REDEVELOPMENT AGENCY
OF THE
CITY OF STOCKTON

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON (THE "AGENCY") APPROVING EXECUTION BY THE AGENCY OF AN OPERATING LEASE WITH HOTEL STOCKTON INVESTORS (THE "LANDLORD")

WHEREAS, the City Council (the "City Council") of the City of Stockton (the "City") has adopted the Amended and Restated Redevelopment Plan for the West End Urban Renewal Project No. 1 Redevelopment Project adopted by Ordinance No. 039-91 of the City of Stockton on July 15, 1991, as amended (the "Redevelopment Plan"). The Redevelopment Plan sets forth a plan for redevelopment of the West End Urban Renewal Project Area (the "Project Area"); and

WHEREAS, the Agency is responsible for administering the Redevelopment Plan to cause redevelopment of the Project Area, including disposition of property and installation of public improvements within the Project Area for private redevelopment consistent with the Redevelopment Plan; and

WHEREAS, the Agency and Hotel Stockton Investors, a California limited partnership, entered into that certain Amended and Restated Disposition, Development, Grant and Loan Agreement (DDA), dated as of July 9, 2002, as amended by that certain First Amendment to Amended and Restated Disposition, Development, Grant and Loan Agreement and Loan Modification Agreement, dated as of January 18, 2005, and as implemented pursuant to that certain First Operating Memorandum to the DDA, dated as of December 10, 2002 (collectively the "DDA"). Under the DDA, the Landlord acquired from the Agency the Hotel Stockton and rehabilitated the Hotel Stockton, which is located in the Project Area; and

WHEREAS, pursuant to Section 7.2 of the DDA, the Landlord agreed that the Agency would operate the first floor and rooftop terrace after the rehabilitation of the Hotel Stockton was completed; and

WHEREAS, on May 10, 2005 the Agency entered into a Master Lease with Stockton City Center 16, LLC (the "Master Tenant") to grant the Master Tenant an option to lease and operate as retail space the first floor and rooftop terrace portions of the Hotel Stockton pursuant to Section 7.2 of the DDA; and

WHEREAS, it was determined the lease-up and operation of the retail spaces within the Hotel Stockton pursuant to the Master Lease will serve major Redevelopment Plan goals and objectives by eliminating blight and redeveloping underutilized sites in the Project Area; and

WHEREAS, the Master Lease required the Agency to install certain public improvements and in order to allow these improvements to be installed approved payment by the Agency of funds for the installation of the improvements; and
WHEREAS, the Landlord and the Agency desire to enter into an Operating Lease, substantially in the form on file with the Agency Secretary, in which the Agency leases from the Landlord the first floor and rooftop terrace areas of the Hotel Stockton to operate those portions of the Hotel Stockton; and

NOW THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Agency approves the Operating Lease and hereby authorizes and directs the Agency Executive Director to take such other actions and execute such other documents as are appropriate to effectuate the intent of the executed Operating Lease.

PASSED, APPROVED and ADOPTED__________________________

EDWARD J. CHAVEZ, Chairperson
Redevelopment Agency of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER, Secretary
Redevelopment Agency of the City of Stockton

MAY - 9 2006