

**AGENDA
ITEM**

5



CITY COUNCIL AGENDA STAFF REPORT

DATE: August 21, 2024

TO: City Council

APPROVED BY: Juan Contreras, Acting City Manager *JAC*

REVIEWED BY: George Galvan, AICP, Contract Planner, The Holt Group, Inc.

PREPARED BY: Francisco Barba, Contract Planner, The Holt Group, Inc. *F Barba*

SUBJECT: Adopt Resolution No. 2024-__ releasing the Development Agreement Recorded in 2011 between Hallwood Calexico Investments, LLC and the City of Calexico for the Development of the 111 Calexico Place Project Located South of Jasper Road and West of Highway 111 at the Northwest corner of City Limits

RECOMMENDATION:

Adopt a Resolution releasing the development agreement between Hallwood Calexico Investments, LLC, a Delaware limited liability company, and the City of Calexico for the development of the 111 Calexico Place project.

BACKGROUND:

On the 20th of January 2011, the City of Calexico executed a development agreement with Hallwood Calexico Investments, LLC, a Delaware limited liability company, for the development of the 111 Calexico Place project. The 111 Calexico Place project consists of the development of a 232-acre project site with commercial highway uses such as a casino, hotels, entertainment facility, and other commercial oriented developments. The project required a variety of discretionary actions such as a specific plan, general plan amendment, zone change, tentative tract map, development agreement, environmental studies, and site plan review process which were all completed and approved by the City Council between 2008 and 2010.

While all the necessary approvals for the project were acquired and the development agreement was executed, work on the development of the project was never initiated and has been abandoned. The location of the project is currently in the process of being retained by a potential investor;

however, the currently active development agreement must first be released before being fully retained by the new investor.

The purpose of this item is to present the request to release the development agreement between Hallwood Calexico Investments, LLC, a Delaware limited liability company, and the City of Calexico for the development of the 111 Calexico Place project to the City Council where they will motion to approved or deny the release of the development agreement.

DISCUSSION AND ANALYSIS:

As part of the development agreement, Hallwood Calexico Investments, LLC, would cooperate with the City of Calexico on the completion of all actions in conjunction with the development of the 111 Calexico Place Project. Said actions include the timely and reasonable completion of all applicable agreements, and the timely submittal of all plans, applications, documents, etc. required for the City to review and process the project.

In turn, the City of Calexico was given certain obligations, on section 5 of page number 7 of the development agreement, pertaining to the following:

- a. Additional Entitlements. The City shall review and use all reasonable efforts to expeditiously process any subdivision map, parcel map, use permit, variance or other discretionary approval which may be submitted in connection with development of the Project.
- b. Permits. The City shall issue building permits and certificates of occupancy only after the City has reviewed and approved the Property Owner's applications.

The obligations from both parties were intended to ensure the timely completion of the project which would ultimately enable the City to benefit from the planned facilities, programs, and revenues of the development.

Since the project has been abandoned, the applicant has failed to comply with their obligation to proceed with the project in a timely and reasonable manner as stipulated in the development agreement. Therefore, the City is no longer required to meet the obligations listed on section 5 of page number 7 of the agreement. By releasing the development agreement, the property owner will be free to transfer ownership of the property to another interested party which will immediately open the site for future development. Otherwise, the site will remain undeveloped until the development agreement has reached its fifteen (15) year expiration date of January 20, 2026.

FISCAL IMPACT

No fiscal impact.

COORDINATED WITH

City Manager's Office

Attachments: Attachment A – Location Map
Attachment B – Recorded Development Agreement
Attachment C – City Council Resolution

Attachment A – Location Map



LEGEND:

 PROJECT LOCATION

The Holt Group, Inc.
ENGINEERING · PLANNING · SURVEYING



1601 N. Imperial Ave. El Centro, California 92243

(760)337-3883

NOT TO SCALE

111 CALEXICO PLACE
CORNER OF JASPER ROAD AND HIGHWAY 111
CALEXICO, CALIFORNIA

PROJECT LOCATION
MAP

THG Project No. 176.017

PREPARED BY THG DATE 08/13/2024

Attachment B – Recorded Development Agreement

Recorded in Official Records, Imperial County

1/31/2011
3:22 PM
IV

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Chuck Storey
County Clerk / Recorder

P Public

Doc#: 2011-003205

Titles: 1 Pages: 37

City of Calexico
Attn: City Manager
608 Heber Avenue
Calexico, California 92231



Fees	0.00
Taxes	0.00
Other	0.00
PRI	00.00

(SPACE ABOVE FOR RECORDER'S USE ONLY)

DEVELOPMENT AGREEMENT

111 CALEXICO PLACE

CITY OF CALEXICO

JANUARY 2011

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Exhibits

Exhibit "A" – Legal Description of Property

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this 20th day of January, 2011, by and between (i) the CITY OF CALEXICO, a municipal corporation organized and existing under the laws of the State of California (the "City"), and (ii) HALLWOOD CALEXICO INVESTMENTS, LLC, a Delaware limited liability company (the "Property Owner"), pursuant to the authority of Sections 65864 through 65869.5 of the California Government Code. The City and the Property Owner may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. The Property Owner is the Owner of certain real property, consisting of approximately two hundred thirty-two (232) acres, more particularly described in Exhibit "A" attached hereto (the "Property"). The Property is located in the northerly portion of the City, west of and adjacent to State Highway 111.
- B. The Property Owner proposes to develop the Property as a commercial project to be known as 111 Calexico Place (the "Project"). The City and the Property Owner mutually recognize that this represents a unique opportunity to work cooperatively in formulating and carrying out a comprehensive development plan that will have a beneficial impact on the area in which this property is located, as well as on the City as a whole. To that end, the Parties have cooperated in designing a development plan which advances their mutual goals.
- C. The City Council certified a Final Environmental Impact Report ("GPEIR") in connection with the City's General Plan Update in May 2007.
- D. In conjunction with approval of the Project, City Council Resolution No. 09-06 certified Final Environmental Impact Report No. 2008-07, adopted findings and a statement of overriding considerations, and adopted a Mitigation Monitoring and Reporting Plan (collectively, the "EIR"). The City Council certified that the EIR was legally adequate, and that it satisfied the requirements of the California Environmental Quality Act ("CEQA;" California Public Resources Code Section 21000 *et seq.*), the CEQA Guidelines (California Code of Regulations Section 15000 *et seq.*) and applicable ordinances and regulations of the City.
- E. The City Council approved land use entitlements for the Project, consisting of the following: (i) Resolution 09-07, approving General Plan Amendment No. 2008-05 (the "GPA"); (ii) Resolution No. 09-08, approving Tentative Tract Map No. 2008-05 (the "Map"); (iii) Ordinance No. 1087, approving Specific Plan No. 2008-05 (the "Specific Plan"); and (iv) Ordinance No. 1088, approving Base Zone Change No. 2008-08 (the "Zone Change"). The foregoing resolutions and ordinances, and all plans and other documents approved therein, along with the EIR, collectively are referred to herein the "Project Approvals." The Project Approvals shall include any

other future discretionary land use approvals relating to the Project, upon their approval by the City.

- F. This Agreement will enable the City to realize significant benefits, in the form of facilities, programs and revenues. In particular, these include establishment of a Class III Tribal Gaming Casino Facility and associated visitor-serving facilities (collectively, the "Casino"). Furthermore, development of the Project is expected to contribute significantly toward generation of benefits and enhancement of the quality of life for both current and future residents of the City. Consequently, entering into this Agreement is acknowledged to be to the mutual benefit of the Parties.
- G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864 *et seq.* of the California Government Code, which authorizes the City to enter into a development agreement with any person or entity having a legal or equitable interest in real property, providing for the development of such property and establishing certain reciprocal rights and obligations related to such development.
- H. To implement the above-described state laws, the City adopted Chapter 16.52 of the Calexico Municipal Code, establishing procedures and requirements for considering, approving and implementing development agreements.
- I. The Property Owner has a legal interest in the real property situated in the City which is the subject of this Agreement, and therefore satisfies the statutory requirements to enter into this Agreement.
- J. In connection with this Agreement, the City Council reviewed the previously approved EIR and GPEIR. The uses and actions contemplated in this Agreement are those authorized in the Project Approvals and will not have any environmental effects which are peculiar to this Agreement or were not analyzed in the EIR or the GPEIR. Pursuant to CEQA guidelines Section 15164 the City has prepared an Addendum to the FEIR to include this Agreement among the City's discretionary approvals for the Project, and determined that none of the conditions described in the CEQA Guidelines Section 15162 concerning subsequent preparation of an EIR have occurred. Pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183, no further review under CEQA, the CEQA Guidelines and the applicable ordinances and regulations of the City is required for this Agreement.
- K. The Planning Commission, on November 22, 2010, conducted a hearing and adopted findings relating to this Agreement, as required by Municipal Code Section 16.52.060 *et seq.*, and recommended that the City Council approve this Agreement.
- L. The City Council, on December 7 and December 21, 2010, made all findings and determinations relating to this Agreement which are required by Municipal Code

Section 16.52.111 *et seq.*, and approved this Agreement by its adoption of Ordinance No. 1128. In doing so, the City Council determined that this Agreement complies with and is consistent with all applicable plans, ordinances and regulations of the City.

- M. The City Council finds that execution of this Agreement and the performance of and compliance with the terms and conditions set forth herein by the Parties: (i) is in the best interests of the City; (ii) will promote the public convenience, general welfare and good land use practices in the City; (iii) will promote preservation and enhancement of land values in the City; (iv) will encourage the development of the Project by providing a reasonable level of certainty to the Property Owner; and (v) will provide for orderly growth and development in a manner consistent with the General Plan and other plans and regulations of the City.

NOW, THEREFORE, in consideration of the above Recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and obligations of the Parties set forth herein, the Parties agree as follows:

1. Use of Property; Project Development Requirements.

a. Development Standards. Except as otherwise specifically provided in this Agreement, the Project shall be developed in accordance with the Project Approvals and the Applicable Regulations (as defined below); provided, however, that the City reserves certain authority under its police power to take actions necessary to protect the public health and safety, which actions are generally applicable on a citywide basis and are actually effective upon general categories or areas of properties, do not disproportionately burden the Property or the Project relative to other similarly situated properties or projects, and cannot be legally relinquished or restricted by this Agreement, and this Agreement shall be subject thereto.

b. Rules and Regulations. Pursuant to Government Code Section 65866, and except as otherwise provided in this Agreement, the regulations, rules and official policies of the City governing (i) permitted uses within the Project, (ii) density and intensity of use, (iii) design, improvement and construction standards and specifications, and (iv) all other terms and conditions of development of the Project shall be those regulations, rules and official policies which are in effect on the Effective Date, as modified and/or supplemented by the Specific Plan and other Project Approvals (collectively, the "Applicable Regulations"). Other ordinances, regulations and official policies of the City which are adopted thereafter may be applicable to the Project, to the extent that they are not in conflict with the Applicable Regulations. The Applicable Regulations do not include the City's Building, Fire, Electrical, Plumbing and Mechanical Codes and other similar ordinances, codes, rules and regulations mandated by state law which establish construction standards that are intended to be applied ministerially to the construction of building improvements on all private property in the City.

The Parties mutually acknowledge that the portion of the Project intended to be the site of the Casino, and identified as Lot 3 in Exhibit "A", is subject to a Memorandum of Understanding (the "MOU") between the City and the Manzanita Band of the Kumeyaay Nation. Nothing in this Agreement is intended to modify or conflict with

any provisions of the MOU, as long as the MOU is in effect. The Project Approvals, the Applicable Regulations and this Agreement shall govern as to any Project-related matters pertaining to the Casino which are not addressed in the MOU.

The Parties further mutually acknowledge that the portion of the Property identified as Lot 2 in Exhibit "A" (the "Seller Site") is required to be transferred by the Property Owner to the prior owner, pursuant to the contract by which the Property Owner acquired title to the Property. The Project Approvals, the Applicable Regulations and this Agreement shall govern as to any Project-related matters pertaining to the Seller Site.

c. Permitted Uses. During the term of this Agreement, the permitted uses, the density and intensity of uses, the maximum heights, locations and sizes of buildings, the provisions for vehicular access and parking, other zoning standards, the requirements for any reservation or dedication of land for public purposes, the environmental impact mitigation measures and all other terms and conditions of development of the Project shall be those set forth in the Project Approvals and the Applicable Regulations.

d. Project Access. The City acknowledges that development and use of the Project in accordance with the Project Approvals will require use of certain existing public rights of way. The City shall take no action which would prohibit or prevent public access to the Property as shown in the Specific Plan. Further, at no cost to the City, the City shall cooperate with the Property Owner in securing all additional public access or rights of way shown in the Specific Plan or otherwise required by the City in connection with development of the Project, from any other public or private owners of property through which such access or rights of way must pass. The Property Owner shall pay all costs of acquiring any additional public access or rights of way pursuant to this paragraph. Such cooperation may include consideration by the City of whether or not eminent domain could be used under the circumstances.

e. Public Financing. The City shall cooperate with the Property Owner in assisting with available means of public financing, consistent with City ordinances or policies then in effect, for some or all of the public facilities and/or services required to be constructed or provided in connection with the Project and development impact fees required by the City or other public agencies to be paid in connection with the Project, pursuant to the Project Approvals and the Applicable Regulations. The City's obligations in this regard shall be subject to and consistent with the City's ordinances and policies, if any, regarding use of public financing, as well as any applicable provisions of state law, and shall be consistent with a public facilities financing plan to be formulated by the Parties hereafter. This section shall not be interpreted to require any future approvals by the City Council, however the City agrees that the concept of any applicable financing will be submitted to the City Council for consideration if allowed pursuant to applicable State law and the City's ordinances and policies. Further, the Property Owner shall be responsible for all costs necessary to prepare and submit appropriate financing documentation to the City Council and shall provide a sufficient deposit in advance of any work being done on the financing.

f. Reimbursement. If the Property Owner constructs improvements that fall within the reimbursement procedures under Government Code section 66485 or

Chapter 13.40 of the Calexico Municipal Code, the Property Owner may seek reimbursement as provided in the applicable state law provision and/or Municipal Code provisions. Further, if legally permissible, the City may consider whether or not any improvements that are constructed by the Property Owner that benefit other property owners could be considered as a credit to the Property Owner under the formation of a future assessment district that covers the same improvements.

2. Vesting of Rights. Upon the Effective Date of this Agreement, the City hereby grants to the Property Owner a vested right to develop and construct on the Property the Project as authorized by, and in accordance with, the terms of this Agreement, the Project Approvals, the Applicable Regulations and any subsequent required discretionary review, including environmental review.

a. Future Amendments; Moratoria. No future amendments to the Applicable Regulations shall apply to the Property or the Project, except such future modifications that are not in conflict with and do not prevent development of the Project in accordance herewith; provided, however, that no city-imposed moratorium or other limitation approved, issued or granted within the City shall prevent or restrict the development or use of the Property in the manner and to the extent permitted by the Project Approvals, the Applicable Regulations and this Agreement, whether directed to building construction, sewer or water services, traffic impacts or otherwise.

b. Revised Fees. Any existing application, processing, administrative, legal, development impact and inspection fees that are revised during the term of this Agreement shall apply to the Project, provided that: (i) such fees have general applicability; (ii) the application of such fees to the Project is prospective; and (iii) the application of such fees would not prevent development and use of the Property in accordance with the Project Approvals, the Applicable Regulations and this Agreement.

c. New Taxes. Any subsequently enacted citywide taxes shall apply to the Property (subject to Section 1.e above), provided that: (i) the application of such taxes to the Property is prospective; and (ii) the application of such taxes would not prevent development and use of the Property in accordance with the Project Approvals, the Applicable Regulations and this Agreement.

d. Assessments. Nothing herein shall be construed to relieve the Property from its fair share of common benefit assessments levied against both the Property and similarly situated properties by the City pursuant to, and in accordance with, any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property and similarly situated properties.

e. Subsequent Revision of Applicable Regulations. Notwithstanding anything in this Agreement to the contrary, if, after the Effective Date, the City, by official formal action, amends or otherwise revises the Applicable Regulations, the Property Owner shall have the right to elect, in its sole and absolute discretion, to waive its rights hereunder and develop and use the Property in accordance with those land uses permitted by such amended or revised Applicable Regulations.

f. Federal and State Laws. To the extent required by Government Code Section 65869.5, this Agreement shall not preclude the application to the Property of

changes in city rules, regulations or official policies, the terms of which are specifically mandated and required (as opposed to permitted) by federal or state laws. In the event such federal or state laws prevent or preclude compliance with one or more provisions of this Agreement, the Property Owner may elect (i) to have the remaining provisions of this Agreement remain in full force and effect, and continue to be binding on the Parties, or (ii) to terminate this Agreement. Where any state or federal law allows the City to exercise any discretion or to take any action with respect to that law, the City shall, in an expeditious and timely manner, at the earliest possible time, (i) exercise its discretion such a way as to be consistent with, and carry out the terms of, this Agreement, and (ii) take such other actions as may be necessary to carry out in good faith the terms of this Agreement.

3. Term of Agreement and Timing of Development.

a. Effective Date; Term. The term of this Agreement shall commence on the effective date of the ordinance approving this Agreement ("Effective Date"), shall extend for a period of fifteen (15) years thereafter ("Expiration Date"), and, unless extended by mutual consent of the Parties, shall expire on the fifteenth (15th) anniversary of the Effective Date. In the event that litigation to which the City is a party and in which the Property Owner or any of its officers, agents, employees, contractors, representatives or consultants are parties or real parties in interest, should delay implementation or construction of development of the Project in accordance with this Agreement, the expiration date of this Agreement shall be extended for a period equal to the length of time from the date the summons and complaint is served on the defendant(s) until the date the judgment entered by the court is final and not subject to appeal; provided, however, that the total amount of time for which the expiration date shall be extended as a result of such litigation shall not exceed five (5) years.

b. Timing of Development. The parties acknowledge that the Property Owner cannot at this time predict when or at what rate the Property will be developed. Such decisions depend upon numerous factors which are not within the control of the Property Owner, such as market orientation and demand, interest rates and competition. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development permitted a later adopted initiative restricting the timing of development and controlling the Parties' agreement, it is the intent of the Property Owner and the City to hereby acknowledge and provide for the right of the Property Owner to develop the Project in such order and at such rate and times as the Property Owner deems appropriate within the exercise of its sole and subjective business judgment. The City acknowledges that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement.

c. Termination upon Completion. If not already terminated by reason of any other provision hereof, this Agreement shall automatically terminate upon: (i) total build-out of the Project pursuant to the Project Approvals and any amendments thereto; (ii) the issuance of all occupancy permits for improvements on the Property; and (iii) acceptance by the City of all dedications of public rights-of-way and public improvements; provided, however, that the Property Owner has paid all required fees and otherwise complied with the terms of this Agreement and the Applicable Regulations.

Similarly, where all such conditions have been satisfied with respect to any phase of the Project, as designated in the Specific Plan, then this Agreement shall automatically terminate as to that phase. As used herein, "total build-out" shall mean the completion of all construction in the Project, or in any phase of the Project, of all buildings, structures, infrastructure, improvements, landscaping and associated amenities contemplated or permitted by the Specific Plan, all other infrastructure required by the Project, and performance by the Property Owner and the City of all of their respective obligations hereunder.

d. Term of Approvals. The Project Approvals shall remain valid and in effect for the entire term of this Agreement and the City shall take no action to rescind, revise or otherwise modify the Project Approvals, except at the request of or with the consent of the Property Owner.

4. Cooperation between Parties in Implementation of This Agreement. The Property Owner and City shall proceed in a reasonable and timely manner, in compliance with the deadlines mandated by applicable agreements, statutes or ordinances, to complete all steps necessary for implementation of this Agreement and development of the Property in accordance with the terms of this Agreement. Property Owner, in a timely manner, shall provide City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and to cause its planners, engineers and all other consultants to submit in a timely manner all necessary materials and documents.

5. Obligations of City.

a. Additional Entitlements. The City shall review and use all reasonable efforts to expeditiously process any subdivision map, parcel map, use permit, variance or other discretionary approval which may be submitted in connection with development of the Project.

b. Permits. The City shall issue building permits and certificates of occupancy only after the City has reviewed and approved the Property Owner's applications.

6. Interests of Other Property Owners. The Property Owner has no knowledge of any reason why the Property Owner, and any other persons holding legal or equitable interests in the Property as of the date on which title to the Property vested of record in the Property Owner, will not be bound by this Agreement.

7. No Property Interest: Binding Effect.

a. Covenant. This Agreement shall bind, and inure to the benefit of, the respective Parties and their successors in interest, including their heirs, representatives, assigns, partners and investors, and all other persons and entities acquiring any rights or interests in the Property or any portion thereof, whether by operation of law or in any other manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land.

b. No Property Interest. Nothing herein shall be construed as a dedication or transfer of any right or interest in, or as creating a lien with respect to, title to the Property.

8. Assignment.

a. Right to Assign. The Property Owner may, at any time or from time to time, transfer its right, title or interest in or to all or any portion of the Property. In accordance with Government Code Section 65868.5, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties. As a condition precedent to any such transfer, the Property Owner shall require the transferee to acknowledge in writing that the transferee has been informed, understands and agrees that the burdens and benefits under this Agreement relating to such transferred property shall be binding upon and inure to the benefit of the transferee, provided that, upon the effectiveness of the release provided in Section 8.d below, the Property Owner shall no longer be required to obtain the transferee's written acknowledgement. Any default by the Property Owner existing at the time of assignment of any of its rights and obligations hereunder shall remain the obligation of the Property Owner, unless the assignee expressly accepts such obligation and the City expressly approves the assignment of such obligation. Any default by the assignee occurring after the time of assignment of any rights and obligations of the Property Owner to an assignee shall be solely the responsibility of that assignee, and shall not be deemed to be a default by either the Property Owner or any other assignee

b. Notice of Assignment or Transfer. Prior to completion of development of the Project, no transfer, sale or assignment of the Property Owner's rights, interests and obligations hereunder relating to Lot 1 as described in Exhibit "A" shall occur without the prior written notice to City and approval by the City Manager, which approval shall not be unreasonably withheld or delayed. The City Manager shall consider and approve the matter within twenty (20) days after the Property Owner's notice, provided all necessary documents, certifications and other information are provided to the City Manager. Approval shall be deemed given twenty (20) days after the Property Owner's notice to City unless the City Manager gives the Property Owner express notice of disapproval and the basis for disapproval. It is further provided that, notwithstanding any provision of this Section 8, after the completion of development of the Project and the satisfaction of all the Property Owner's obligations under this Agreement, the City Manager approval shall not be required for transfers to any buyer of Lot 1 in its entirety.

c. Exception for Notice. Notwithstanding Section 8.b, the Property Owner may, at any time, upon notice to the City but without the necessity of any approval by the City, transfer the Property or any part thereof and all or any part of the Property Owner's rights, interests and obligations hereunder to: (i) any subsidiary, affiliate, parent or other entity which controls, is controlled by or is under common control with Property Owner; (ii) any member or partner of the Property Owner or any subsidiary, parent or affiliate of any such member or partner, or (iii) any successor or successors to the Property Owner by merger, consolidation, non-bankruptcy reorganization or government action. As used in this paragraph, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies, whether through the

ownership of voting securities, partnership interest, contracts (other than those that transfer Property Owner's interest in the property to a third party not specifically identified in this Section 8.c) or otherwise. Furthermore, the Property Owner may, at any time, upon notice to the City but without the necessity of any approval by the City, transfer (i) Lot 3 described in Exhibit "A" to the Manzanita Band of the Kumeyaay Nation, and (ii) Lot 2 described in Exhibit "A" to Calxico International Center, LLC.

d. Release upon Transfer. Upon the earlier to occur of: (i) any transfer, sale, or assignment of all of the Property Owner's right, title and interest in the Property (approved by the City Manager, if such approval is required under Section 8.b above) or (ii) any transfer after completion of construction, the Property Owner shall be released from the obligations under this Agreement pertaining to any such right, title or interest. The transferee, purchaser or assignee shall be subject to all the provisions of this Agreement, shall provide all necessary notice to the City and shall obtain approval where the City Manager's approval is required.

e. Property Owner's Right to Retain Specified Rights or Obligations. Notwithstanding Sections 8.a and 8.c above, the Property Owner may withhold from a sale, transfer or assignment of this Agreement certain rights, interests and/or obligations which the Property Owner shall retain, provided that the Property Owner gives written notice of such retained rights, interests and/or obligations to the City Manager, prior to or concurrently with the sale, transfer or assignment of the Property or portion thereof. The Property Owner's purchaser, transferee or assignee shall then have no interest or obligations for such retained rights, interests and/or obligations, and this Agreement shall remain applicable to the Property Owner with respect to such retained rights, interests and/or obligations.

f. Notice to City. The Property Owner shall, within ten (10) days of the date escrow closes on any such transfer, notify the City in writing of the name and address of the transferee. Such notice shall include a statement as to the obligations, including any unfulfilled mitigation measures, fees, improvements or other conditions of approval, assumed by the transferee. Any transfer that does not comply with the notice requirements of Section 8.b, above, shall not release the Property Owner from its obligations to the City under this Agreement until such time as the City is provided notice in accordance with Section 8.b.

9. Mortgagee's Protections. The Parties agree that this Agreement shall not prevent or limit the Property Owner, in any manner, at the Property Owner's sole discretion, from encumbering the Property or any portion thereof or any improvements thereon by any mortgage, deed of trust or other security device. The City acknowledges that the lender(s) providing such financing may require certain Agreement interpretations and modifications and agrees, upon request, from time to time, to meet with the Property Owner and representatives of such lender(s) to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any mortgagee of a mortgage or beneficiary of a deed of trust, or any successor or assign thereof, including without limitation the purchaser at a judicial or non-judicial foreclosure sale or a person or entity

who obtains title by deed-in-lieu of foreclosure ("Mortgagee") on the Property shall be entitled to the following rights and privileges:

a. Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any mortgage or deed of trust on the Property made in good faith and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform the Property Owner's obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

b. Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive a copy of any Notice of Default delivered to the Property Owner.

c. Mortgagee's Time to Cure. The City shall provide a copy of any Notice of Default to the Mortgagee within ten (10) days of sending the Notice of Default to the Property Owner. The Mortgagee shall have the right, but not the obligation, to cure the default for a period of thirty (30) days after receipt of such Notice of Default. Notwithstanding the foregoing, if such default shall be a default which can only be remedied by such Mortgagee obtaining possession of the Property, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee shall have until thirty (30) days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default; provided, further, that a Mortgagee shall not be required to cure any non-curable default of Property Owner, which default shall be deemed cured upon any Mortgagee obtaining possession.

d. Cure Rights. Any Mortgagee who takes title to all of the Property, or any part thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall succeed to the rights and obligations of the Property Owner under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Property Owner arising prior to acquisition of title to the Property by such Mortgagee, except that any such Mortgagee shall not be entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary obligations due under this Agreement for the Property, or portion thereof acquired by such Mortgagee, have been paid to the City.

e. Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving the Property Owner, the times specified in Section 9.c above, shall be extended for the period of the prohibition, except that any such extension shall not extend the term of this Agreement.

10. Notices.

a. Form of Notice. All notices required or provided for under this Agreement shall be in writing and delivered in person (to include delivery by courier) or sent by certified mail, postage prepaid, return receipt requested, or by overnight delivery service. Notice to the Parties shall be addressed as follows (or, in the case of an assignee, at

the address specified by such assignee in a written notice to the City and the Property Owner):

To City: City of Calexico
Attn: City Manager
608 Heber Avenue
Calexico, CA 92231
Facsimile: (760) 357-7862

With a copy to: Jennifer Lyon, City Attorney
McDougal, Love, Eckis, Boehmer & Foley
8100 La Mesa Boulevard, Suite 200
La Mesa, CA 91942
Facsimile: (619) 440-4907

To Property Owner: Hallwood Calexico Investments, LLC
Attn: Udo Walther, Vice President
3710 Rawlins Street, Suite 1500
Dallas, TX 75219
Facsimile: (214) 522-5254

With a copy to: Cary Lowe
Attorney at Law
3517 Garrison Street
San Diego, CA 92106
Facsimile: (619) 501-4194

b. Change of Address. Any Party (and any assignee) may change the address to which notices are to be sent (and/or the person to whose attention notices are to be directed) at any time by giving written notice of such change in the manner provided above.

11. Covenants Run with the Land. The terms of this Agreement are legislative in nature, and apply to the Property as regulatory ordinances. During the term of this Agreement, all of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall run with the land and shall be binding upon the Parties and shall inure to the benefit of their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees and all other persons or entities acquiring the Property, or any portion thereof, and any interest therein, whether by sale, operation of law or other manner.

12. Conflict with State or Federal Law. In the event that state or federal laws or regulations, enacted after the Effective Date, prevent or preclude compliance with one or more provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Notwithstanding the foregoing, the Property Owner shall have the right to challenge, at its sole cost, in a court of competent jurisdiction, any law or regulation preventing compliance with the terms of this Agreement and, if the challenge in a court of competent jurisdiction is successful, this Agreement shall remain unmodified and in full force and effect.

13. Procedure for Modification because of Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City relating to the Project, then, subject to Section 2.f and Section 12 above, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such modification of this Agreement shall be approved by the City Council in accordance with Chapter 16.52 of the Municipal Code and Section 14 of this Agreement, as applicable.

14. Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of Government Code Section 65868 and Municipal Code Section 16.52.150 *et seq.* If the request for amendment is initiated by the Property Owner, all City costs, including attorney's fees, associated with processing such amendment shall be borne by the Property Owner.

15. Interpretation and Enforcement of Agreement.

a. Complete Agreement. This Agreement represents the complete understanding between the Parties, and supersedes all prior agreements, discussions and negotiations relating to the subject matter hereof. No amendment, modification or cancellation of this Agreement shall be valid unless in writing and executed by the Parties, other than pursuant to Section 18.a below.

b. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and shall remain in full force and effect, unless such invalidation renders any remaining provisions impossible or impractical to enforce.

c. Applicable Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of California and any applicable laws of the United States of America.

d. Prevailing Party. In the event of any action or proceeding brought by either Party against the other to enforce the provisions of this Agreement, the prevailing Party shall be entitled to recover reasonable costs and expenses, including attorneys' fees, incurred in connection therewith.

e. Defense of Agreement. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or subsequent development approvals that are based on this Agreement, the Parties shall cooperate in defending such action. During the entire course of any such challenge, including any review up to a court of final jurisdiction, this Agreement shall remain in full force and effect, unless otherwise modified by the court during the pendency of the action.

f. Authority of Signatories. The Parties represent and warrant that the persons signing this Agreement on their behalves have full authority to bind the respective Parties, and that each and every term of this Agreement is fully enforceable in all respects at the time this Agreement is executed and shall remain fully enforceable at all times during which the Agreement is in effect and, where indicated, beyond the term of this Agreement. Such enforceability shall pertain to both the substantive provisions of this Agreement and any remedies available for violation of the Agreement by either Party.

g. Indemnification. The Property Owner agrees to and shall defend, indemnify and hold harmless the City and its agents, officers and employees in any action brought by a person or entity not a party to this Agreement (i) challenging the City's approval of this Agreement, (ii) challenging the validity of this Agreement, or (iii) seeking damages which may arise directly or indirectly from the negotiation, formation, execution or enforcement of this Agreement. This obligation applies to any and all claims, damages, awards and expenses, including but not limited to attorney's fees and costs of litigation. Nothing in this Section 15.g shall be construed to mean that the Property Owner shall hold the City harmless and/or defend it from any claims arising from the sole negligent acts, sole negligent failure to act or sole intentional acts on the part of the City. The City may make all reasonable decisions with respect to its representation in any legal proceeding, including selection of its own legal defense counsel. In the event a legal action covered by this Section 15.g is filed against the City, the Property Owner shall submit a Twenty Thousand Dollar (\$20,000) deposit, to pay the City's fees and costs in connection with defense of such action, within ten (10) days of the filing of any action and shall thereafter replenish the funds in increments of Ten Thousand Dollars (\$10,000) when requested by the City.

h. Waiver and Delays. Failure by either Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or failure by either Party to exercise its rights upon a default by the other Party, shall not constitute a waiver of any right to demand strict performance by such other Party in the future.

i. Third Party Actions. Nonperformance by either Party shall not be excused because of a failure of a third person, except as specifically provided herein.

j. Force Majeure. Neither Party shall be deemed to be in default for failure or delay in performance of any of its obligations under this Agreement if caused by floods, earthquakes, other acts of God, fires, wars, riots or similar hostilities, strikes or other labor difficulties, government agencies and their regulations, or other causes beyond the reasonable control of the Party claiming the force majeure. If any such event shall occur, the term of this Agreement and the time for performance of any obligations hereunder shall be extended by the period of time that such events prevent either Party from proceeding with such performance.

16. Effect on Property.

a. Estoppel Certificate. Any Party may, at any time and from time to time, deliver written notice to the other Party requesting certification in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or, if amended, identifying the amendments; and (iii) the requesting Party is not in default in the

performance of its obligations under this Agreement, or, if in default, describing the nature and extent of any such default. A Party receiving a request hereunder shall execute and return such certificate to the requesting Party within thirty (30) days following the receipt thereof. The City Manager of the City shall have the authority to execute any such certificate requested by the Property Owner. The City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees.

b. Release of Lots from Agreement. Promptly upon the written request of Property Owner, the City shall execute a document, in a recordable form, releasing any lot or parcel for which a final subdivision map has been recorded and which has been sold or leased, from the effects of this Agreement, and deliver such document to the Property Owner.

17. Periodic Review of Compliance with Agreement.

a. Annual Review. This Agreement shall be subject to annual review, pursuant to California Government Code Section 65865.1 and Municipal Code Section 16.52.190 *et seq.* At each anniversary of this Agreement, within thirty (30) days following receipt of notice from the City of such annual review, the Property Owner shall submit to the Development Services Director of the City written documentation demonstrating good-faith compliance with the terms of this Agreement ("Annual Report"), to the extent that the Property Owner has taken or is required to take any action pursuant to this Agreement. Failure by the Property Owner to submit the Annual Report in a timely manner shall not itself constitute a breach of this Agreement, unless the City has first given the Property Owner additional notice thereof, and the Property Owner fails to submit the Annual Report within fifteen (15) days after receipt of such notice. The Property Owner shall be responsible for all City costs, including any attorney's fees, associated with conducting such annual review.

b. Contents of Report. The Annual Report and any supporting documents shall describe (i) any permits or other approvals which have been issued or for which application has been made, (ii) any development or construction activity which has commenced or has been completed, and (iii) any other activity carried out by the Property Owner in satisfaction of the requirements of the Project Approvals and this Agreement, since the date hereof or since the preceding annual review. The City shall review all the information contained in such report in determining the Property Owner's good faith compliance with this Agreement.

c. Waiver. The City does not waive any claim of defect in performance by the Property Owner if, at the time of an annual review, the City does not propose immediately to exercise its remedies hereunder. However, in the event that the City, within ninety (90) days following receipt of the Annual Report for any year, fails to review the information contained therein and/or to determine the Property Owner's good faith compliance with this Agreement, the Property Owner shall be deemed to be in good faith compliance with regard to the period covered by that Annual Report.

18. Violations.

a. Violation by Property Owner.

i. The Property Owner shall be deemed in violation of the terms of this Agreement if a finding and determination is made by the City, upon the basis of substantial evidence, that the Property Owner has not complied in good faith with one or more of the material terms or conditions of this Agreement. A default on the part of an assignee pursuant to Section 8 above shall not constitute a violation of this Agreement by the Property Owner.

ii. If the City believes the Property Owner to be in violation of this Agreement, the City shall give the Property Owner thirty (30) days written notice specifying the nature of the alleged violation and, when appropriate, the manner in which the violation may be satisfactorily cured. Failure or delay in giving notice of a violation shall not constitute a waiver of such violation.

iii. The Property Owner may appeal the allegation of violation by filing a notice of appeal with the City Clerk, within the thirty (30) day cure period described in the preceding paragraph. The Property Owner's appeal shall be placed on the agenda of the next regularly scheduled meeting of the City Council. If the City Council finds that a violation has occurred and is continuing, the Property Owner shall be given another sixty (60) days within which to cure such violation; provided that such time period shall be extended automatically so long as the Property Owner is engaged in making good faith efforts to cure the violation. At the next City Council meeting following expiration of the sixty (60) day period allowed for curing the violation, or any extension thereof, the City Council shall set forth by motion or resolution its determination as to (i) the continuation of the violation and (ii) any action to be taken, which action may include amendment or termination of this Agreement. Nothing herein shall preclude the City Council from meeting in closed session, as allowed by applicable law, to review or discuss this matter.

iv. After proper notice and expiration of the cure period without appeal, cure or commencement of substantial effort toward a cure by the Property Owner, the City may take unilateral action to terminate or amend this Agreement.

b. Violation by City.

i. The City shall be deemed in violation of the terms of this Agreement upon failure of the City to carry out any of its material obligations hereunder.

ii. If the Property Owner believes the City to be in violation of this Agreement, the Property Owner promptly shall provide written notice to the City, through its City Manager, to that effect, setting forth the grounds upon which a violation is claimed, facts in support of such grounds and the means through which such violation may be cured. The City shall have thirty (30) days following the date of receipt of the notice within which to take action to deny the claim, cure the violation or undertake substantial action toward the cure.

iii. If the action of the City is unsatisfactory to the Property Owner, the Property Owner may make an appeal to the City Council, provided that, within ten (10) days following the date of receipt of the notice of denial of the claim, or within ten (10) days following the date of expiration of the cure period described in the preceding

paragraph, whichever occurs first, the Property Owner files with the City Clerk a notice of appeal to the City Council. The City Council thereafter shall consider this matter on the agenda of its next regularly scheduled meeting at which the Property Owner may present information regarding the alleged violation. Based upon the information presented by the Property Owner, the City Council shall make a determination as to whether the City is in violation of this Agreement, as alleged by the Property Owner.

19. Legal Enforcement. Subject to the prior exhaustion of all administrative remedies set forth above, either Party may institute legal action solely to obtain specific performance of this Agreement. Any such legal action shall be brought in the Superior Court of Imperial County, State of California, or in an appropriate federal court.

20. Relationship of Parties. In performing its obligations hereunder, the Property Owner is acting as an independent contractor and not as an agent or employee of the City. Further, nothing in this Agreement shall be construed as creating between the Property Owner and the City a partnership or joint venture for any purpose.

21. Exhibits. All exhibits referred to in, and attached to, this Agreement are incorporated herein by such reference.

22. Recording of Agreement. Within ten (10) days following the effective date of the ordinance approving this Agreement, or any subsequent amendment hereof, the City Clerk shall file a fully executed copy hereof with the County Recorder of Imperial County, State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement, to be effective as of the date set forth in the first paragraph hereof.

“PROPERTY OWNER”

HALLWOOD CALEXICO
INVESTMENTS, LLC,
a Delaware limited liability company

By: Udo Walther
Udo Walther,
Vice President

“CITY”

CITY OF CALEXICO,
a municipal corporation

By: Victor Carrillo
Victor Carrillo, City Manager

APPROVED AS TO FORM.

Jennifer M. Lyon
Jennifer M. Lyon, City Attorney

State of ~~California~~ TEXAS
County of DALLAS

On 21 DEC 2010 before me, Jennifer Kennedy
personally appeared UDO # WALTHER, V.P., HALLWOOD C.I., LLC

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

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

WITNESS my hand and official seal.

Signature

Jennifer Kennedy (Seal)



STATE OF CALIFORNIA
COUNTY OF IMPERIAL

On January 24, 2011, before, Lourdes Cordova, City Clerk, personally appeared Jennifer M. Lyon, City Attorney, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

(SEAL)

Witness my hand and Official Seal

Lourdes Cordova

STATE OF CALIFORNIA
COUNTY OF IMPERIAL

On January 24, 2011, before, Lourdes Cordova, City Clerk, personally appeared Victor M. Carrillo, City Manager, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

(SEAL)

Witness my hand and Official Seal

Lourdes Cordova

EXHIBIT A
LEGAL DESCRIPTION

1 LOT 1:

2 IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, BEING THE
3 NORTHEAST QUARTER AND THOSE PORTIONS OF THE NORTHWEST QUARTER, IN
4 SECTION 2, TOWNSHIP 17 SOUTH, RANGE 14 EAST, SAN BERNARDINO BASE AND
5 MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, TOGETHER WITH THOSE
6 PORTIONS OF LOT 2 IN SECTION 34, AND LOT 1 IN SECTION 35, TOWNSHIP 16 SOUTH,
7 RANGE 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE
8 OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

9
10 BEGINNING AT A POINT ON THE NORTH LINE OF SAID SECTION 2, DISTANT THEREON
11 SOUTH 89°50'07" WEST 4728.50 FEET FROM A 2-1/4" IRON PIPE TAGGED "R.C.E. 18681"
12 PER IMPERIAL COUNTY SURVEYOR'S TIES AND AS SHOWN ON RECORD OF SURVEY
13 RECORDED OCTOBER 4, 2002 IN BOOK 14, PAGE 35 THROUGH 37, INCLUSIVE, OF
14 RECORD OF SURVEYS, SAID COUNTY, ACCEPTED AS THE NORTHEAST CORNER
15 THEREOF;
16 THENCE LEAVING SAID NORTH LINE NORTH 00°19'25" WEST 1.44 FEET TO THE
17 SOUTHERLY LINE OF TRACT 46 IN SECTIONS 34 AND 35, TOWNSHIP 16 SOUTH, RANGE
18 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL
19 PLAT THEREOF;
20 THENCE ALONG SAID SOUTHERLY LINE NORTH 89°40'35" EAST 4472.47 FEET TO AN
21 ANGLE POINT IN THE WESTERLY LINE OF THAT CERTAIN DEED TO THE STATE OF
22 CALIFORNIA RECORDED NOVEMBER 20, 1962 IN BOOK 1128, PAGE 296, OFFICIAL
23 RECORDS SAID COUNTY;
24 THENCE ALONG THE SAID WESTERLY LINE THE FOLLOWING SEVEN COURSES:
25 SOUTH 14°54'54" WEST 6.82 FEET;

LEGAL DESCRIPTION

26 THENCE SOUTH 86°43'07" WEST 360.96 FEET;
27 THENCE SOUTH 00°05'04" WEST 60.13 FEET;
28 THENCE SOUTH 86°21'52" EAST 361.39 FEET;
29 THENCE SOUTH 16°40'48" EAST 652.50 FEET;
30 THENCE SOUTH 10°44'36" EAST 175.88 FEET;
31 THENCE SOUTH 04°21'54" EAST 156.91 FEET TO THE WESTERLY LINE OF THAT PARCEL
32 OF LAND DESCRIBED IN DEED TO SAN DIEGO COUNTY RECORDED IN BOOK 40, PAGE
33 237 OF DEEDS RECORDS OF IMPERIAL COUNTY;
34 THENCE SOUTH 00°57'20" EAST 279.93 FEET;
35 THENCE LEAVING SAID LAST MENTIONED WESTERLY LINE SOUTH 88°49'50" WEST
36 8.08 FEET TO THE WESTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN
37 DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 20, 1935 IN BOOK 412
38 PAGE 539, OFFICIAL RECORDS OF SAID COUNTY;
39 THENCE ALONG THE LAST DESCRIBED WESTERLY LINE SOUTH 00°32'21" EAST 1407.72
40 FEET TO A POINT ON THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF SAID
41 SECTION 2, DISTANT THEREON 34.75 FEET FROM THE EAST QUARTER CORNER OF SAID
42 SECTION 2;
43 THENCE ALONG SAID LAST DESCRIBED SOUTHERLY LINE SOUTH 89°43'44" WEST
44 2605.31 FEET TO THE WESTERLY LINE OF THE SAID NORTHEAST QUARTER;
45 THENCE ALONG THE SAID WESTERLY LINE OF THE NORTHEAST QUARTER NORTH
46 00°23'38" WEST 289.99 FEET;
47 THENCE LEAVING SAID WESTERLY LINE OF THE NORTHEAST QUARTER NORTH
48 64°24'07" WEST 204.83 FEET;
49 THENCE NORTH 56°23'38" WEST 200.00 FEET;
50 THENCE NORTH 45°23'38" WEST 157.60 FEET;

LEGAL DESCRIPTION

51 THENCE NORTH 38°13'38" WEST 515.40 FEET;
52 THENCE NORTH 37°21'20" WEST 2180.43 FEET TO THE NORTHERLY LINE OF SAID
53 SECTION 2 AND THE POINT OF BEGINNING.
54
55 EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED MORE
56 PARTICULARLY AS FOLLOWS:
57 BEGINNING AT A POINT ON THE NORTH LINE OF SAID SECTION 2, DISTANT THEREON
58 SOUTH 89°50'07" WEST 4728.50 FEET FROM THE NORTHEAST CORNER THEREOF;
59 THENCE LEAVING SAID NORTH LINE NORTH 00°19'25" WEST 1.44 FEET TO THE
60 SOUTHERLY LINE OF TRACT 46 IN SECTIONS 34 AND 35, TOWNSHIP 16 SOUTH, RANGE
61 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL
62 PLAT THEREOF;
63 THENCE ALONG SAID SOUTHERLY LINE NORTH 89°40'35" EAST 3339.49 FEET;
64 THENCE LEAVING SAID SOUTHERLY LINE SOUTH 00°19'26" EAST 105.00 FEET TO THE
65 BEGINNING OF A NON-TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE
66 SOUTHWESTERLY, A RADIAL TO WHICH BEARS NORTH 00°19'26" WEST, AND THE
67 TRUE POINT OF BEGINNING OF THIS EXCEPTION;
68 THENCE EASTERLY, SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE A
69 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00";
70 THENCE SOUTH 00°19'26" EAST 588.32 FEET TO THE BEGINNING OF A TANGENT 20.00
71 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY;
72 THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE A
73 DISTANCE OF 31.39 FEET THROUGH A CENTRAL ANGLE OF 89°55'48";
74 THENCE SOUTH 89°36'22" WEST 395.67 FEET;

LEGAL DESCRIPTION

75 THENCE NORTH 00°23'38" WEST 628.81 FEET TO A LINE WHICH IS PARALLEL WITH AND
76 105.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF TRACT 46;
77 THENCE ALONG SAID PARALLEL LINE NORTH 89°40'35" EAST 396.41 FEET TO THE
78 TRUE POINT OF BEGINNING OF THIS EXCEPTION.
79
80 FURTHER EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED MORE
81 PARTICULARLY AS FOLLOWS:
82 BEGINNING AT A POINT ON THE NORTH LINE OF SAID SECTION 2, DISTANT THEREON
83 SOUTH 89°50'07" WEST 4728.50 FEET FROM THE NORTHEAST CORNER THEREOF;
84 THENCE LEAVING SAID NORTH LINE NORTH 00°19'25" WEST 1.44 FEET TO THE
85 SOUTHERLY LINE OF TRACT 46 IN SECTIONS 34 AND 35, TOWNSHIP 16 SOUTH, RANGE
86 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL
87 PLAT THEREOF;
88 THENCE ALONG SAID SOUTHERLY LINE NORTH 89°40'35" EAST 3339.49 FEET;
89 THENCE LEAVING SAID SOUTHERLY LINE SOUTH 00°19'26" EAST 105.00 FEET TO THE
90 BEGINNING OF A NON-TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE
91 SOUTHWESTERLY, A RADIAL TO WHICH BEARS NORTH 00°19'26" WEST;
92 THENCE EASTERLY, SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE A
93 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00";
94 THENCE SOUTH 00°19'26" EAST 588.32 FEET TO THE BEGINNING OF A TANGENT 20.00
95 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY;
96 THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE A
97 DISTANCE OF 31.39 FEET THROUGH A CENTRAL ANGLE OF 89°55'48";

LEGAL DESCRIPTION

98 THENCE SOUTH 00°17'06" EAST 72.00 FEET TO THE BEGINNING OF A NON-TANGENT
99 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, A RADIAL TO WHICH BEARS
100 NORTH 00°23'38" WEST, AND THE TRUE POINT OF BEGINNING OF THIS EXCEPTION;
101 THENCE ALONG SAID CURVE A DISTANCE OF 31.44 FEET THROUGH A CENTRAL
102 ANGLE OF 90°04'12";
103 THENCE SOUTH 00°19'26" EAST 790.97 FEET TO THE BEGINNING OF A TANGENT 550.00
104 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
105 THENCE SOUTHERLY AND SOUTHEASTERLY ALONG SAID CURVE A DISTANCE OF
106 441.32 FEET THROUGH A CENTRAL ANGLE OF 45°58'27";
107 THENCE SOUTH 46°17'53" EAST 104.60 FEET TO THE BEGINNING OF A TANGENT 550.00
108 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
109 THENCE SOUTHEASTERLY AND EASTERLY ALONG SAID CURVE A DISTANCE OF 422.14
110 FEET THROUGH A CENTRAL ANGLE OF 43°58'32";
111 THENCE NORTH 89°43'35" EAST 162.65 FEET;
112 THENCE SOUTH 00°23'38" EAST 393.98 FEET;
113 THENCE SOUTH 89°43'44" WEST 1546.05 FEET TO THE BEGINNING OF A TANGENT
114 1255.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
115 THENCE NORTHWESTERLY ALONG SAID CURVE A DISTANCE OF 470.69 FEET
116 THROUGH A CENTRAL ANGLE OF 21°29'19";
117 THENCE NORTH 00°23'38" WEST 1717.25 FEET, TO THE BEGINNING OF A TANGENT 20.00
118 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY;
119 THENCE NORTHERLY, NORTHEASTERLY AND EASTERLY ALONG SAID CURVE A
120 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00";
121 THENCE NORTH 89°36'22" EAST 1179.93 FEET TO THE TRUE POINT OF BEGINNING OF
122 THIS EXCEPTION.

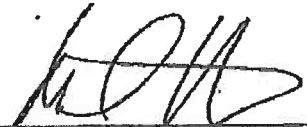
LEGAL DESCRIPTION

123 CONTAINING 160.35 ACRES OR 6,985,037 SQUARE FEET, MORE OR LESS.

124

125 ALL AS SHOWN ON EXHIBIT "D" ATTACHED HERETO AND BY THIS REFERENCE MADE

126 A PART HEREOF.



MICHAEL JAMES KNAFTON

5/11/10

DATE

P.L.S. 8012

REVISED: 05/11/2010




LEGAL DESCRIPTION

1 LOT 2:
2 IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, BEING THE
3 NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 17 SOUTH, RANGE 14 EAST, SAN
4 BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF,
5 MORE PARTICULARLY DESCRIBED AS FOLLOWS:
6
7 BEGINNING AT A POINT ON THE NORTH LINE OF SAID SECTION 2, DISTANT THEREON
8 SOUTH 89°50'07" WEST 4728.50 FEET FROM A 2-1/4" IRON PIPE TAGGED "R.C.E. 18681"
9 PER IMPERIAL COUNTY SURVEYOR'S TIES AND AS SHOWN ON RECORD OF SURVEY
10 RECORDED OCTOBER 4, 2002 IN BOOK 14, PAGE 35 THROUGH 37, INCLUSIVE, OF
11 RECORD OF SURVBYS, SAID COUNTY, ACCEPTED AS THE NORTHEAST CORNER
12 THEREOF;
13 THENCE LEAVING SAID NORTH LINE NORTH 00°19'25" WEST 1.44 FEET TO THE
14 SOUTHERLY LINE OF TRACT 46 IN SECTIONS 34 AND 35, TOWNSHIP 16 SOUTH, RANGE
15 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL
16 PLAT THEREOF;
17 THENCE ALONG SAID SOUTHERLY LINE NORTH 89°40'35" EAST 3339.49 FEET;
18 THENCE LEAVING SAID SOUTHERLY LINE SOUTH 00°19'26" EAST 105.00 FEET TO THE
19 BEGINNING OF A NON-TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE
20 SOUTHWESTERLY, A RADIAL TO WHICH BEARS NORTH 00°19'26" WEST, AND THE
21 TRUE POINT OF BEGINNING;
22 THENCE EASTERLY, SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE A
23 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00";
24 THENCE SOUTH 00°19'26" EAST 588.32 FEET TO THE BEGINNING OF A TANGENT 20.00
25 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY;

LEGAL DESCRIPTION

26 THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE A
27 DISTANCE OF 31.39 FEET THROUGH A CENTRAL ANGLE OF 89°55'48";
28 THENCE SOUTH 89°36'22" WEST 395.67 FEET;
29 THENCE NORTH 00°23'38" WEST 628.81 FEET TO A LINE WHICH IS PARALLEL WITH AND
30 105.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF TRACT 46;
31 THENCE ALONG SAID PARALLEL LINE NORTH 89°40'35" EAST 396.41 FEET TO THE
32 TRUE POINT OF BEGINNING.
33
34 CONTAINING 6.00 ACRES OR 261,324 SQUARE FEET, MORE OR LESS.
35
36 ALL AS SHOWN ON EXHIBIT "D" ATTACHED HERETO AND BY THIS REFERENCE MADE
37 A PART HEREOF.


MICHAEL JAMES KNAPTON
P.L.S.8012
REVISED: 05/11/2010

5/11/10
DATE



LEGAL DESCRIPTION


1 LOT 3:
2 IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, BEING
3 THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 17 SOUTH,
4 RANGE 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE
5 OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
6
7 BEGINNING AT A POINT ON THE NORTH LINE OF SAID SECTION 2, DISTANT THEREON
8 SOUTH 89°50'07" WEST 4728.50 FEET FROM A 2-1/4" IRON PIPE TAGGED "R.C.B. 18681"
9 PER IMPERIAL COUNTY SURVEYOR'S TIES AND AS SHOWN ON RECORD OF SURVEY
10 RECORDED OCTOBER 4, 2002 IN BOOK 14, PAGE 35 THROUGH 37, INCLUSIVE, OF
11 RECORD OF SURVEYS, SAID COUNTY, ACCEPTED AS THE NORTHEAST CORNER
12 THEREOF;
13 THENCE LEAVING SAID NORTH LINE NORTH 00°19'25" WEST 1.44 FEET TO THE
14 SOUTHERLY LINE OF TRACT 46 IN SECTIONS 34 AND 35, TOWNSHIP 16 SOUTH, RANGE
15 14 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL
16 PLAT THEREOF;
17 THENCE ALONG SAID SOUTHERLY LINE NORTH 89°40'35" EAST 3339.49 FEET;
18 THENCE LEAVING SAID SOUTHERLY LINE SOUTH 00°19'26" EAST 185.00 FEET TO THE
19 BEGINNING OF A NON-TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE
20 SOUTHWESTERLY, A RADIAL TO WHICH BEARS NORTH 00°19'26" WEST;
21 THENCE EASTERLY, SOUTHEASTERLY AND SOUTHERLY ALONG SAID CURVE A
22 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00";
23 THENCE SOUTH 00°19'26" EAST 588.32 FEET TO THE BEGINNING OF A TANGENT 20.00
24 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY;

LEGAL DESCRIPTION

25 THENCE SOUTHERLY, SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE A
26 DISTANCE OF 31.39 FEET THROUGH A CENTRAL ANGLE OF $89^{\circ}55'48''$;
27 THENCE SOUTH $00^{\circ}17'06''$ EAST 72.00 FEET TO THE BEGINNING OF A NON-TANGENT
28 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, A RADIAL TO WHICH BEARS
29 NORTH $00^{\circ}23'38''$ WEST, AND THE TRUE POINT OF BEGINNING;
30 THENCE ALONG SAID CURVE A DISTANCE OF 31.44 FEET THROUGH A CENTRAL
31 ANGLE OF $90^{\circ}04'12''$;
32 THENCE SOUTH $00^{\circ}19'26''$ EAST 790.97 FEET TO THE BEGINNING OF A TANGENT 550.00
33 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
34 THENCE SOUTHERLY AND SOUTHEASTERLY ALONG SAID CURVE A DISTANCE OF
35 441.32 FEET THROUGH A CENTRAL ANGLE OF $45^{\circ}58'27''$;
36 THENCE SOUTH $46^{\circ}17'53''$ EAST 104.60 FEET TO THE BEGINNING OF A TANGENT 550.00
37 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
38 THENCE SOUTHEASTERLY AND EASTERLY ALONG SAID CURVE A DISTANCE OF 422.14
39 FEET THROUGH A CENTRAL ANGLE OF $43^{\circ}58'32''$;
40 THENCE NORTH $89^{\circ}43'35''$ EAST 162.65 FEET;
41 THENCE SOUTH $00^{\circ}23'38''$ EAST 393.98 FEET;
42 THENCE SOUTH $89^{\circ}43'44''$ WEST 1546.05 FEET TO THE BEGINNING OF A TANGENT
43 1255.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY;
44 THENCE NORTHWESTERLY ALONG SAID CURVE A DISTANCE OF 470.69 FEET
45 THROUGH A CENTRAL ANGLE OF $21^{\circ}29'19''$;
46 THENCE NORTH $00^{\circ}23'38''$ WEST 1717.25 FEET TO THE BEGINNING OF A TANGENT 20.00
47 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY;
48 THENCE NORTHERLY, NORTHEASTERLY AND EASTERLY ALONG SAID CURVE A
49 DISTANCE OF 31.42 FEET THROUGH A CENTRAL ANGLE OF $90^{\circ}00'00''$;

LEGAL DESCRIPTION

50 THENCE NORTH 89°36'22" EAST 1179.93 FEET TO THE TRUE POINT OF BEGINNING.
51
52 CONTAINING 60.00 ACRES OR 2,613,596 SQUARE FEET, MORE OR LESS.
53
54 ALL AS SHOWN ON EXHIBIT "D" ATTACHED HERETO AND BY THIS REFERENCE MADE
55 A PART HEREOF.

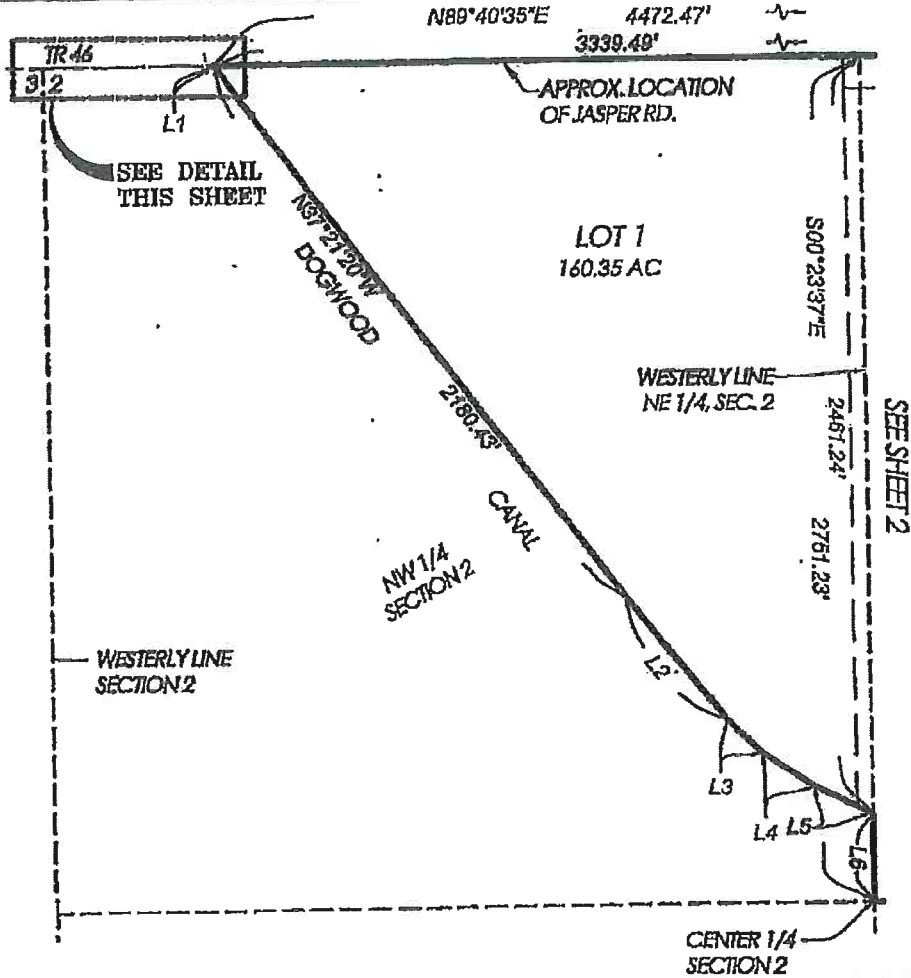

MICHAEL JAMES KNAPTON
P.L.S.8012
REVISED: 05/11/2010

5/11/10
DATE

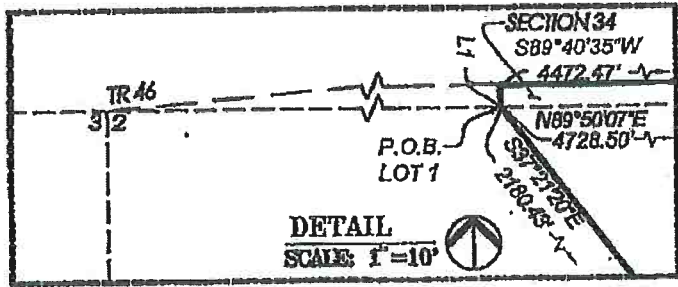


PROPOSED LOT LINE ADJUSTMENT (AFTER CONDITION)

SHEET 1 OF 2



LINE	LENGTH	BEARING
L1	1.44'	N00°19'25"W
L2	515.40'	N38°13'38"W
L3	157.60'	N45°23'38"W
L4	200.00'	N56°23'38"W
L5	204.83'	N64°24'07"W
L6	289.99'	N00°23'38"W



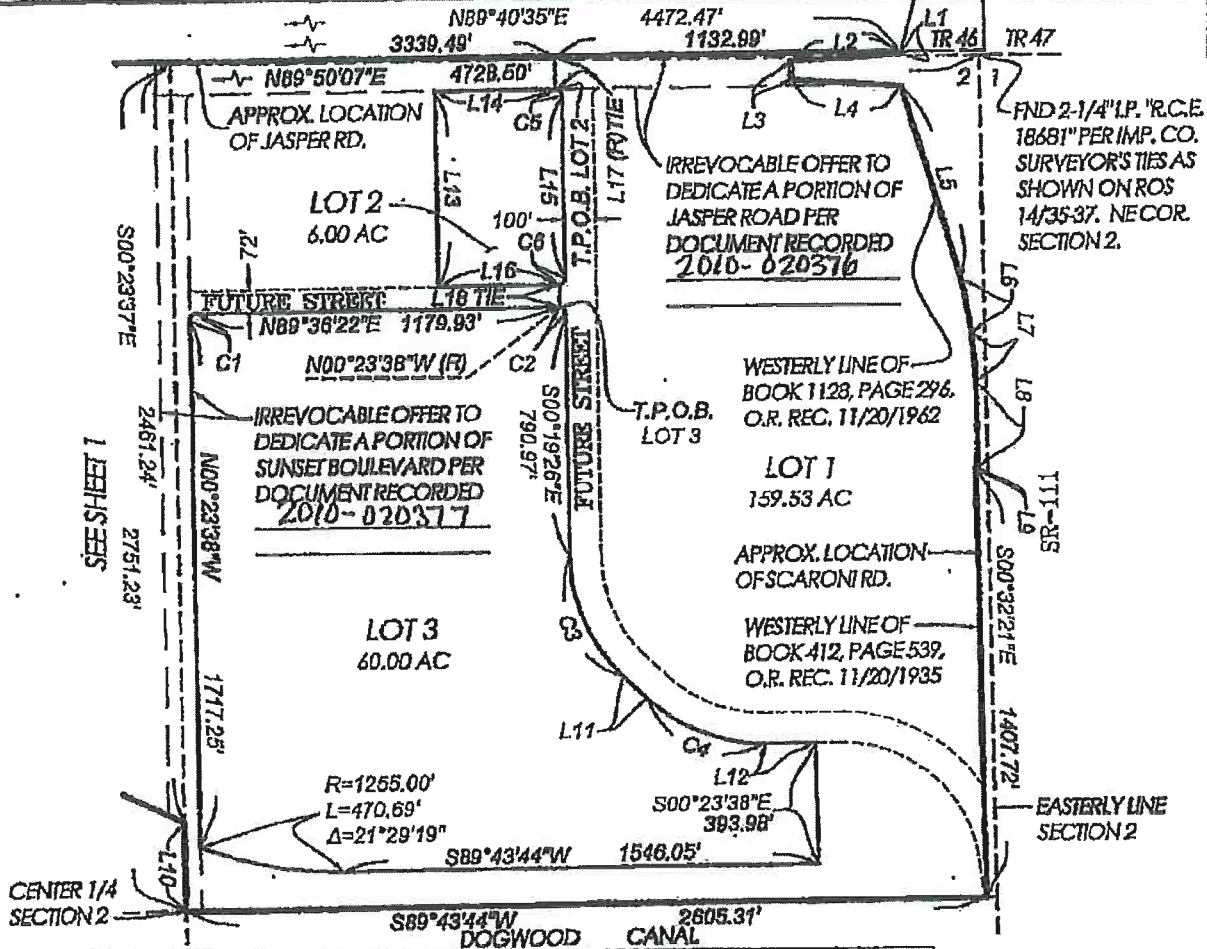
SCALE: 1"=50'
 ASSESSOR'S PARCEL NUMBER(S) 059-010-01, 059-020-05, 059-020-06
 SECTION 2 TOWNSHIP 17 SOUTH AND RANGE 14 EAST
 DATE EXHIBIT PREPARED: 10/15/01

- LEGEND**
- PROJECT BOUNDARY
 - PROPOSED LOT LINE
 - SECTION LINE
 - P.O.B. POINT OF BEGINNING



PROPOSED LOT LINE ADJUSTMENT (AFTER CONDITION)

SHEET 2 OF 2

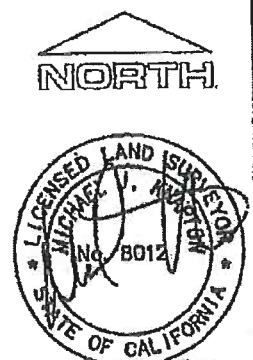


CURVE	LENGTH	RADIUS	DELTA
C1	31.42'	20.00'	90°00'00"
C2	31.44'	20.00'	90°04'12"
C3	441.32'	550.00'	45°58'27"
C4	422.14'	550.00'	43°58'32"
C5	31.42'	20.00'	90°00'00"
C6	31.39'	20.00'	89°56'48"

LINE	LENGTH	BEARING
L1	6.82'	S14°54'54"W
L2	360.98'	S86°49'07"W
L3	60.13'	S00°05'04"W
L4	361.39'	S86°21'52"E
L5	652.50'	S16°40'48"E
L6	175.88'	S10°44'36"E
L7	156.91'	S04°21'54"E
L8	279.98'	S00°57'20"E
L9	8.08'	S88°49'50"W
L10	289.99'	N00°23'38"W
L11	104.60'	S46°17'53"E
L12	162.65'	N89°43'35"E
L13	628.81'	N00°23'38"W
L14	396.41'	N89°40'35"E
L15	588.32'	S00°19'28"E
L16	395.67'	S89°36'22"W
L17	105.00'	S00°19'26"E
L18	172.00'	S00°17'06"E

LEGEND
 - - - - - PROJECT BOUNDARY
 - - - - - PROPOSED LOT LINE
 - - - - - SECTION LINE
 T.P.O.B. TRUE POINT OF BEGINNING

SCALE 1"=800'
 ASSESSOR'S PARCEL NUMBER(S) 059-010-01, 059-020-05, 059-020-06
 SECTION 2, TOWNSHIP 17 SOUTH AND RANGE 14 EAST
 DATE EXHIBIT PREPARED 10/06/09



RESOLUTION NO. 2010- 19

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CALEXICO RECOMMENDING THAT THE CITY COUNCIL CONSIDER AND ADOPT AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE 111 CALEXICO PLACE SPECIFIC PLAN AND AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CALEXICO AND HALLWOOD CALEXICO INVESTMENTS, LLC FOR REAL PROPERTY WITHIN THE CITY OF CALEXICO.

WHEREAS, Hallwood Callexico Investments, LLC ("Property Owner") is the owner of certain real property ("Property"), consisting of approximately 232 acres, designated as Lots 1 through 3, inclusive, of a Lot Line Adjustment which was recorded as Document No. 2010-020642 in the Office of the County Recorder of Imperial County on August 18, 2010; and

WHEREAS, the Property currently is designated as Commercial Highway Specific Plan in the City's General Plan and as Specific Plan Overlay Zone in the City Zoning Code; and

WHEREAS, the City Council certified a Final Environmental Impact Report ("FEIR") in connection with the Callexico 111 Place Specific Plan ("Project") on May 5, 2009; and

WHEREAS, the City approved the following land use approvals on May 5, 2009: General Plan Amendment, Base Zone Change, Specific Plan and Tentative Tract Map ("Entitlements"); and

WHEREAS, the City agreed to consider a development agreement for the Property to secure the Property Owner's rights to develop the Property in accordance with the Entitlements; and

WHEREAS, the development agreement will facilitate development of the Property in a manner which the Parties intend to be consistent with and beneficial to other approved adjacent land uses, thereby generating benefits to the City and its residents. Consequently, entering into the development agreement is acknowledged to be to the mutual benefit of the parties; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Sections 65864 *et seq.* of the California Government Code, which authorize the City to enter into a development agreement with any person or entity having a legal or equitable interest in real property, providing for the development of such property and establishing certain rights and obligations related to such development; and

MCDUGAL LOVE ECKIS BOEHMER & FOLEY | ATTORNEYS AT LAW

A PROFESSIONAL CORPORATION

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Steven E. Boehmer
Morgan L. Foley
Jennifer M. Lyon
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Robert C. Martinez
Jessica Falk Michelli

Hilda R. Mendoza
Carrie L. Mitchell

*Heather L. Milligan

*CERTIFIED LEGAL SPECIALIST,
FAMILY LAW STATE BAR OF
CA BOARD OF LEGAL SPECIALIZATION

January 4, 2011

OF COUNSEL:
Stephen M. Eckis
LeRoy W. Knutson, A.P.C.

RETIRED:
Lynn R. McDougal

VIA FEDEX OVERNIGHT

Erica LaCuesta, Deputy Clerk
City of Calexico
608 Heber Avenue
Calexico, CA 92231

Re: Development Agreement, 111 Calexico Place, City of Calexico

Dear Ms. Cuesta:

Enclosed are three fully executed Original Development Agreements for the above-referenced matter. Please obtain Victor's signature and the City Clerk's signature on all three original Agreements. Keep one original fully executed Agreement in the Planning Department's file for the casino, and mail one fully executed Agreement back to this office.

Finally, please keep the fully executed original Agreement with the post-it that says "Original" to take to the County Recorder's Office on January 21, 2011 to get it recorded. The developer put a deposit on file with the Development Services Department to cover the costs related to the Development Agreement. Therefore, the cost to record it should be obtained from the developer's project account for the Development Agreement.

If you have any questions, please do not hesitate to contact our offices.

Sincerely,



Diane Dulawan
Legal Assistant to Jennifer Lyon

JML;dd
Enclosures

State of ~~California~~ ^{Texas}
County of Dallas

On 21 Dec 2010 before me, Jennifer Kennedy
personally appeared Wade H. Woodley, V.P. Hallwood C.J., LLC

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

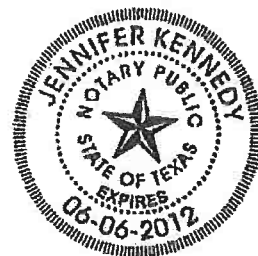
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jennifer Kennedy

(Seal)



Attachment C – City Council Resolution

CITY COUNCIL RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO APPROVING THE RELEASE OF A DEVELOPMENT AGREEMENT BETWEEN HALLWOOD CALEXICO INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THE CITY OF CALEXICO FOR THE DEVELOPMENT OF THE 111 CALEXICO PLACE PROJECT AND FINDING THE ACTION EXEMPT FROM CEQA

WHEREAS, Hallwood Calexico Investments, LLC, a Delaware limited liability company, and the City of Calexico executed a development agreement on the 20th of January of 2011 for the development of the 111 Calexico Place project; and

WHEREAS, the executed development agreement was recorded at the County of Imperial Recorder's Office on January 31, 2011; and

WHEREAS the development of the 111 Calexico Place project never materialized resulting in the projects abandonment; and

WHEREAS, a formal request to have the City of Calexico release the recorded development agreement was submitted by the current property owner in order to have a new investor retain the property; and

WHEREAS, the City Council has reviewed and considered all evidence presented for the request to release the development agreement for the 111 Calexico Place project during a special meeting on August 21, 2024.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO HEREBY RESOLVES AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. That the action to release the development agreement is exempt from further CEQA review via Section 15061(b)(3) of the CEQA Guidelines for Implementation of the California Code of Regulations.

Section 3. The City Council approves the release of the development agreement, recorded on January 31, 2011, between Hallwood Calexico Investments, LLC, a Delaware limited liability company, and the City of Calexico for the development of the 111 Calexico Place project.

Section 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

Section 5. Effective Date. This Resolution shall become effective immediately.

PASSED, APPROVED, AND ADOPTED this 21st day of August 2024.

Camilo Garcia, Mayor

ATTEST:

Veronica Alvarado, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)
CITY OF CALEXICO)

I, Veronica Alvarado, City Clerk of the City of CALEXICO, DO HEREBY CERTIFY that foregoing Resolution No. 24- [redacted] was duly passed and adopted by the City Council of the City of Calexico at their regular meeting held August 21, 2024, by the following roll call vote, to wit:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Veronica Alvarado, City Clerk

APPROVED AS TO FORM:

CITY ATTORNEY