EXTENSION AGREEMENT
BETWEEN
THE CITY OF ANAHEIM
AND
ROBERT WELLS FAMILY PARTNERSHIP, A CALIFORNIA LIMITED
PARTNERSHIP, TWEDT FAMILY PARTNERSHIP, A CALIFORNIA LIMITED
PARTNERSHIP, AND TCRSC DEVELOPMENT LIMITED PARTNERSHIP, A TEXAS
LIMITED PARTNERSHIP

This Extension Agreement is entered into as of the ___ day of _____________, 2008,
by and between the City of Anaheim, a charter city and municipal corporation, duly
organized and existing under the Constitution and laws of the State of California (the
“City”) and the Robert Wells Family Partnership, a California limited partnership
(“Wells”), and the Twedt Family Partnership, a California limited partnership (“Twedt”),
each as to a fifty percent (50%) interest, as tenants-in-common and TCRSC
Development Limited Partnership (“TCRSC”) Wells, Twedt, and TCRSC shall be
referred to collectively within this Extension Agreement as “Owner.” The City and Owner
shall be referred to jointly within this Extension Agreement as the “Parties.”

RECITALS

This Extension Agreement is based upon the following:

A. On __________, 2008 (the “Adoption Date”), the City Council of City approved an
   ordinance (the “Ordinance”) adopting Development Agreement No. 2007-00006
   (the “Development Agreement”). Pursuant to the Ordinance, the City and Owner
   will sign the Development Agreement.

B. The Ordinance was adopted pursuant to the Development Agreement Statute,
   Sections 65864, et seq., of the California Government Code. The Development
   Agreement Statute provides, among other things, that a development agreement
   shall be recorded no later than ten days after it is entered into by a city or a county.
   See Government Code §65868.5.

C. The Development Agreement pertains to property located at 2100 East
   Orangewood Avenue in the City and consisting of approximately 6.93 acres within
   the Gateway District of the City’s Platinum Triangle area (the “Property”). TCRSC,
   rather than Wells and/or Twedt, is the intended developer of the Property pursuant
   to the Development Agreement.

D. On the Adoption Date, Wells and Twedt owned the Property in fee and TCRSC
   possessed an equitable interest in the Property. It is the intent of Wells and Twedt
   to convey fee title to the Property to TCRSC within the next twelve months
   pursuant to an existing purchase and sale agreement.

E. Due to uncertainties in the economy, resultant changes in the conditions precedent
to the financing of the acquisition of real property (including requirements related to
the certainty and completeness of entitlements and permits), and threatened litigation against City actions related to the development of the Property, TCRSC requires additional time after the Adoption Date to complete the necessary steps to complete acquisition of the Property.

F. The Property is included within the City’s Community Facilities District No. 08-1 (the “District”). Pursuant to the resolutions establishing the District, the Property will be subject to a significantly increased Maximum Special Tax Rate upon the signing of the Development Agreement.

G. The Parties agree that if the Maximum Special Tax Rate were to be applied to the Property before completion of the acquisition of the Property by TCRSC, then Wells and Twedt would be subject to the unintended consequence of substantially increased taxes even though their status remains that of a landowner, rather than that of a developer.

H. Therefore, the Parties are entering into this Extension Agreement to allow the completion of the steps needed to complete the acquisition of the Property by TCRSC, while at the same time avoiding unintended adverse financial consequences to Wells and Twedt.

AGREEMENT

The Parties agree as follows:

1. **First Extension of Time for Signing.** The Development Agreement may be signed, at the election of Owner, at any time up to and including June 30, 2009 (the “First Extension”).

2. **First Extension Fee.** As consideration for the First Extension, TCRSC shall pay to the City an extension fee of Twenty-Five Thousand Dollars ($25,000) on or before June 30, 2009.

3. **Second Extension of Time for Signing.** The time for signing the Development Agreement may be further extended if, at any time on or before June 30, 2009, Owner provides City with written notice of its intent to further extend the time for signing the Development Agreement to June 30, 2010 (the “Second Extension”).

4. **Second Extension Fee.** As consideration for the Second Extension, TCRSC shall pay to the City an additional extension fee of Twenty-Five Thousand Dollars ($25,000) on or before June 30, 2010.

5. **Further Extensions.** The Parties recognize that matters outside the control of the Parties, such as litigation challenging the “Development Approvals” (as defined in the Development Agreement), uncertainties in the capital markets, and natural disasters (“External Circumstances”) may potentially impact the ability of TCRSC to complete the acquisition of the Property by June 30, 2010. For that reason, the
City agrees that, at TCRSC’s request, it will discuss in good faith further extensions beyond June 30, 2010, as needed by TCRSC due to External Circumstances. The City shall not, however, be under any binding obligation to grant such extensions absent mutual agreement between the Parties.

6. **Consequences for Failure to Sign.** If the Owner does not provide written notice of its intent to further extend the time for signing the Development Agreement to June 30, 2010 as provided in Section 3, above, or the Development Agreement is not signed by Owner on or before June 30, 2010, and there is no further extension as provided in Section 5, above, the Development Agreement will be deemed forfeited by Owner and the City may initiate such proceedings as it deems necessary to formalize termination of the Development Agreement.

7. **Cooperation in the Event of Legal Challenge.** In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Development Agreement, and/or the “Development Approvals” (as defined in the Development Agreement), the Parties agree to cooperate fully with each other in defending any such action. Owner shall be liable for all legal expenses and costs incurred in defending any such action. Owner shall be entitled to choose legal counsel to defend against any such legal action and shall pay any attorneys’ fees awarded against City or Owner, or both, resulting from any such legal action. Owner shall be entitled to any award of attorneys’ fees arising out of any such legal action.

8. **Change in Ownership.** When TCRSC completes its acquisition of the Property and becomes fee owner, TCRSC shall be deemed “Owner” under this Extension Agreement, and Wells and Twedt shall no longer be considered as included within the term “Owner.” After change in ownership, the City and TCRSC shall expeditiously process an amendment to the Development Agreement in the manner required by law to reflect in that agreement the change in ownership. Upon acquisition of the Property, TCRSC shall provide the City with a new title report confirming its fee ownership.

9. **Successors and Assigns.** This Extension Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the Parties.

10. **Entire Agreement.** This Extension Agreement contains the entire agreement of the Parties with respect to the extension of the signing of the Development Agreement. There are no promises or understandings between the Parties regarding that extension which are not set forth within this Extension Agreement.

11. none
Notices. Any notice provided in connection with this Extension Agreement shall be addressed and delivered in the same manner as provided for notice in the Development Agreement.

“OWNER”

ROBERT WELLS FAMILY PARTNERSHIP, a California limited partnership

By: ______________________________

Name: ___________________________

Title: _____________________________

“OWNER”

TWEDT FAMILY PARTNERSHIP, a California limited partnership

By: ______________________________

Name: ___________________________

Title: _____________________________

“OWNER”

TCSRSC DEVELOPMENT LIMITED PARTNERSHIP, a Texas limited partnership

By: ______________________________

Name: ___________________________

Title: _____________________________
“CITY”
CITY OF ANAHEIM,
a municipal corporation

By: ______________________________
MAYOR OF THE CITY OF ANAHEIM

ATTEST:

__________________________________
CITY CLERK OF THE CITY OF ANAHEIM

APPROVED AS TO FORM:

JACK L. WHITE, CITY ATTORNEY

By: ______________________________