(R-84-1502 REV.)

## RESOLUTION NUMBER R- 260356

Adopted on MAR 20 1984

WHEREAS, on March 14, 1983, the City Council by Resolution R-258092 authorized the City Manager to execute an Exclusive Negotiation Agreement and Right of Entry with the SHERATON CORPORATION pursuant to which the City and Sheraton were to negotiate a proposed lease for the development of a 400-room resort hotel and related facilities adjacent to the Torrey Pines golf course; and

WHEREAS, the exclusive negotiation agreement was for a 12-month term ending March 31, 1984; and

WHEREAS, the negotiation agreement indicated the fact that a portion of the property proposed for hotel development is currently under lease to Wansa Enterprises and that "the availability of [that] portion for hotel development is subject to an acceptable arrangement for relocation of the [golf course] driving range to an alternate site . . .;" and

WHEREAS, the negotiation agreement specified that "if the issues relating to the relocation of the driving range . . . have not been finally resolved before Sheraton has expended Fifty Thousand Dollars (\$50,000)" for the preparation of environmental documents and applications for all necessary

permits for the development of the site, "Sheraton may suspend the expenditure of any further sums" and "the term [of the negotiation agreement] shall be automatically extended for a period of time" necessary to resolve the relocation issue but in no event to extend beyond March 31, 1987; and

WHEREAS, the City has to date been unsuccessful in its efforts to fairly resolve the relocation issue and has, therefore, been unable to give possession of a large portion of the proposed site to Sheraton; and

WHEREAS, because of such inability to deliver possession Sheraton has been unable to proceed with tests necessary for preparation of environmental documents and has requested that the City waive the requirement for the \$50,000 expenditure for environmental documents and project permits; and

WHEREAS, the City Manager has recommended the waiver of said expenditure requirement as a pre-condition to an extension of the negotiation agreement for the period necessary to resolve the relocation issue, and has further recommended that the extension be for a period beyond 1987 and until 120 days after the land subject to the Wansa lease becomes available for hotel development, or until 120 days after November 30, 1992, which is the expiration date of the Wansa lease, whichever date or event first occurs; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego,



that the City Manager is hereby authorized and empowered to execute a First Amendment to the Exclusive Negotiation Agreement and Right of Entry with THE SHERATON CORPORATION which First Amendment waives the requirement that Sheraton expend at least \$50,000 on required activities, and extends the term of the Exclusive Negotiation Agreement until the specified number of days after resolution of the Wansa relocation issue or until 120 days after November 30, 1992, whichever date or event first occurs, under the terms and conditions set forth in that First Amendment to Exclusive Negotiation Agreement and Right of Entry on file in the office of the City Clerk as Document No. RR-260356.

APPROVED: John W. Witt, City Attorney

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Deputy City Attorney

HOV:ps 3/5/84

Revised 3/22/84

Or.Dept:Prop.

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	and adopted by the Council of	MAR 2 € 1984			
by the to	Councilmen Bill Mitchell Bill Cleator Gloria McColl William Jones Ed Struiksma Mike Gotch Dick Murphy Uvaldo Martinez Mayor Roger Hedgecock	Yeas D D D D D D	Nays	Not Present	Ineligible
(Seal)	AUTHENTICATED BY:  ROGER HEDGECOCK  Mayor of The City of San Diego, California.  CHARLES G. ABDELNOUR  City Clerk of The City of San Diego, California.  By				
				clerk, San Diego, C	alifornia MAR 26 1984

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