City as well as the affected taxing entities.

Two additional 60-day extensions to the term of the DDA were granted by the Successor Agency and approved by the Oversight Board and Department of Finance. Those extensions currently run through October 17, 2014.

MSW Legal Action

On February 11, 2014, Main Street West Partners filed a complaint with the Solano County Superior Court for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief to ask the court to validate the continued enforceability of the DDA and modifications to allow completion of the performance of the requirements of the DDA, as the dissolution law has complicated the process to update the DDA. Since MSW Partners filed the complaint, staff continued to work in good faith with Main Street West Partners to update the DDA and to carry the project forward. However, in April 2014, the California Department of Finance appeared in the lawsuit filed by Main Street West Partners and sought to change the venue of the lawsuit from Solano County to Sacramento County Superior Court.

On May 22, 2014, the Court granted a change of venue that moved the case to the Sacramento County Superior Court, and the Solano County Superior Court ordered the Sacramento County Superior Court to schedule an expedited handling of the case. The Attorney General's office then filed a demurrer in Sacramento County Superior Court on July 14, 2014, on behalf of the DOF that was set for hearing on October 2, 2014.

Attempts were made in August 2014 by attorneys for Main Street West Partners and the Successor Agency after this demurrer was filed by the Attorney General, to have a meeting with the DOF to address the issues in the lawsuit. The Attorney General's Office has indicated that the DOF is unwilling to meet either Main Street West Partners or the Successor Agency at this time to attempt to resolve these issues.

Main Street West Partners recently amended its complaint with the Court, which resulted in the Attorney General's demurrer being taken off the Court calendar. As of this time, the Attorney General had not responded to the amended complaint.

Proposed Amendment

Staff has continued to work with Main Street West Partners on updates to the DDA that would allow the project to proceed, as well as meet the interests of all parties involved, including the affected taxing entities. The affected taxing entities would ultimately receive the benefit of proceeds from the sale of property associated with the project as well as on-going property tax revenues as a result of development.

In working with Main Street West Partners, staff, through the Successor Agency's MSW Ad Hoc Committee, have completed a proposed 4th Amendment to the DDA that addressed the interests of all parties. It is important to note that such an amendment requires Oversight Board and may be reviewed by the DOF.

STAFF REPORT: In order to facilitate review, this staff report is organized into the following sections:

- DDA Updates
- Approval Process of 4th Amendment
- DDA Extension

DDA Updates

In September 2013, the Successor Agency directed staff to craft an Amendment to the existing DDA that took in to account the following common interests:

- Facilitate timely development reflective of current economic conditions
- Timely dissolution of properties at highest and best use resulting in maximum value to the affected taxing entities
- Maintain the character of downtown while expanding the local tax base
- Consistency with the intent of the redevelopment dissolution laws

The Main Street West Ad Hoc Committee (currently Mayor Pro Tem Wilson and Councilmember Segala) met with staff and MSW Partners on several occasions as the negotiations have progressed since last September. The following provides an outline of the updates to the DDA that would allow the project to proceed, and is consistent with direction of the Successor Agency:

1. Purchase Price – Purchase price of each property is revised to reflect a current market value as determined by a third party appraisal.

2. Parcel 12 – The project description for Parcel 12 has been amended from proposed residential to proposed commercial that will be marketed for a hotel use.

3. Deposits – Deposits of $30,000 per residential parcel (Parcels 10, 13, and 14) are required within 30 days of appraisal, and the remaining commercial parcels (Parcels 3, 4, 5, 6, 7, 8,

9, 11, and 12) would require a deposit of 10% of the fair market value, also due within 30 days of appraisal. The existing $100,000 deposit held in escrow would be released to MSW Partners in increments with the first $50,000 released upon submittal of first tentative map, and the second $50,000 released upon first tentative residential subdivision map approval on Parcel 13 or 14.

4. Developer Reinvestment – MSW Partners is required to reinvest a portion of the profits from the residential component into the commercial components of the project. The reinvestment language has been updated to better reflect current market conditions. Specifically, the required reinvestment is 50% of the profits from the sale of the residential parcels, but in no event less than $5,500 per residential lot. The reinvestment proceeds are to be audited on an annual basis by a third party auditor, and held in a separate bank account. The use of the reinvestment proceeds is limited if requested to be used on Harbor Square.

5. Line of Credit – An extension would be granted for the full repayment of the $500,000 line of credit with a requirement that any reinvestment proceeds generated from sale of residential parcels be first applied toward the payoff of the line of credit before being used to invest in commercial components of the project. The line of credit is to be paid in full within five (5) years from the effective date of the amendment.

6. West Side of Main Street Acquisition Requirement – The requirement of the Developer to acquire or gain control of 5 parcels on the west side of Main Street in order to proceed with all residential components of the development is waived. To date, 3 parcels on the west side of Main Street were acquired through the efforts of MSW Partners. By allowing the residential components to move forward without further acquisition requirements, development activity in the Waterfront District will be accelerated.

7. Parking Study Fee – The $10,000 payment due from MSW Partners for a parking study is due concurrent with the first sale of residential property, but not later than 30 months from the effective date of the 4th Amendment.

8. Lighthouse Development Fee – The Lighthouse Development Fee ($1.0029 per square foot of land) due from Harbor Square development is due concurrent with the first sale of the residential property, but not later than 30 months from the date of the 4th Amendment. New Lighthouse Development Fees to be paid with Building Permit Fees.

9. Downtown Economic Impact Fee – A fee paid to the City with building permits of $4,800 per residential unit would be required if the City provides a water and/or sewer connection fee credit of at least $4,800. The fees from the Economic Impact Fee would create a fund within the City to pay for necessary infrastructure improvements for commercial development activity in the Waterfront District. This tool would offer an alternative funding source for improvements that were assumed to be made by the Redevelopment Agency prior to its dissolution. The water/sewer connection fee credits would be provided by the City from the credits remaining from the demolition of the former Crescent neighborhood.

10. West Side of Main Street – MSW Partners is to work with the City to explore alternative financing and/or grant opportunities to further required infrastructure development and/or preservation opportunities on the west side of Main Street.

11. Crystal Middle School Demolition – The current market value of the former Crystal Middle School property will reflect the additional value created by the demolition of the former Crystal Middle School improvements.

12. Qualified Successor Developer – Provides for additional flexibility that will allow for sale of entitled residential parcels directly to a Qualified Successor Developer, and provides for Agency approval of Qualified Successor Developer based on certain criteria.

Several other technical and legal updates are included as part of the 4th Amendment such as:

- Enhanced indemnity language that protects the Agency in the event of a lawsuit; and
- Clarification that necessary environmental review must be completed before any component of the project can proceed, and are subject to all City approval processes, as applicable; and
- Limitations on Agency responsibility to clear issues associated with exceptions to title; and
- Updated development timeline

Approval Process of 4th Amendment

In order for the 4th Amendment to be perfected, the Oversight Board is required to adopt a resolution authorizing the 4th Amendment, and the Department of Finance may review the Oversight Board action. The Successor Agency was to consider the 4th Amendment at its meeting on October 7, 2014.

Under applicable redevelopment dissolution law, the Oversight Board can direct the Successor Agency, subject to review by the Department of Finance, to "determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be . . . renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed . . . amendment agreements to the oversight board for its approval. The board may approve any amendments to . . . those agreements if it finds that amendments . . . would be in the best interests of the taxing entities." (Health & Safety Code Section 34181(e))." The aforementioned updates to the DDA reflect changes that will allow for the project to proceed and will provide for several benefits to the affected taxing entities:

a) Expedited Property Sales – Allows property sales to occur sooner rather than later. Proceeds from property sales distributed to affected taxing entities.
b) Development Impact Fees – Properties are being sold for development, not speculation, resulting in projects that will generate impact fees for taxing entities.
c) On-Going Property Tax Revenues – Development of properties sold will result in additional property tax revenue into perpetuity to the affected taxing entities.
d) Developer Reinvestment Effect – The reinvestment of profit from the residential component of the project is anticipated to spur development of commercial components that might not otherwise be economically feasible.
e) Repayment of $500,000 Line of Credit – Allowing the project to proceed will allow MSW Partners to commence with residential development, which is the funding mechanism to repay the line of credit. If the DDA were terminated, repayment of the line of credit would be at risk.

DDA Extension

As previously mentioned, the current term of the DDA expires on October 17, 2014. Should the Oversight Board authorize the 4th Amendment, the DOF would then have approximately 65 days from the date the OB resolution is delivered to review.

Pursuant to Part Two, Article 3.04(C) of the original DDA, the Executive Director may extend times of performance in writing by mutual agreement of the Developer and the Executive Director, unless the Executive Director refers the matter of extension to the Agency Board. Further, pursuant to Part Two, Article 3.23 of the original DDA, Agency staff is authorized to execute changes to the DDA that would not substantially alter the basic business terms of the DDA. By simply extending the term of the DDA through January 31, 2015, no changes to the business terms of the DDA are proposed. However, in light of the dissolution process, and consistent with past practice in dealing with extensions, Agency Legal Counsel recommended this extension be considered by the Successor Agency, and approved by the Oversight Board. Thus, it would be prudent to also extend the term of the DDA through January 31, 2015 (with no changes to business terms) to allow for the review process associated with the 4th Amendment to conclude.

Conclusion

Staff recommends the Oversight Board approve the authorization of the 4th Amendment and authorize the extension the DDA to allow the term of the DDA to extend through the approval process. It should be noted that additional risk associated with the lawsuit filed by MSW Partners should be expected in the event a 4th Amendment is not ultimately approved.

RECOMMENDATION: Staff recommends that the Oversight Board:

1. Open the public hearing and take public comment; and
2. Close the public hearing; and
3. Adopt Oversight Board Resolution No. OB2014 - __: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA); and
4. Adopt Oversight Board Resolution No. OB2014 - __: Approving and Authorizing the Execution of the Fourth Amendment to the Disposition and Development Agreement (DDA) with Main Street West Partners, LLC.

ATTACHMENTS:

1. Property ID Map.
2. 4th Amendment Document.
3. Oversight Board Resolution No. OB2014 - __: Authorizing the Executive Director to Extend the Term of the Main Street West Disposition and Development Agreement (DDA).
4. Oversight Board Resolution No. OB2014 - __: Approving and Authorizing the Execution of the Fourth Amendment to the Disposition and Development Agreement (DDA) with Main Street West Partners, LLC.

Item #2
Attachment 1

MAIN STREET WEST DDA PARCELS

FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT
(MSW)

This Fourth Amendment to Disposition and Development Agreement (this "**Fourth Amendment**") is entered into on this __ day of _____, 2014, by and between **Main Street West Partners, LLC**, a California limited liability company ("**Developer**") and the **Successor Agency to the Redevelopment Agency of the City of Suisun City**, a public body corporate and politic (the "**Agency**"**)**. Developer and Agency are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. The Developer and the former Redevelopment Agency of the City of Suisun City ("**Former RDA**") entered into that certain Disposition and Development Agreement dated as of April 17, 2006 ("**Original DDA**") pursuant to which the Developer has the right to acquire various parcels (therein defined collectively as the "**Property**" or "**Properties**") for development of a commercial, residential and retail project, as more particularly described in the Original DDA ("**Project**"). Under the Original DDA, Developer agreed to allocate a portion of proceeds from residential sales in the Project towards the costs of the commercial component. Further, the Former RDA was to reimburse Developer for the cost to install improvements in the public right of way such as curbs, gutters, sidewalks, landscaping, public courtyards, and utilities.

B. The Original DDA was amended by that certain First Amendment to Disposition and Development Agreement effective as of July 25, 2006 ("**First Amendment**") pursuant to which an additional parcel was added to the property to be developed for the Project and the Schedule of Performance was amended.

C. The Original DDA was further amended by that certain Second Amendment to Disposition and Development Agreement effective as of September 18, 2007 ("**Second Amendment**") in order to further amend the Schedule of Performance and to provide for the release to the Former RDA of the Deposit (as defined therein) under specified circumstances.

D. The Original DDA was further amended by that certain Third Amendment to Disposition and Development Agreement effective as of February 19, 2009 ("**Third Amendment**") pursuant to which (i) the Former RDA acquired property from Developer (which property was held and to be re-acquired at a later date by Developer), and (ii) the Former RDA provided an advance of developer reinvestment funds in the form of a loan to Developer, and (iii) the Parties amended the Schedule of Performance.

E. The Original DDA as amended by the First Amendment, Second Amendment and Third Amendment is hereafter referred to as the "**DDA**". The First Amendment, Second Amendment and Third Amendment are collectively referred to herein as the "**DDA Amendments.**" References to the "**Agreement**" shall mean (as appropriate) the Original DDA as amended by the DDA Amendments and this Fourth Amendment.

F. The Former RDA was dissolved by law and the present Successor Agency was formed pursuant to Health & Safety Code §34167.5, which made the Agency the successor-in-interest to all assets and obligations of the Former RDA. On December 29, 2011, the California State Supreme Court issued a ruling on the constitutional validity of two 2011 legislative budget trailer bills, ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), which resulted in the outright dissolution of all 425 redevelopment agencies in the State of California. As part of that dissolution process, former redevelopment lands and the pre-existing obligations of former redevelopment agencies inured to successor agencies by operation of law. For this reason, both the Property and all obligations and rights of the Former RDA as memorialized in the DDA are now held by the Agency, and all references to "Agency" made in the DDA shall be construed as applying to the Agency executing this Fourth Amendment.

G. The DDA has been affirmed by the Agency pursuant to Health & Safety Code Section 34171(d) and it is on the Schedule of Enforceable Obligations of the Agency pursuant to Health & Safety Code Section 34177.

H. Developer anticipates selling the Residential Parcels to qualified residential building companies, referred to in this Fourth Amendment as "Qualified Successor Developer(s)" as defined below, which will ultimately develop, construct and sell to the public, homes on the Residential Parcels. Developer does not anticipate performing the actual development, construction or sale of the homes on the Residential Parcels. Accordingly, certain provisions of this Fourth Amendment need to be amended to reflect the new disposition strategy of Developer.

J. This Fourth Amendment is intended to be a necessary step in order for the Parties to gather financial resources for preliminary environmental and technical studies for the entitlement process, to seek needed preliminary approvals for development and to test feasibility of the Project among prospective developers. Nothing herein shall be deemed as a commitment for the development of any particular project. No project will be committed to or built until after all necessary environmental studies, public hearings and notice requirements are met.

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained herein, the Parties hereto agree as follows:

Section 1.

(a) The Recitals above are true and correct and incorporated herein by this reference. To the extent the Recitals in the Original DDA or any other terms contained in the Original DDA and the DDA Amendments are inconsistent with the Recitals set forth above or the other terms set forth in this Fourth Amendment, the terms of this Fourth Amendment shall control.

(b) All capitalized and defined terms set forth herein shall bear the same meaning as set forth in the DDA unless specifically redefined in this Fourth Amendment.

Section 2. "**Effective Date**" shall mean the date on which this Fourth Amendment is approved by the California Department of Finance.

Section 3. Recital 7 and all DDA Amendments relating to that Recital, if any, is amended and restated to read as follows:

"The Agency and Developer have entered into the First Amendment to the DDA with respect to the disposition and/or development of the old Crystal Middle School site. Thus, the Developer agrees to provide for the reinvestment of not less than fifty percent (50%) of the profits distributed to Developer from the sale of one or more of the Residential Parcel(s), or Residential Lots located within the Residential Parcels, but in no event less than Five Thousand Five Hundred Dollars ($5,500) per Residential Lot, for reinvestment, as more fully provided in Section 4.14."

Section 4. Definition of the term "**Agency**" as used in the DDA is amended and restated to read as follows, and for all purposes of the DDA, terms "Agency" or "**Redevelopment Agency of the City of Suisun City**" shall be construed as follows:

"The term 'Agency' shall mean the Successor Agency to the Redevelopment Agency of the City of Suisun City, a public body corporate and politic formed pursuant to Health & Safety Code §34167.5."

Section 5. A "**Qualified Successor Developer**" shall have the meaning as provided in Section 6.04.

Section 6. All references to the "**Redevelopment Plan**" and obligations arising from said Plan set forth in the DDA are rescinded from the DDA.

Section 7. A "**Residential Lot**" shall mean a parcel upon which one single family detached home may be legally constructed upon recordation of a final subdivision map creating such lot.

Section 8. The "**Residential Parcels**" shall mean those portions of the Property on which Residential Lots may be developed, upon recordation of a final subdivision map creating such lots. There are a total of three (3) Residential Parcels on the Property: Parcels 10, 13 and 14.

Section 9. The "**Project Description**" as set forth in Exhibit "D" to the DDA is amended and replaced with that description set forth in Revised Exhibit D to this Fourth Amendment.

Section 10. Definition of the term "**Property"** or **"Properties**" as used in the DDA is amended and restated to read as follows:

"The term '**Property** or **Properties**' shall mean a component of, or all of approximately 15.8 acres of real property located within the City of Suisun City, upon which the Project shall be developed. The following table sets forth the Properties subject to this Fourth Amendment:

PROPERTY IDENTIFICATION		SITE SIZE	
MSW PROPERTY ID	ASSESSORS PARCEL #	ACRES	SF
Parcel 1 & 2	32-141-15	0.59	25,700
Parcel 3	32-142-30	0.17	7,459
Parcel 5	32-130-01	0.10	4,425
Parcel 7	32-142-28	0.15	6,372
Parcel 8	32-142-25	0.10	4,300
Parcel 9	32-142-24	0.11	4,900
Parcel 4	32-130-06	0.05	2,131
Parcel 6	32-082-05	0.16	7,183
Parcel 10	32-042-30,36,44 through 61, and 68	1.56	67,854
Parcel 11	32-061-39	0.16	7,150
Parcel 12	0032-061-26 through 36	1.65	71,870
Parcel 13	0032-091-17 through 20	3.49	151,862
Parcel 14	0032-152-18	7.44	324,086
Parcel 15	0032-130-03 & 04	0.07	3,049

Section 11. The **Property Legal Description** set forth in Exhibit "A" to the DDA is deleted in its entirety and replaced with that revised legal description set forth in Revised Exhibit A to this Fourth Amendment.

Section 12. The "**Schedule of Performance**" as set forth in Exhibit "C" to the DDA is deleted in its entirety and replaced with that schedule set forth in Revised Exhibit C to this Fourth Amendment.

Section 13. The "**Site Plan**" as set forth in Exhibit "B" to the DDA is deleted in its entirety and replace with the plan set forth in Revised Exhibit B to this Fourth Amendment.

Section 14. Sections 2 through 6 of the Third Amendment and Section 2 of the First Amendment are struck in their entirety. All DDA provisions governing the Developer's acquisition of Property are to be governed by Section 1.02 of Part One of the Original DDA ["Developer Acquisition of Property"], which is restated in its entirety to read as follows:

"The Property in its entirety consists of approximately 15.8 acres of real property and currently consists of the 15 parcels (some of which are comprised of several smaller parcels) as set forth on Revised Exhibit A attached hereto. Notwithstanding anything in this Agreement to the contrary, (a) Developer shall have no obligation to acquire that portion of the Property identified as Parcel 11 if, prior to the close of escrow for the

purchase of said parcel as set forth in the Schedule of Performance, appropriate parking for the proposed development of said parcel is unavailable on property immediately adjacent to Parcel 11 on terms acceptable to Developer in its good faith discretion and Developer has, not less than ninety (90) days prior to the date set forth in the Schedule of Performance for the close of escrow for acquisition of said parcel, notified the Agency in writing of its decision to not acquire Parcel 11.

Developer shall acquire the Property in accordance with the Schedule of Performance attached as Revised Exhibit C for the development and construction of the Project."

Section 15. Section 1.03 of Part One of the Original DDA ["Final Development Plan"] is restated entirely to read as follows:

"A. Within the timeframes set forth within the Schedule of Performance, Developer shall submit to the Agency for its approval a "Final Development Plan" for each portion of the Project, as designated in the Schedule of Performance. Each Final Development Plan shall include preliminary site layouts, road, parking, and pedestrian path locations, building elevations, landscaping amenities and general development standards for buildings and landscaping for each portion of the Project. The Final Development Plan will serve as a basis for the Developer's tentative map applications and planned community development applications and the application for the other governmental approvals for the Properties. If the Agency disapproves the Final Development Plan(s), it shall specify in writing the reasons for the disapproval. The statement from the Agency shall also contain the Agency's opinion of the action the Developer must take to obtain the Agency's approval. The Agency shall approve or disapprove the Final Development Plan(s) within twenty [20] days following receipt of such plans. If the Agency fails to provide the Developer with the written statement described above, the submittal shall be deemed approved. Within twenty (20) days following notification of disapproval of the Final Development Plan(s), the Developer shall revise the disapproved Final Development Plan(s) so as to mitigate the reasons for disapproval to the extent reasonably feasible and submit those revised Final Development Plan(s) to the Agency for approval. The process for revision and review of the Final Development Plan(s) shall continue until the Agency has approved the Final Development Plan(s), except that the Agency shall approve or disapprove any revised Final Development Plan(s) within twenty [20] days following receipt thereof. The Developer acknowledges that the execution of this Agreement by the Agency and the approval of the Final Development Plan(s) of the Agency under this Agreement, does not constitute approval by the City, in its typical regulatory and administrative capacity, of the Final Development Plan(s) and in no way limits the discretion of the City in reviewing and making decisions regarding any discretionary or other permits required for the

Properties. Each Final Development Plan shall be consistent with the Project Description as attached hereto and incorporated as Revised Exhibit D herein by this reference. The Executive Director of the Agency or its designee may approve the Final Development Plan(s) on behalf of the Agency.

B. Upon approval, each Final Development Plan shall be incorporated into this Fourth Amendment as a part of Revised Exhibit D, after the Effective Date of this Fourth Amendment, as and when approved.

C. Any subsequent material change, modification, revision or alteration of any approved Final Development Plan shall be submitted for approval by the Agency; and if such change, modifications, revisions or alterations are not approved, the approved Final Development Plan shall continue to control. Any proposed material change, modification, revision or alteration shall be approved or disapproved by the Agency pursuant to the timelines and general provisions as provided above with respect to the initial approval of the Final Development Plan(s). In accordance with Part Two, Section 3.23 of this Agreement, the Executive Director of the Agency or its designee may approve minor changes, modifications, revisions or alterations to the Final Development Plans.

For the purpose of this Section 1.03, a material change, modification, revision or alteration to a Final Development Plan shall mean any increase (but not a decrease) of ten percent (10%) or greater in (a) the number of housing units approved; (b) size (measured by square feet); or (c) floor area ratio (FAR) to the approved project component."

Section 16. Section 1.10 of Part One of the Original DDA ["Preleasing"] is restated entirely to read as follows:

"Developer shall use commercially reasonable efforts with respect to marketing the Project to potential purchasers or lessees. Developer agrees to provide the Agency updates regarding the status of building sales or leasing with respect to the buildings to be constructed on the Property at the request of the Agency, such updates to be provided no more often than quarterly."

Section 17. Section 1.02 of Part One of the Original DDA ["Developer Acquisition of Property"] is restated entirely to read as follows:

"Upon Developer's request, Agency shall hire a real estate appraiser to act on its behalf in determining the "Fair Market Value" (as defined below) for the Property. Developer shall deposit funds equal to the cost of the appraisal with the Agency within five (5) days of being notified of such cost as evidenced by an invoice or engagement letter or some other written evidence of costs of appraisal. Such funds shall be used by the Agency to

pay for the appraisals. Agency's selection of such appraiser shall be subject to the prior written approval of Developer, which shall not be unreasonably withheld, except that such approval shall not be required if Agency hires the appraiser previously used to appraise the Property pursuant to the DDA (Ron Garland & Associates). The appraiser shall have at least five (5) years' experience in the area of the Property and shall be a person who would qualify as expert witnesses over objection to give opinion testimony on the issue of the Fair Market Value for the Property in a court of competent jurisdiction. The appraiser's determination of Fair Market Value shall be final. As used herein, the term "**Fair Market Value**" for the Property shall mean the amount that the Agency could obtain from an unaffiliated third party desiring to purchase the Property as of the date of this Fourth Amendment, taking into account the uses permitted for the Property and the entitlements that are vested in the Property as of the date of the appraisal. The appraisal will also take into account all improvements required to be made on public land or rights of way, including but not limited to, curbs, gutters, sidewalks, landscaping, public courtyards, and utilities (including without limitation utility relocations), in order to develop the Property, as provided in Section 4.02 below, and all fees owing with respect to such Property upon its development, including without limitation the fees assessed pursuant to Sections 4.12, 4.14, and 4.18, in determining the Fair Market Value for the Property. Within thirty (30) days after the determination of the Fair Market Value of the Property, the Developer shall have the right, but not the obligation, to elect in writing to purchase the Property at Fair Market Value as determined by the appraisal on the following terms: Concurrent with the Developer's election to purchase the Property, Developer shall deposit in the Escrow Account the sum of Thirty Thousand Dollars ($30,000) (the "Residential Deposit") for each Residential Parcel that Developer elects to purchase as provided immediately above, up to a total of Ninety Thousand Dollars ($90,000) for all three Residential Parcels. The Residential Deposit will be held by Escrow Agent until the closing, with Thirty Thousand Dollars ($30,000) of such Deposit to be applied to the Purchase Price of each Residential Parcel.

Within thirty (30) days after the determination of the Fair Market Value of the Property, Developer shall deposit in the Escrow Account the sum of ten percent (10%) of the Fair Market Value (as determined by the appraisal) for each non-Residential Property that Developer elects to purchase (the "Non-Residential Deposit). The Non-Residential Deposit will be held by Escrow Agent until the closing, with each such Deposit to be applied to the Purchase Price of each Non-Residential Property. Subject to Section 7.02 of Part One of the Original DDA, the closing of the purchase and sale of each portion of the Non-Residential Parcel(s) shall occur in accordance with the timing set forth in the Schedule of Performance.

Subject to Section 7.02 of Part One of the Original DDA, the closing of the purchase and sale of each portion of the Residential Parcel(s) shall occur (i) no sooner than the date the appeal period has run without challenge on the tentative map approval with respect to each such parcel, and (ii) no later than the earlier of either (a) 90 days after a final map has recorded with respect to each such parcel, which shall be in general conformance with the Final Development Plan for such portion of the Property, or (b) the fifth (5th) anniversary of the Effective Date, but in any event with at least fifteen (15) days prior written notice to Agency. For purposes of the application of Section 7.04 of Part One of the Original DDA and for no other purpose, the Residential Deposit and Non-Residential Deposit shall be deemed part of the Deposit described in Section 3.02 and may be retained to the same extent as the Deposit following a default by Developer; provided that any default and the corresponding portion of the Deposit subject to retention shall be determined and applied on a "per parcel" basis as more fully set forth in Section 22 of this Fourth Amendment. All other terms shall be as provided in Section 3.03 [Disposition of Property; Escrow]; provided that in the case of any conflict between such Section 3.03 and this Section 1.02, this Section 1.02 shall control.

Unless Developer has requested an extension of time as allowed pursuant to Section 3.04 of Part Two of the Original DDA [Enforced Delay; Economic Infeasibility; Extension for Performance] and such has been granted by the Agency or in the event the Developer elects to not purchase the Property, Developer shall have no rights in the Property and the Agency shall have the right to retain the Property to market for sale to other buyers or for future development subject to a court supervised process under Code of Civil Procedure Section 664.6. Upon request, Developer shall promptly execute, acknowledge and deliver to Agency documents reasonably required to confirm that Developer has no interest in the Property."

Section 18. Section 3.01 of Part One of the Original DDA ["Conveyance of the Property"] is deleted in its entirety.

Section 19. Section 3.02(C) of Part One of the Original DDA ["Deposit"] is restated entirely to read as follows:

"C. Deposit. The Developer has heretofore deposited One Hundred Thousand Dollars ($100,000) with the Escrow Agent ("**Deposit**"). Provided that Developer is not in default hereunder as described in Section 7.04 of this Agreement, the Escrow Agent shall apply the Deposit in accordance with the following:

1. The Deposit shall be released to Developer in two Fifty Thousand Dollar ($50,000) increments.

i. The first $50,000 of the Deposit shall be released to Developer upon the first *submittal* of Tentative Subdivision Map applications for Parcels 13 and/or 14 that are deemed to be complete by the City of Suisun City Community Development Department.

ii. The second $50,000 of the Deposit shall be released to Developer upon the first *approval* of Tentative Subdivision Map applications for Parcels 13 and/or 14. Said Tentative Subdivision Map shall be deemed approved upon the expiration of any appeal periods that may occur upon final approval by the governing body.

2. Upon an event of default by Developer and/or earlier termination of the Agreement by Agency, the Agency may retain the Deposit in accordance with the provisions of Section 7.04 of this Agreement.

3. If Developer is in default with respect to any provision of this Agreement, the Agency may, but shall have no obligation to, use the Deposit or any portion thereof to cure such default or to compensate the Agency for any damage or reasonably expense sustained by the Agency as a result of the default, but only after providing Developer an opportunity to cure default pursuant to Section 7.04, Part One. The Agency shall provide the Developer, upon its written request, with evidence of damages incurred by Agency as a result of default."

Section 20. Section 3.03(A) of Part One of the Original DDA ["Purchase"] is restated entirely to read as follows:

"The parties agree that Developer shall have the right to purchase the Property from the Agency in accordance with the terms of Section 1.02 and this Section 3.03 of this Agreement."

Section 21. The first sentence of Section 3.03(C) of Part One of the Original DDA ["Developer Obligations"] is restated entirely to read as follows:

"Prior to the close of escrow for each acquisition of a portion of the Property by the Developer, the Developer shall deposit with the Escrow Agent amounts sufficient to pay the purchase price for that portion of the Property then being acquired (each a "**Purchase Price**"), provided,

however, that with respect to the closing of each Residential Parcel, Developer shall have the right (i) to designate a Qualified Successor Developer to take title by grant deed directly from the Agency, and Agency shall deed the Residential Parcel to be conveyed directly to the Qualified Successor Developer and upon such conveyance such Residential Parcel shall no longer be subject to this Agreement and the Qualified Successor Developer shall have no rights or obligations under this Agreement, notwithstanding the fact that Developer shall receive a portion of the proceeds from the Escrow Account, and (ii) to cause such designated Qualified Successor Developer to deposit funds with Escrow Agent sufficient to pay the Purchase Price pursuant to a separate but concurrent escrow, in which case Developer shall not be required to submit additional funds with Escrow Agent. Upon request from Developer, Agency shall record an instrument at closing acknowledging the inapplicability and release of this Agreement to the Residential Parcel or portion thereof upon the deeding of title to the Qualified Successor Developer."

Section 22. Section 3.03(G) of Part One of the Original DDA ["Failure to Close Escrow"] is restated entirely to read as follows:

"If escrow for any portion of the Property is not in condition to close before the time for conveyance established in this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title with respect to such portion of the Property may, in writing, provide notice to the nonperforming party of such condition and a right to cure, including a right to cure any liens, encumbrances, conditions or other defects on the title not otherwise permitted, as described in this Agreement, in the manner set forth in Section 3.03(J). Should the nonperforming party fail to cure the condition preventing close of escrow for any part of the Property within the time period provided in Section 7.04 of this Part, all obligations and liabilities of the Parties under this Agreement shall cease and terminate but only with respect to any parcel for which failure to perform in connection with any said parcel by Developer resulted in the failure to close escrow for any such parcel, it being the intent of the parties that Developer's non-performance with respect to any individual parcels of the Property shall not impact its rights and responsibilities with respect to the other parcels of the Property. Nothing in this paragraph shall be construed to impair or affect the rights or obligations of the Agency or Developer under the Agreement or the rights of Developer to specific performance under the Agreement with respect to any portion of the Property, it being understood and agreed that Developer shall have the right of specific performance in the event Agency fails and refuses to convey any parcel of the Property notwithstanding Developer's performance of the terms of the Agreement and the Schedule of Performance with respect to such parcel of the Property."

Section 23. The first paragraph of Section 3.03(J) of Part One of the Original DDA ["Title Documents; Title Insurance"] is restated entirely to read as follows:

> "Within thirty (30) days of the Effective Date of the Fourth Amendment, Agency shall deliver or cause to be delivered to the Developer a preliminary title report (each a "**Preliminary Report**") on the subject portion of the Property issued by Placer Title Company, or some other title insurance company satisfactory to the Agency and the Developer having equal or greater financial responsibility ("**Title Company**"), setting forth all liens, encumbrances, easements, restrictions, conditions, pending litigation, judgments, administrative proceedings, and other matters of record affecting Agency's title to the Property, together with copies of all documents relating to exceptions listed in the Preliminary Report ("**Title Exceptions**") and complete and legible copies of all instruments referred to therein, as requested by the Developer. Developer shall approve or disapprove each Title Exception within thirty (30) days following the Developer's receipt of the Preliminary Report. The Developer's failure to object within such period shall be deemed to be a disapproval of the Title Exceptions."

Section 24. The second paragraph of Section 3.03(J) of Part One of the Original DDA ["Title Documents; Title Insurance"] is restated entirely to read as follows:

> "If the Developer objects or is deemed to have disapproved any Title Exception, Agency shall remove from title or otherwise agree to satisfy each such exception no later than fourteen (14) days after the Developer's written objection to a Title Exception(s) and such satisfaction shall be in a form that is reasonably satisfactory to the Developer. Agency shall only be obligated to remove title exceptions that (a) are within Agency's reasonable and direct control to remove, and (b) can be removed without the Agency incurring any expense in excess of Five Thousand Dollars ($5,000) to accomplish such removal ("**Maximum Agency Cost**"). If a Title Exception can be removed by payment of more than the Maximum Agency Cost and Developer elects, in Developer's sole discretion, to require removal of such Title Exception then Developer shall be responsible for payment of all sums in excess of the Maximum Agency Cost. If the Agency fails to remove or agree to satisfy any Title Exception to the satisfaction of the Developer within the above-stated fourteen (14) day period, the Developer shall have the option, in its sole discretion, to not close on that parcel of the Property to which such Title Exception relates or to accept title subject to such exception by providing written notice to Agency within 10 days after the expiration of the fourteen (14) day period described immediately above. In the event the Developer elects to terminate this Agreement with respect to such parcel of the Property, the Deposit, including interest thereon, and all other funds and documents deposited into the Escrow Account, by or on behalf of the Developer shall be returned to the Developer, and all rights and

obligations hereunder shall terminate with respect to such parcel of the Property subject to the referenced Title Exception. If Agency agrees to satisfy Developer's objection to a Title Exception as provided above, then Agency shall cause the subject portion of the Property to be deeded to Developer at the closing of such portion of the Property subject only to the Developer approved Title Exceptions."

Section 25. Section 3.07 of Part One of the Original DDA ["Title Documents; Title Insurance"] is amended by the addition of a new Subsections "F" through "H" inclusive to read as follows:

"F. Third Party Litigation:

1. Non-liability of Agency. The Parties acknowledge that:

i. In the future there may be challenges to legality, validity and adequacy of the General Plan, the Project Development Approvals and/or this Agreement and amendments thereto; and

ii. If successful, such challenges could delay or prevent the performance of this Agreement and the development of the Project.

In addition to the other provisions of this Agreement, including without limitation any amendments thereto, the Agency shall have no liability under this Agreement for any failure of the Agency to perform under this Agreement or the inability of the Developer to develop the Property as contemplated by the Final Development Plan or this Agreement as the result of a judicial determination that the General Plan, the Land Use Regulations, the Development Approvals, this Agreement, or portions thereof, are invalid or inadequate or not in compliance with law.

1.1.2. Revision of Land Use Restrictions. If, for any reason, the General Plan, Land Use Regulations, Development Approvals, this Agreement or any part or amendment thereof is hereafter judicially determined, as provided above, to not be in compliance with the State or Federal Constitution, laws or regulations and, if such noncompliance can be cured by an appropriate amendment thereof otherwise conforming to the provisions of this Agreement, then this Agreement shall remain in full force and effect to the extent permitted by law. The Development Plan, Development Approvals and this Agreement shall be amended, as necessary, in order to comply with such judicial decision.

3. Participation in Litigation: Indemnity. The Developer shall indemnify the Agency and its elected boards, commissions, officers, agents and employees (collectively "**Indemnified Parties**") and will hold and save them and each of them harmless from any and all actions, suites, claims, liabilities, losses, damages, penalties, obligations and expenses (including but not limited to attorneys' fees and costs) against the Indemnified

Parties for any such Claims or Litigation and shall be responsible for any monetary judgment arising therefrom or any order affecting the Property. The Indemnified Parties shall provide the Developer with notice of the pendency of such action and shall request that the Developer defend such action. The Developer may utilize the Agency Attorney's office or use legal counsel of its choosing, but shall reimburse the Agency for any necessary legal cost incurred by Agency. If the Developer fails to provide such reimbursement, the Agency may abandon the action and the Developer shall pay all costs resulting therefrom and Agency shall have no liability to the Developer. The Developer's obligation to pay the cost of the action, including judgment, shall extend until judgment. After judgment in a trial court, the parties must mutually agree as to whether any appeal will be taken or defended. The Developer shall have the right, within the first thirty (30) days of the service of the complaint, in its sole and absolute discretion, to determine that it shall not defend any litigation attacking this Agreement or the Development Approvals. In such case, (a) the Developer shall be liable for any costs incurred by the Agency up to the date that Developer notifies Agency in writing of its election not to defend the litigation, but shall have no further obligation to the Agency beyond the payment of those costs, and (b) Agency shall have the right to settle the litigation on whatever terms the Agency determines, in its sole and absolute discretion, but Agency shall confer with Developer before acting and cannot bind Developer. In the event of an appeal, or a settlement offer, the parties shall confer in good faith as to how to proceed. Notwithstanding the Developer's indemnity for Claims or Litigation, the Agency retains the right to settle any litigation brought against it in its sole and absolute discretion and the Developer shall remain liable except as follows: (i) the settlement would reduce the scope of the Project by ten percent (10%) or more, and (ii) the Developer opposes the settlement. In such case the Agency may still settle the litigation but shall then be responsible for its own litigation expense but shall bear no other liability to the Developer.

G. Hold Harmless; Developer's Construction and Other Activities. The Developer shall defend, save and hold the Agency and its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all Claims or Litigation that may arise, directly or indirectly, from the Developer's or the Developer's agents, contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by the Developer or by any of the Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's agents, contractors or subcontractors. Nothing herein is intended to make the Developer liable for the acts of the Agency's officers, employees, agents, contractors of subcontractors.

H. Definitions. The following definitions apply to the Section 3.07:

i. "Claims or Litigation" means any challenge by adjacent owners or any other third parties (i) to the legality, validity or adequacy of the General Plan, Land Use Regulations, this Agreement, Development Approvals or other actions of the City pertaining to the Project, or (ii) seeking damages against the City as a consequence of the foregoing actions, for the taking or diminution in value of their property or for any other reason.

ii. "Development Approvals" means all site-specific (meaning specifically applicable to the Property only and not generally applicable to some or all other properties within the City) plans, maps, permits, and entitlements to use of every kind and nature. Development Approvals includes, but is not limited to, specific plans, site plans, tentative and final subdivision maps, vesting tentative maps, variances, zoning designations, planned unit developments, conditional use permits, grading, building and other similar permits, the site-specific provisions of general plans, environmental assessments, including environmental impact reports, and any amendments or modifications to those plans, maps, permits, assessments and entitlements. The term Development Approvals does not include rules, regulations, policies, and other enactments of general application within the City.

iii. "Land Use Regulations" means those ordinances, laws, statutes, rules, regulations, initiatives, policies, requirements, guidelines, constraints, codes or other actions of the City which affect, govern, or apply to the Property or the implementation of the Project and Final Development Plan. Land Use Regulations include the ordinances and regulations adopted by the City which govern permitted uses of land, density and intensity of use and the design of buildings, applicable to the Property, including, but not limited to, the General Plan, zoning ordinances, development moratoria, implementing growth management and phased development programs, ordinances establishing development exactions, subdivision and park codes, any other similar or related codes and building and improvements standards, mitigation measures required in order to lessen or compensate for the adverse impacts of a project on the environment and other public interests and concerns or similar matters. The term Land Use Regulations does not include, however, regulations relating to the conduct of business, professions, and occupations generally; taxes and assessments; regulations for the control and abatement of nuisances; building codes; encroachment and other permits and the conveyances of rights and interests which provide for the use of or entry upon public property; any exercise of the power of eminent domain; or similar matters.

I. Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement for any reason other than the Agency's Default."

Section 26. Section 4.02 of Part One of the Original DDA ["Public Improvements to be Funded By Agency; Parking"] is restated entirely to read as follows:

"A. As a condition of approval for the Project, Developer shall construct all improvements required on public land or rights of way, including but not limited to, curbs, gutters, sidewalks, landscaping, public courtyards, and utilities (including without limitation utility relocations). Developer shall perform such work in the same manner and subject to the same construction standards as would be applicable to the City or such other public agency should it have undertaken such construction work.

B. To the extent the Agency determines, in the discretion of the Executive Director, that off-site parking is required with respect to any component of the Project, the Parties agree to use commercially reasonable good faith efforts to confer in order to resolve any such parking requirements.

C. The Parties agree that a parking study must be performed to identify potential solutions to a potential parking shortage. The Developer agrees to pay the sum of Ten Thousand Dollars ($10,000) toward the parking study concurrent with the sale of the first Residential Parcel or portion thereof, and shall be payable and disbursed to the Agency as part of the Developer's escrow, but in no event later than 30 months from the Effective Date of this Fourth Amendment, whichever occurs sooner."

Section 27. Section 4.12 of Part One of the Original DDA ["Lighthouse Development Fee"] is restated entirely to read as follows:

"Concurrent with the payment of building permit fees to City of Suisun City for any component of the Project, Developer (or, with respect to the Residential Parcels, a Qualified Successor Developer, if applicable) shall pay the required "Lighthouse Development Fee" as required by Agency Resolution 2004-10. Lighthouse Development Fee for the Project has been set at $1.0029 per square foot of land area.

The amount due for Parcel 1 and Parcel 2 in the amount of Twenty-Five Thousand Nine Hundred Ninety Six Dollars and Seventeen ($25,996.17) (commonly referred to as "**Harbor Square**") shall be due concurrent with the sale of the first residential component of the Project and shall be payable and disbursed to the Agency as part of the Developer's escrow, but in no event later than thirty (30) months from the Effective Date of this Fourth Amendment, whichever occurs sooner."

Section 28. Section 4.14 of Part One of the Original DDA ["Developer Reinvestment"] is restated entirely to read as follows:

"The residential and commercial areas designated on the Site Plan are each a part of an integrated Project. Developer agrees to provide for the reinvestment of not less than Fifty Percent (50%) of the profits distributed to Developer from the sale of one or more of the Residential Parcel(s), or Residential Lots located within the Residential Parcels, but, in no event, less than Five Thousand Five Hundred Dollars ($5,500) per Residential Lot, for reinvestment as provided below; provided that so long as the Loan (as defined in Section 7 of the Third Amendment) has a balance outstanding such profits shall be applied toward the Loan until the Loan is paid in full. To the extent that a Residential Parcel is sold "in bulk" prior to recordation of a final subdivision map then the amount due as provided immediately above shall be calculated based on the number of Residential Lots that is expected to be created upon the recordation of a final subdivision map that has been approved for such Residential Parcel. This payment shall be an obligation of Developer. Subject to payment of the Loan first as provided above, funds payable pursuant to this Section 4.14 ("**Commercial Reinvestment Proceeds**") shall be used for the enhancement of any of the Commercial Parcels of the Project (subject to the limitations below as to Parcels 1 & 2) for any of the following:

(i) A combination of (A) granting tenants rent credits in the form of reduced or temporarily abated rent, or (B) construction of tenant improvements beyond the standard for new improvements in Solano County.

(ii) The cost of construction of exterior or interior improvements (not including tenant improvements) to the commercial portion of the Project beyond the standards for new improvements in Solano County.

(iii) The cost of any on-site or off-site infrastructure necessary to complete or cause any component of the commercial component to proceed with development.

Notwithstanding anything to the contrary herein, the Commercial Reinvestment Proceeds shall not be used for Harbor Square (Parcels 1 or 2) except to the limited extent as set forth below. Harbor Square has been improved with a commercial building containing thirty-nine thousand (39,000) leasable square feet. After the sale of the first Residential Lot, the Commercial Reinvestment Proceeds will be available to the Developer at the rate of Fifteen Dollars ($15) per leasable square foot subject to the following limitations:

1. To assist in lease up of the building to the maximum of ninety percent (90%) of the building leasable space (which is equal to thirty-five thousand one hundred (35,100) square feet).
2. May not be used for advertising or marketing costs.
3. Can only be used for tenant improvements, rent abatement and architectural/design features in excess of the standard in the region.
4. Can only be used for initial leasing of space in the building to new tenants.

The Commercial Reinvestment Proceeds shall be verified by an audit report prepared by a third party auditor (mutually acceptable to Developer and Agency) at Developer's sole cost, for the Agency's review and acceptance. The Commercial Reinvestment Proceeds shall be held by Developer in a separate bank account ("**DRP Account**") which shall not be commingled with any other Developer funds. Any use of the Commercial Reinvestment Proceeds shall be approved by the City in writing, which approval shall not be unreasonably withheld provided the proceeds are used as outlined in this Agreement. Not later than March 31st of each year until Developer Reinvestment Proceeds are exhausted, Developer shall provide Agency with an audited accounting of the Commercial Reinvestment Proceeds and the DRP Account which shall include the revenue and expense activity.

Upon termination of the DDA for any reason other than a default by Developer (as defined in Section 7.04), the remaining Commercial Reinvestment Proceeds may be utilized by Developer for the acquisition of either Parcel 3 and/or Parcel 7 provided such is completed within six (6) months of such termination. If (i) the DDA is terminated due to a default by Developer, or (ii) the DDA is terminated for any other reason but the remaining Commercial Reinvestment Proceeds are not utilized for the acquisition of Parcel 3 and/or Parcel 7 as specified above, then the remaining Commercial Reinvestment Proceeds shall be paid to the Agency."

Section 29. Section 4.16 of Part One of the Original DDA ["Acquisition of Additional Property on West Side of Main Street"] is restated entirely to read as follows:

"There shall be no further requirement to acquire additional properties located along the west side of Main Street. Developer has caused three additional properties (707 Main, 711 Main, and 713 Main) to be acquired. Developer shall have the right to move forward with all residential development contemplated as part of the Project."

Section 30. The following term is added to the Original DDA as Section 4.17 thereto:

"West Side of Main Street. In the spirit of revitalizing the west side of Main Street, Developer and Agency shall work in conjunction with the City of Suisun City in a collaborative manner to explore alternative financing/grant opportunities with the goal of furthering required infrastructure and development and/or preservation opportunities along the west side of Main Street."

Section 31. The following term is added to the Original DDA as Section 4.18 thereto:

"Downtown Economic Impact Fee. All single family homes associated with the Project will be assessed Four Thousand Eight Hundred Dollars ($4,800) per unit that will be paid along with Building Permit Fees for the creation of a Downtown Economic Improvement Fund that will be utilized by the City to further the economic development activities in the vicinity of the Project; provided that such fees shall be conditioned upon, and shall only apply and be collected if the City of Suisun City provides Developer (or Qualified Successor Developer) with a water and/or sewer connection fee credit of at least $4,800 to be applied as a credit toward such fees on a per unit basis."

Section 32. A new Section 6.04 is added to Part One of the DDA, entitled "**Qualified Successor Developer**", as follows:

"A. Notwithstanding anything to the contrary contained in this Agreement, Developer shall have the right to designate one or more entities to serve as a Qualified Successor Developer (as defined below), with respect to one or more Residential Parcels, at any time. In order to do so, Developer shall submit to Agency for review evidence that the proposed Qualified Successor Developer meets one of the criteria described immediately below. "**Qualified Successor Developer**" shall mean a party meeting one or more of the following criteria: (a) a development company or homebuilding company which has an active role in the California market and which is publicly traded on a United States or Canadian stock exchange; (b) a development company or homebuilding company which has an active role in the California market and which either alone or in combination with its members or partners (or their constituent members or partners) or guarantors, has a demonstrated net worth of not less than Five Million Dollars ($5,000,000); or (c) a person who demonstrates to the Agency's reasonable satisfaction that it has the experience and financially ability necessary to complete the development, build-out and sale to the public of the Residential Parcel(s) as to which Developer intends to designate it, the standard for which will be whether a reasonably prudent commercial lender would loan to such proposed Qualified Successor Developer funds sufficient to acquire the Residential Parcel(s) and such proposed Qualified Successor Developer has binding

funding commitments and/or equity sufficient to complete the development and build-out of the subject Residential Parcel(s) in accordance with this Agreement. Agency's approval of a proposed designation of a Qualified Successor Developer shall be indicated to Developer in writing, and shall be granted or denied by Agency within twenty (20) days after its receipt of Developer's request for approval of such designation. If Agency fails to notify Developer of its approval or disapproval of such designation within twenty (20) days after the submittal of such evidence, then Agency shall be deemed to have rejected such designation.

B. Any permitted Qualified Successor Developer shall execute a written assignment and assumption agreement, in form and substance reasonably satisfactory to Agency, by which the Qualified Successor Developer shall agree to assume the obligations set forth in Section 34 of the Fourth Amendment. Developer shall thereafter be released from the terms of this Agreement with regard to the Residential Parcel that has been transferred to the Qualified Successor Developer. Agency shall execute the designation in favor of Qualified Successor Developer within five (5) business days of Developer's request for execution, provided that Agency has previously approved Qualified Successor Developer.

C. Any consent, determination, execution of documents, or decision of Agency to be given or made under this section shall be given or made in writing by the Agency's Executive Director."

Section 33. Sections 7 through 7.2 of the Third Amendment are amended in their entirety to read as follows:

"Agency provided a loan to Developer with a maximum principal amount of Five Hundred Thousand Dollars ($500,000) (**"Loan")**. (As of August 21, 2014, the outstanding principal balance (not including accrued interest) is Four Hundred Forty Thousand Nine Hundred Twenty-Seven Dollars and Forty Cents ($440,927.40). The Loan is evidenced by a Secured Promissory Note (**"Note")** dated April 22, 2010. Repayment of the Note is secured by a personal guaranty by Michael E. Rice and Frank J. Marinello, in form approved by Agency (**"Guaranty"**). A Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing (**"Deed of Trust")** shall be recorded against the Residential Parcels upon Developer's acquisition of each such parcel should there be an outstanding balance payable under the Note at such time and a lender's title policy shall be provided to Agency insuring the Agency's Deed of Trust in first lien position against the property. When such parcels are so encumbered such that the Note is fully secured, the Guaranty shall terminate. Agency shall release the Deed of Trust on each of the Residential Parcels as each such Residential Parcel is Transferred to a Qualified Successor Developer regardless of the amount paid towards the outstanding principal balance of the Loan, if any. If the Loan is not repaid

in full upon the Transfer of the last Residential Parcel, then Michael E. Rice and Frank J. Marinello shall execute and deliver to the Agency a Guaranty of the remaining outstanding obligation.

7.1 Use of Loan Proceeds. Provided all conditions to disbursement have been met, including without limitation compliance with the Agency conditions and criteria set forth in Exhibit C (of the Third Amendment) and such other reasonable requirements of Agency, including without limitation, the delivery to Agency of such documentation as to costs as Agency shall reasonable require, Developer shall be entitled to draw Loan proceeds solely for the following purposes: (i) granting to commercial tenants of the Project who have been approved by the Agency rent credits in the form of reduced or temporarily abated rent (i.e., Loan proceeds may be deposited into an escrow account to be used to make up operating deficits caused by such reduced or abated rent), and (ii) paying for tenant improvements for commercial tenants of the Project when such tenant improvements exceed $30 per square foot.

7.2 Loan Terms. The Note shall continue to bear interest at the rate of six percent (6%) interest per annum. Developer shall make payments on the Note to the extent required by Section 4.14, and shall repay the Note in full no later than five (5) years from the effective date of this Fourth Amendment. Payments made pursuant to Section 4.14 shall be paid to Agency from escrow for the closing of the sale of the Residential Parcels. Repayment of the Loan shall be an obligation of Developer and repayments shall be credited first toward accrued interest and then toward principal."

Section 34. Notwithstanding anything to the contrary in the Original DDA or this Fourth Amendment, effective upon the Transfer of a Residential Parcel or portion thereof to a Qualified Successor Developer, the provisions of this DDA shall be of no force or effect with respect to such Residential Parcel or portion thereof and shall not be applicable to such Qualified Successor Developer with respect to its ownership of such Residential Parcel or portion thereof that has been Transferred to it, except for (i) the obligation to pay the Lighthouse Development Fee pursuant to Section 4.12 of the DDA (as established by Section 30 of this Fourth Amendment); (ii) the obligation to pay the Downtown Economic Impact Fee pursuant to Section 4.18 (as established by Section 31 of this Fourth Amendment); and (iii) any rights and obligations (as determined by Developer) expressly assigned and assumed in the assignment agreement executed pursuant to Section 6.04(B) (as established by Section 32 of this Fourth Amendment).

Section 35. Section 9 of the First Amendment (i.e., that initial Section enumerated as Section 9 pertaining to demolition at Crystal Middle School site) is rescinded in its entirety.

Section 36. Exhibit E to the Original DDA ["Form of Grant Deed"] is deleted in its entirety and replace with the Revised Grant Deed attached hereto as Revised Exhibit E.

Section 37. The following exhibits are attached to this Fourth Amendment:

Exhibit	**Title**
Revised Exhibit A	Revised Legal Description of Property
Revised Exhibit B	Revised Site Plan
Revised Exhibit C	Revised Schedule of Performance
Revised Exhibit D	Revised Project Description/Scope of Development
Revised Exhibit E	Revised Grant Deed

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the Effective Date.

DEVELOPER:

MAIN STREET WEST PARTNERS, LLC,
a California limited liability company

By: _____
Michael E. Rice, President
Managing Member

By: _____
Frank J. Marinello
Vice President/Member

AGENCY:

SUCCESSOR AGENCY TO THE
SUISUN REDEVELOPMENT AGENCY

By: _____
Suzanne Bragdon,
Executive Director

ATTEST:

By:_____
Agency Secretary

APPROVED AS TO FORM:

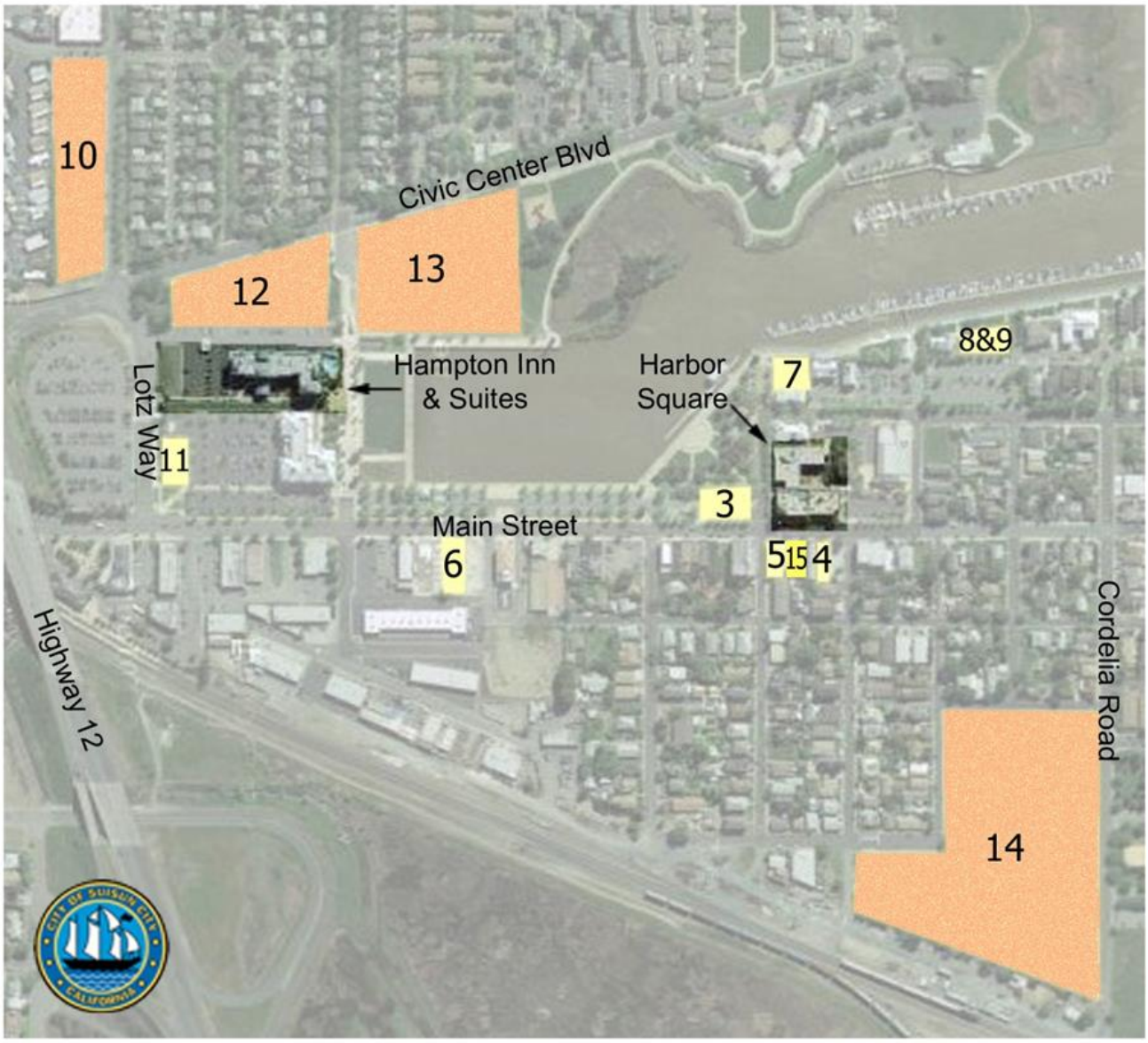
ALESHIRE & WYNDER

By: _____
Anthony Taylor, Agency Counsel

Revised Exhibit A Revised Legal Description of Property
{INSERT LEGAL DESCRIPTIONS}

Revised Exhibit B Revised Site Plan

MAIN STREET WEST DDA PARCELS



Revised Exhibit C Revised Schedule of Performance

SCHEDULE OF PERFORMANCE

All actions specified below shall be taken in accordance with the applicable sections of the DDA as amended ("Amended DDA"). In the event of a conflict between this Schedule and the provision of the Amended DDA, the provision of the Amended DDA shall control.

RESIDENTIAL PARCELS

PARCEL 10

Note: As of the Effective Date, Developer has partially entitled parcel 10 through tentative subdivision map. However, Developer expects to make minor modifications to the existing tentative map to accommodate current market conditions.

1. Developer shall submit all applications to City necessary to process amendments to existing tentative map within 150 days of the Effective Date.
2. Appraisal process shall commence upon Developer's request, but in no event more than 5 days after City approves such amendments and all appeal periods have run without challenge.
3. Within 5 days of being notified of such appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
4. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
5. Within 30 days after receiving notification of the Fair Market Value, Developer shall have the right, but not the obligation, to elect in writing to purchase the property for the Fair Market Value.
6. Concurrent with Developer's election to purchase the property, Developer shall deposit $30,000 in the Escrow Account. If Developer does not elect to purchase the parcel within said 30 days, Developer's rights with respect to that parcel shall terminate.
7. Within 90 days of the Effective Date, Developer shall submit Acquisition Financing Plan and the Final Development Plan to Agency.
8. The Close of escrow shall occur: (i) no sooner than the date the appeal period has run without challenge on the tentative map for Parcel 10, and (ii) no later than the first to occur of: (a) 90 days after a final map has recorded, or the fifth (5th) anniversary of the Effective Date.

PARCEL 13

1. Developer shall submit all applications to City necessary to process entitlements including a subdivision map within 150 days of the Effective Date.
2. Appraisal process shall commence upon Developer's request.
3. Within 5 days of being notified of such appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.

4. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
5. Within 30 days after notification of the Fair Market Value, Developer shall have the right, but not the obligation, to elect in writing to purchase the property for the Fair Market Value.
6. Concurrent with Developer's election to purchase the property, Developer shall deposit $30,000 in the Escrow Account. If Developer does not elect to purchase the parcel within said 30 days, Developer's rights with respect to that parcel shall terminate.
7. Within 90 days of the Effective Date Developer shall submit Acquisition Financing Plan and a Draft Final Development Plan to Agency.
8. The Close of escrow shall occur (i) no sooner than the date the appeal period has run without challenge on the tentative map approval for Parcel 13, and (ii) no later than the first to occur of: (a) 90 days after a final map has recorded, or the fifth (5th) anniversary of the Effective Date.

PARCEL 14

1. Developer shall submit all applications to City necessary to process entitlements including a subdivision map within 180 days of the City approving the General Plan Update, and all appeal periods have run without challenge.

2. Appraisal process shall commence upon Developer's request, but in no event more than 5 days after City approves general plan amendments and all appeal periods have run without challenge.

3. Within 5 days of being notified of such appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.

4. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.

5. Within 30 days after receiving notification of the Fair Market Value, Developer shall have the right, but not the obligation, to elect in writing to purchase the property for the Fair Market Value.

6. Concurrent with Developer's election to purchase the property, Developer shall deposit $30,000 in the Escrow Account. If Developer does not elect to purchase the parcel within said 30 days, Developer's rights with respect to that parcel shall terminate.

7. Within 90 days of the Effective Date Developer shall submit Acquisition Financing Plan and a Draft Final Development Plan to Agency (subject to BCDC Approvals).

8. The Close of escrow shall occur (i) no sooner than the date the appeal period has run without challenge on the tentative map approval for Parcel 14, and (ii) no later than the first to occur of: (a) 90 days after a final map has recorded, or the fifth (5th) anniversary of the Effective Date.

COMMERCIAL PARCELS[1]

PARCELS 1 & 2

1. Development on Parcels 1 and 2 is complete, and the property has transferred to MSW Partners. However, the Certificate of Completion required pursuant to Section 4.10 of the original DDA has not been issued as the Lighthouse Development Fee has not yet been paid.
2. The Lighthouse Development Fee shall be due on the first to occur of: (i) 30 months from the Effective Date, or (ii) concurrently with the sale of the first Residential Parcel and shall be paid directly to the Agency from the sale escrow.

PARCEL 3

Note: Developer has entitled this site and has submitted construction documents to the Building Department that will need to be revised and approved by the Suisun City Building Department. The Final Development Plan for Parcel 3 has been approved. This parcel shall (i) be marketed for lease/sale or build-to-suit at all times with a comprehensive marketing effort by a respected commercial real estate broker; and (ii) include, at Developer's cost, installation and maintenance of professionally designed signage located prominently on the parcel as approved/permitted by the City of Suisun.

1. Agency shall initiate the Appraisal for Parcel 3 upon written Developer's request, which request shall occur no later than 30 days after the first to occur of: (i) close of escrow for the second Residential Parcel or Developer's termination of rights for such parcel), or (ii) 3 years from the Effective Date. Failure to initial such request within the time period specified shall terminate Developer's rights to acquire the parcel.
2. Within 5 days of being notified of such appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account. If Developer does not elect to purchase the parcel within said 30 days, Developer's rights with respect to that parcel shall terminate.
5. Close of escrow shall occur on the first to occur of: (i) one day following issuance of a building permit by the Suisun City Building Department, or (ii) the fifth (5th) anniversary of the Effective DateThe fifth (5th) anniversary of the Effective Date. At least 60 days prior to the close of escrow, Developer must submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").

[1] Note: In the event that Developer secures an end-user or other developer to purchase a Commercial Parcel and covenants to build and develop the Parcel consistent with the applicable project description, Agency will consider consenting to a Transfer to such entity under Section 6.03. If the Agency is willing to consent to the Transfer, then upon assignment and assumption of the obligations in a form reasonably acceptable to the Agency by the entity, Agency will release the Developer in writing from responsibility for the applicable Commercial Parcel under the DDA.

6. Developer must commence construction of the building within 6 months of the date of close of escrow for the final Residential Parcel.
7. Within 12 months of construction commencement, Developer must the shell completed and ready for tenant improvements as evidenced by a Certificate of Completion.

PARCEL 7

Note: Developer has entitled this site and has submitted construction documents to the Building Department that will need to be revised and approved by the Suisun City Building Department. The Final Development Plan for this parcel has been approved. This parcel shall be marketed for lease/sale or build-to-suit at all times with a comprehensive marketing effort by a respected commercial real estate broker. This shall include installation and maintenance of professionally designed signage located prominently on the parcel as approved/permitted by the City of Suisun.

1. Upon Developer's request, Agency shall initiate Appraisal.
2. Within 5 days of being notified of the appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account.
5. Close of escrow shall occur on the first to occur of: (i) one day following issuance of a building permit by the Suisun City Building Department, or (ii) the fifth (5th) anniversary of the Effective Date. At least 60 days prior to the close of escrow, Developer must submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").
6. If Developer acquires parcel, Developer must commence construction of the building (as evidenced by the issuance of a building permit from the City of Suisun City) within 18 months of the date of the second Residential Parcel to close of escrow or termination of Developer's rights to such parcel unless Developer provides evidence of economic infeasibility in accordance with the Amended DDA.
7. Within 12 months of construction commencement, Developer must the shell completed and ready for tenant improvements as evidenced by a Certificate of Completion.

PARCELS 8 & 9

This parcel shall be marketed for lease/sale or build-to-suit at all times with a comprehensive marketing effort by a respected commercial real estate broker. This shall include installation of professionally designed signage located prominently on the parcel as approved/permitted by the City of Suisun.

1. Upon Developer's written request, Agency shall initiate Appraisal.
2. Within 5 days of being notified of the appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.

3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account.
5. Developer shall submit Final Development Plan to Agency within 30 days of notification of the Fair Market Value.
6. Close of escrow shall occur on the first to occur of: (i) one day following issuance of a building permit by the Suisun City Building Department, or (ii) the fifth (5th) anniversary of the Effective Date. At least 60 days prior to the close of escrow, Developer must submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").
7. Within 12 months of construction commencement, Developer must the shell completed and ready for tenant improvements as evidenced by a Certificate of Completion.

PARCEL 12

This parcel shall be marketed for a hotel with a comprehensive marketing effort by a respected commercial real estate broker which shall include installation of professionally designed signage located prominently on the parcel as approved/permitted by the City of Suisun.

1. Upon Developer's written request, Agency shall initiate Appraisal.
2. Within 5 days of being notified of the appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account.
5. Developer shall submit Final Development Plan to Agency within 30 days of notification of Fair Market Value.
6. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department, but in no event later than the fifth (5th) anniversary of the Effective Date. At least 60 days prior to the close of escrow, Developer shall submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").
7. Within 12 months of construction commencement, Developer must the shell completed and ready for tenant improvements as evidenced by a Certificate of Completion.

PARCEL 11

Prior to the third anniversary of the Effective Date ("Third Anniversary"), Developer shall determine if appropriate parking for the proposed development of said parcel is unavailable on property immediately adjacent to parcel 11 on terms acceptable to Developer in its good faith discretion. The Agency will work in concert with Developer to allow Developer to make such determination. If Developer has not notified Agency of an appropriate parking arrangement that is acceptable to the Developer by the Third Anniversary, in such event shall be excluded from

the DDA, all rights and responsibilities associated with Parcel 11 shall revert to the Agency, and Developer shall have no right or obligation to acquire Parcel 11.

1. Upon Developer's written request, Agency shall initiate Appraisal.
2. Within 5 days of being notified of the appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account.
5. Developer shall submit Final Development Plan to Agency within 30 days of notification of Fair Market Value.
6. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department, but in no event later than the fifth (5th) anniversary of the Effective Date. At least 60 days prior to the close of escrow, Developer shall submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").
7. Within 12 months of commencement of construction, Developer shall have completed the shell ready for tenant improvements as evidenced by a Certificate of Completion.

PARCELS 4, 5, 6 & 15

Prior to the third (3rd) anniversary of the Effective Date ("Third Anniversary"), Developer and Agency will work together to determine feasibility of new development given constraints associated with existing structures and potential flood plain issues, and shall explore alternative financing/grant opportunities with the goal of furthering required infrastructure and development and/or preservation opportunities along the west side of Main Street.

Notwithstanding the timeline set forth herein, Developer shall have no obligation to acquire parcels 4, 5, 6 and 15 if, prior to the Third Anniversary, a Final Development Plan has not been approved by the Agency and in such event, Parcels 4, 5, 6 and 15 shall be excluded from the DDA, all rights and responsibilities associated with said parcels shall revert to the Agency, and Developer shall have no right or obligation to acquire said Parcels.

If a Final Development Plan is approved before the Third Anniversary, then:

1. Upon Developer's written request which must occur within 30 days of approval of the Final Development Plan, Agency shall initiate Appraisal.
2. Within 5 days of being notified of the appraisal cost, Developer shall deliver to Agency all funds necessary to pay for the appraisal.
3. Agency shall notify Developer of Fair Market Value and provide a copy of the appraisal report upon receipt from Appraiser.
4. Within 60 days of notification of Fair Market Value, Developer shall deposit 10% of the Fair Market Value in the Escrow Account.
5. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department, but in no event later than the fifth (5th) anniversary

of the Effective Date. At least 60 days prior to the close of escrow, Developer shall submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").

6. Within 12 months of commencement of construction, Developer shall have completed the shell ready for tenant improvements as evidenced by a Certificate of Completion.

Revised Exhibit D Revised Project Description/Scope of Development

PROJECT DESCRIPTION/SCOPE OF DEVELOPMENT

East Side of Main Street

Parcels 1 and 2 were combined and developed with a two-story, multi-tenant mixed-use project, with "active" ground floor retail uses, and office space on the second floor. Further, a public courtyard feature was an integral component of the development on parcels 1 and 2. This property is known as "Harbor Square."

The design for parcel 3 (a vacant site) calls for a 2-story mixed use building that will also have "active" ground floor retail uses, and office or residential space on the second floor. Further, the building designed for parcel 3 is complimentary in terms of architecture and design to the development on parcels 1 and 2.

West Side of Main Street

The west side of Main Street consists of vacant parcels in addition to vacant dilapidated buildings. Parcels 4, 5, and 15 are located along the 700 block of Main Street and are to be developed consistent with the Downtown Waterfront Specific Plan.

Parcel 6 is a vacant lot located along the 300 block of Main Street, and should also be developed consistent with the Downtown Waterfront Specific Plan.

Waterfront Parcels

Parcels 7, 8, and 9 are vacant lots, and are slated for development with similar product relative to existing buildings in the immediate vicinity (such as the Miller-Sorg building, Athenian Grill, The Gallery Salon, and Babs), and consistent with the Downtown Waterfront Specific Plan.

Parcel 12 is a vacant lot, and is slated for non-residential development, consistent with the Downtown Waterfront Specific Plan.

One Harbor Center Pad Parcel

Parcel 11 is currently a vacant "pad" parcel to the One Harbor Center Office building. This parcel is slated for commercial development. However, this parcel is subject to terms of a parking agreement with One Harbor Center that restricts the development utility of this site. If appropriate parking for the proposed development of Parcel 11 is unavailable on property immediately adjacent to the parcel on terms acceptable to Developer in its good faith discretion, the Agreement provides that the Developer may waive its right to purchase Parcel 11, and the parcel would revert back to Agency ownership.

Residential Parcels

Parcel 10 is currently vacant land slated for residential development. The Agency assembled several smaller parcels (totaling approximately 6,500 square feet) that were controlled by the State of California Department of Water Resources (DWR), which are

now included as part of Parcel 10. A tentative subdivision map was approved for this site, although revisions are anticipated.

Parcel 13 is slated for residential development consistent with the Downtown Waterfront Specific Plan. The existing parking lot serving the Marina may require relocation and will be incorporated into this development.

Parcel 14 is the former Crystal Middle School site. The former school improvements have been demolished. There is soils remediation required at the northern portion of the site along Morgan Street involving remnants of a former underground storage tank made of redwood. The site must be rezoned to allow for residential development.

Revised Exhibit E Revised Grant Deed
{INSERT GRANT DEED}

RESOLUTION NO. OB 2014 -__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE TERM OF THE MAIN STREET WEST DISPOSITION AND DEVELOPMENT AGREEMENT (DDA)

WHEREAS, the California State Legislature enacted Assembly Bill 1X26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Suisun City (the "City Council") declared that the City of Suisun City (the "City") would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Suisun City (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012, to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, Health and Safety Code Section 34181(e) provides that the Oversight Board may approve amendments to agreements with private parties if it finds that amendments would be in the best interest of the taxing entities; and

WHEREAS, the Redevelopment Agency of the City of Suisun City entered into a Disposition and Development Agreement (DDA) with Main Street West Partners (the Developer) dated April 17, 2006; and

WHEREAS, said DDA has been revised from time to time by Amendments Nos. 1 – 3; and

WHEREAS, on January 17, 2014, the Oversight Board adopted a resolution extending the term of the DDA 120 days through June 19, 2014, which was subsequently approved by the California Department of Finance; and

WHEREAS, on February 11, 2014, Main Street West Partners filed a complaint with the Solano County Superior Court for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief to ask the court to validate the continued enforceability of the DDA and modifications to allow for the completion of the performance of the requirements of the DDA; and

WHEREAS, in April 2014, the California Department of Finance appeared in the lawsuit filed by Main Street West Partners and sought to change the venue of the lawsuit from Solano

County to Sacramento Superior Court. These court proceedings have caused further delays and uncertainty; and

WHEREAS, since the project was subject to a pending court process and included several unexpected legal challenges, the case was not resolved by the end of the initial 120-day extension, and was extended by two additional 60-day extensions in place through October 17, 2014; and

WHEREAS, Main Street West Partners recently amended their complaint with the Court, further delaying the court case; and

WHEREAS, the Successor Agency and Main Street West Partners have continued to work on updates to the DDA that would allow the project to proceed, as well as meet the interests of all parties involved, including the affected taxing entities; and

WHEREAS, the Successor Agency and Main Street West Partners wish to proceed with a proposed amendment to the DDA, which will require Oversight Board and DOF approval, and such approval from the DOF may take approximately 65 days or longer; and

WHEREAS, pursuant to Part Two, Article 3.04 of the DDA, the Developer and Agency wish to extend the term of the DDA through January 31, 2015, beyond the current expiration including all obligations and conditions contained therein; and

WHEREAS, other than extending the time for performance under the current DDA, said extension would not alter or amend any business terms of the DDA or any of its amendments; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City hereby authorizes the Executive Director or her designee to execute an extension through January 31, 2015 to all terms, conditions, and obligations set forth in the DDA.

PASSED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Thursday, the 9th day of October 2014, by the following vote:

AYES:	Boardmembers:	_____
NOES:	Boardmembers:	_____
ABSENT:	Boardmembers:	_____
ABSTAIN:	Boardmembers:	_____

WITNESS my hand and the seal of said City this 9th day of October 2014.

_____
Linda Hobson, CMC
Secretary

RESOLUTION NO. OB 2014 -__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY APPROVING AND AUTHORIZING THE EXECUTION OF THE FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH MAIN STREET WEST PARTNERS, LLC.

WHEREAS, the California State Legislature enacted Assembly Bill 1X26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Suisun City (the "City Council") declared that the City of Suisun City (the "City") would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Suisun City (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012, to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, Health and Safety Code Section 34181(e) provides that the Oversight Board may approve amendments to agreements with private parties if it finds that amendments would be in the best interest of the taxing entities; and

WHEREAS, the former Redevelopment Agency of the City of Suisun City entered into a Disposition and Development Agreement (DDA) with Main Street West Partners (the Developer) dated April 17, 2006; and

WHEREAS, said DDA has been revised from time to time by Amendments Nos. 1 – 3; and

WHEREAS, on February 1, 2012, the Redevelopment Agency of the City of Suisun City was replaced by the City Council Acting as Successor Agency to the Redevelopment Agency of the City of Suisun City (the Agency); and

WHEREAS, the term of the DDA, which has been approved by the Oversight Board and the Department of Finance, has been extended from time to time through October 17, 2014; and

WHEREAS, other than extending the time for performance under the current DDA, said extension has not altered or amended any business terms of the DDA or any of its amendments; and

WHEREAS, on February 11, 2014, Main Street West Partners filed a complaint with the Solano County Superior Court for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief to ask the court to validate the continued enforceability of the DDA and modifications to allow for the completion of the performance of the requirements of the DDA; and

WHEREAS, in April 2014, the California Department of Finance appeared in the lawsuit filed by Main Street West Partners and has brought forth legal challenges to the lawsuit; and

WHEREAS, Main Street West Partners recently amended their complaint with the Court, further delaying the court case; and

WHEREAS, the Successor Agency and Main Street West Partners have continued to work on updates to the DDA that would allow the project to proceed, as well as meet the interests of all parties involved, including the affected taxing entities; and

WHEREAS, the Successor Agency and Main Street West Partners wish to proceed with a proposed amendment to the DDA, which requires Oversight Board approval, and may be reviewed by the DOF; and

WHEREAS, Developer has dedicated substantial time and financial resources in connection with engineering, planning, permitting, marketing and construction for development of the Project, and the Agency has determined that Developer remains most qualified to complete development of the Project in the manner anticipated by the DDA; and

WHEREAS, due to the economic climate since the last Amendment to the DDA, in addition to uncertainty and challenges presented by the dissolution of the former redevelopment agency, the Parties have determined it was not feasible to develop the Project within the timeframe set forth in the DDA; and

WHEREAS, the Parties desire to modify the DDA in order to provide for an extension of time for development of the Project, including a delay in the schedule for Developer's acquisition and development of certain parcels; and

WHEREAS, the Parties desire to amend the DDA to reflect current market conditions, make certain modifications necessary as a result of the dissolution of the former redevelopment agency and to provide for additional time to allow developer to fulfill obligations of the DDA; and

WHEREAS, under applicable redevelopment dissolution law, the Oversight Board can direct the Successor Agency, subject to review by the Department of Finance, to "determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be . . . renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed . . . amendment agreements to the oversight board for its approval. The board may approve any amendments to . . . those agreements if it finds that amendments . . . would be in the best interests of the taxing entities." (Health & Safety Code Section 34181(e)); and

WHEREAS, pursuant to Part Two, Article 3.04 of the original DDA, the Developer has the right to request an extension of time and modifications to the existing terms of the DDA for circumstances that include, without limitation, a change in law and changes in economic conditions and the Executive Director may extend times of performance in writing by mutual agreement of the Developer and the Executive Director, and the Executive Director may refer the matter of extension and modifications to the DDA to the Agency Board, which is now the Successor Agency; and

WHEREAS, the Oversight Board finds that substantial evidence has been presented at the public hearing in this matter to support an extension of time and for modifications to the

existing DDA as specifically set forth in the Fourth Amendment to the DDA and as described in the staff report and administrative record in this matter; and

WHEREAS, the DDA as executed in 2006 specifically provides that the Developer acknowledges that the Agency makes no representation regarding the ability and willingness of the Agency or the City to approve the project after environmental review and that the "parties recognize that if as a result of the environmental review process the Project is not approved for development, both the Agency and Developer each have an independent right to terminate this Agreement. " (Sec. 1.09 of the DDA.) Additionally, the Developer acknowledged that the City could impose mitigation measures after the environmental review; and

WHEREAS, nothing in the Fourth Amendment to the DDA is a binding commitment to approve entitlements for the subject parcels and all environmental review is required to be performed before any project approvals could be issued after full compliance with all applicable environmental laws; and

WHEREAS, the Successor Agency finds that the Fourth Amendment to the DDA is intended to provide a financing framework for the matters described within it and it is not a binding commitment for any environmental approvals, mitigation measures or entitlements and that all necessary environmental review is being completed before any project could move forward; and

WHEREAS, the Parties have proposed such updates contained in the amendment with the interest of increasing net revenues to the affected taxing entities; and

WHEREAS, the Fourth Amendment provides for updates that reflect current market conditions, and makes certain modifications necessary as a result of the dissolution of the former redevelopment agency, and provides for additional time to allow developer to fulfill obligations of the DDA; and

NOW, THEREFORE, THAT THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY DOES RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The Fourth Amendment in substantially the form on file with the Secretary of the Board is hereby approved. The Executive Director of the Agency (or designee) is hereby authorized on behalf of the Oversight Board to execute the Fourth Amendment, subject to review if requested by the Department of Finance, and to make revisions to said which do not materially or substantially increase the Agency's obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Fourth Amendment and to administer the Agency's obligations, responsibilities and duties to be performed under the Fourth Amendment Agreement and related documents.

PASSED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Thursday, the 9th day of October 2014, by the following vote:

AYES:	Boardmembers:	_____
NOES:	Boardmembers:	_____
ABSENT:	Boardmembers:	_____
ABSTAIN:	Boardmembers:	_____

WITNESS my hand and the seal of said City this 9th day of October 2014.

_____
Linda Hobson, CMC
Secretary