

THE CITY OF SIGNAL HILL

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (“Agreement”) is dated as of _____, 2026 for reference purposes only, and is entered into by and between the City of Signal Hill, a public body corporate and politic (“City”) and RMRG Portfolio LLC, a California Limited Liability Company (“Developer”), to provide a specified period of time to attempt to negotiate a disposition and development agreement. The City and the Developer are sometimes referred to in this Agreement individually, as a “Party” and, collectively, as the “Parties.” This Agreement is entered into by the Parties with reference to the following recited facts (each, a “Recital”):

RECITALS

A. The City is the owner of that certain real property located at, 2650-2660 Cherry Avenue, Signal Hill (APNs 7212-013-900, 7212-013-902, 7212-014-900, 7212-014-901, 7212-014-902, 7212-014-903, 7212-014-904, 7212-014-905, 7212-014-906, 7212-014-907, 7212-014-908, 7212-014-909, 7212-014-910) and more specifically described in Exhibit A (“Property”); and

B. The property was acquired by the City pursuant to Reso 2021-10-6643. The Parties acknowledge that the City believes it acquired the Property from the Successor Agency for fair market value consistent with the Long Range Property Management Plan on August 8, 2019. The County Recorder is still showing the Property is held in the name of the Successor Agency. City will work diligently with the County Recorder and any other required public agency to resolve the title issue. If the City discovers the City is not the rightful owner of the Property, the City will notify Developer and either Party may terminate this Agreement without liability; and

C. The City has an interest in developing the Property and accepted development proposals from interested developers. The Developer has proposed the redevelopment of the Property as generally depicted in the conceptual site description attached to this Agreement as Exhibit “B”. The developer proposes a commercial development consisting of various potential options including, but not limited to retail pads suitable for commercial tenants. The City and the developer will jointly explore economically feasible options during the Exclusive Negotiation Period. The City and the Developer will confirm the proposed development plan in a future agreement. The preferred development plan will be subject to the applicable entitlement process prescribed under the City’s Zoning Code. The Project description is included in Exhibit “B” and incorporated into this Agreement by this reference (“Project”); and

D. The City and Developer entered into an Exclusive Negotiation Agreement (“Prior ENA”), dated June 24, 2025 with the intent of establishing a period of time to negotiate regarding a future agreement between them governing the potential acquisition of the Property and development of the Project on the Property, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be negotiated and documented a future disposition and development agreement (“DDA”); and

E. The Parties made good progress toward an acceptable Project on the Property and an eventual DDA during the term of the Prior ENA, which has now expired. To enable the Parties to continue this progress, the Parties desire to enter into the Agreement with the intent of

establishing addition time within which to negotiate a future DDA governing the Project on the Property.

NOW, THEREFORE, IN VIEW OF THE GOALS AND OBJECTIVES OF THE CITY RELATING TO THE SALE AND DEVELOPMENT OF THE PROPERTY AND THE PROMISES OF THE CITY AND THE DEVELOPER SET FORTH IN THIS AGREEMENT, THE CITY AND THE DEVELOPER AGREE, AS FOLLOWS:

1. **Incorporation of Recitals.** The Recitals of fact set forth above are true and correct and are incorporated into this Agreement, in their entirety, by this reference.

2. **Deposits.**

(a) Concurrent with the Developer's execution of this Agreement, the Developer shall provide to the City a deposit in the amount of Ten Thousand Dollars (\$10,000) in immediately available funds ("Initial Deposit") to ensure that the Developer will proceed diligently and in good faith to fulfill its obligations under this Agreement during the Negotiation Period (as defined in Section 3(a)), as part of the consideration for the City's agreement not to negotiate with other persons during the Negotiation Period, and to defray certain costs of the City in pursuing the contemplated negotiations with the Developer during the Negotiation Period, pursuant to this Agreement. The City shall charge all costs (including staff time, consultant fees and attorney fees associated with review and implementation of this Agreement or preparing the DDA) against the Initial Deposit. Developer acknowledges that the Initial Deposit shall be in addition to those fees and expenses required by the City for any permit, other required entitlement, or project processing. A portion of the Initial Deposit in an amount equal to One Hundred Dollars (\$100) shall immediately become non-refundable upon Developer's transfer of the Initial Deposit to the City under this Agreement as consideration for the City's agreement not to negotiate with other persons during the Negotiation Period.

3. **Term of Agreement.**

(a) The rights and duties of the City and the Developer established by this Agreement shall commence on the first date on which all of the following have occurred (the "Effective Date"): (1) execution of this Agreement by the authorized representative(s) of the Developer and delivery of such executed Agreement to the City, (2) payment of the initial Deposit to the City by the Developer, in accordance with Section 2(a), (3) approval of this Agreement by the City governing body and execution of this Agreement by the authorized representative(s) of the City and (4) delivery of such fully executed Agreement to the Developer, the exact date of which shall be mutually agreed to by the Parties promptly after Developer's receipt of the fully executed Agreement from the City as evidenced in writing signed by their respective authorized representatives. The City shall deliver a fully executed counterpart original of this Agreement to the Developer, within ten (10) calendar days following the City governing body's approval of this Agreement, if approved, and the execution of this Agreement by the authorized representative(s) of the City. This Agreement shall continue in effect for the period of one hundred twenty (120) consecutive calendar days immediately following the Effective Date ("Negotiation Period"), subject to the limitations of Sections 3(b).

(b) The Negotiation Period may be extended upon the mutual written agreement of the City's City Manager and the Developer for no more than two (2) additional consecutive Sixty (60) calendar day periods. Notwithstanding the immediately preceding sentence or any other part of this Agreement, in no event shall the Negotiation Period exceed Two Hundred and Forty (240) consecutive calendar days from the Effective Date.

(c) This Agreement shall automatically expire and be of no further force or effect at the end of the Negotiation Period, unless, prior to that time, both the City and the Developer approve and execute a DDA acceptable to both the City and the Developer, in their respective sole and absolute discretion, in which case this Agreement will terminate on the effective date of such DDA.

4. Negotiation of DDA.

(a) During the Negotiation Period, the City and the Developer shall proceed diligently and in good faith to negotiate a DDA between them. The City and the Developer shall generally cooperate with each other and supply such available documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. Both the City and the Developer shall exercise commercially reasonable efforts to complete discussions relating to the terms and conditions of a DDA and such other matters, as may be mutually acceptable to both the City and the Developer, in their respective sole discretion. The exact terms and conditions of a DDA, if any, shall be determined during the course of these negotiations. Nothing in this Agreement shall be interpreted or construed to be a representation or agreement by either the City or the Developer that a mutually acceptable DDA will be produced from negotiations under this Agreement. Nothing in this Agreement shall impose any obligation on either Party to agree to a definitive DDA in the future. Nothing in this Agreement shall be interpreted or construed to be a guaranty, warranty or representation that any proposed DDA that may be negotiated by City staff and the Developer will be approved by the City governing body. The Developer acknowledges and agrees that the City's consideration of any DDA is subject to the sole and absolute discretion of the City governing body and all legally required public hearings, public meetings, notices, factual findings and other determinations required by law. In the event the DDA is not agreed upon prior to the end of the Negotiation Period, City will refund the Initial Deposit in full to the Developer within thirty (30) days from the termination of the ENA.

5. Restrictions Against Change in Ownership, Management and Control of Developer and Assignment of Agreement.

(a) The qualifications and identity of the Developer and its principals are of particular concern to the City. It is because of these qualifications and identity that the City has entered into this Agreement with the Developer. During the Negotiation Period, no voluntary or involuntary successor-in-interest of the Developer shall acquire any rights or powers under this Agreement, except as provided in Section 6(c).

(b) The Developer shall promptly notify the City in writing of any and all changes whatsoever in the identity of the business entities or individuals either comprising or in Control (as defined in Section 6(d)) of the Developer, as well as any and all changes in the interest or the degree of Control of the Developer by any such person, of which information the Developer

or any of its shareholders, partners, members, directors, managers or officers are notified or may otherwise have knowledge or information. Upon the occurrence of any significant or material change, whether voluntary or involuntary, in ownership, management or Control of the Developer (other than such changes occasioned by the death or incapacity of any individual) that has not been approved by the City, prior to the time of such change, the City may terminate this Agreement, without liability to the Developer or any other person and refund any remaining deposit funds provided by the Developer to the City pursuant to Section 2(a), above, by sending written notice of termination to the Developer, referencing this Section 5(b).

(c) The Developer may assign its rights under this Agreement to an Affiliate (as defined in Section 5(d)), on the condition that such Affiliate expressly assumes all of the obligations of the Developer under this Agreement in a writing reasonably satisfactory to the City, and further provided that RMRG Portfolio LLC and Michael H. Mugel at all times, shall control any such Affiliate and be responsible and obligated directly to the City for performance of the Developer's obligations under this Agreement.

(d) For the purposes of this Agreement, the term "Affiliate" means any person, directly or indirectly, controlling or controlled by or under common control with the Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise. For the purposes of this agreement, "Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether by ownership of equity interests, by contract, or otherwise.

6. Obligations to Review Draft Agreements and Attend Meetings.

(a) During the Negotiation Period, each Party shall diligently review and comment on draft versions of a DDA provided by the other Party and, if the terms and conditions of a DDA are agreed upon between City staff and the Developer, the Developer shall submit the DDA fully executed by the authorized representative(s) of the Developer to the City Manager for submission to the City governing body for review and approval or disapproval. Any future DDA shall consist of terms and conditions acceptable to both the Developer and the City governing body, in their respective sole and absolute discretion.

(b) During the Negotiation Period, the Developer shall also keep City staff advised on the progress of the Developer in performing its obligations under this Agreement, on a regular basis or as requested by City staff, including, without limitation, having one or more of the Developer's employees or consultants who are knowledgeable regarding this Agreement, the design and planning of the Project and the progress of negotiation of a DDA, such that such person(s) can meaningfully respond to City and/or City staff questions regarding the progress of the design and planning of the Project or the negotiation of a DDA, attend both: (1) periodic meetings with City staff, as reasonably scheduled and requested by City staff during the Negotiation Period, and (2) meetings of the City governing body, when reasonably requested to do so by City staff.

7. Developer to Pay All Costs and Expenses. All fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by the Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review,

planning and/or design activities, drawings, specifications or other activity or matter relating to the Property or the Project or negotiation of a DDA that may be undertaken by the Developer during the Negotiation Period, pursuant to or in reliance upon this Agreement or in the Developer's discretion, regarding any matter relating to a DDA, the Property or the Project, shall be the sole responsibility of and undertaken at the sole cost and expense of the Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of or in reliance upon the City. The Developer shall also pay all fees, charges and costs, make all deposits and provide all bonds or other security associated with the submission to and processing by the City of any and all applications and other documents and information to be submitted to the City by the Developer pursuant to this Agreement or otherwise associated with the Project. The City shall not be obligated to pay or reimburse any expenses, fees, charges or costs incurred by the Developer in pursuit of any study, analysis, evaluation, report, schedule, estimate, environmental review, planning and/or design activities, drawings, specifications or other activity or matter relating to the Property or the Project or negotiation of a DDA that may be undertaken by the Developer during the Negotiation Period, whether or not this Agreement is, eventually, terminated or extended or a DDA is entered into between the City and the Developer, in the future.

8. **City Not To Negotiate With Others.** During the Negotiation Period, the City and City staff shall not negotiate with any other person regarding the sale or redevelopment of the Property. The term "negotiate" as used in this Agreement, means and refers to engaging in any discussions with a person other than the Developer, regardless of how initiated, with respect to the availability of the Property or that person's redevelopment of the Property, without the Developer's prior written consent. Developer acknowledges that City may receive and retain unsolicited offers regarding redevelopment of the Property, but shall not respond to (except as provided below) or entertain any offer or negotiate with the proponent of any such offer during the Negotiation Period, provided, however, that the City may notify such proponent that it is a party to an Exclusive Negotiating Agreement without providing any specifics regarding the identity of Developer or the terms and conditions of this Agreement. Developer acknowledges that the City is a public agency and subject to the provisions of the California Public Records Act, Government Code Section 6254, et. seq. (the "Act"). The City shall use its best efforts to inform Developer of any request for information received pursuant to the Act. If Developer believes the information requested is confidential, Developer may pursuant a court order preventing the release of the requested information.

9. **Acknowledgments and Reservations.**

(a) The City and the Developer agree that, if this Agreement expires or is terminated for any reason, or a future DDA is not approved and executed by both the City and the Developer, for any reason, neither the City nor the Developer shall be under any obligation, nor have any liability to each other or any other person regarding the sale or other disposition of the Property or the redevelopment of the Project or the Property; provided, however, that in the event this Agreement terminates, the City shall return to the Developer within ten (10) business days of such termination any and all deposits due to be refunded pursuant to Section 2(a) of this Agreement.

(b) The Developer acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the City, nor an acceptance by the City of any offer

or proposal from the Developer for the City to convey any estate or interest in the Property to the Developer or for the City to provide any financial or other assistance to the Developer for redevelopment of the Project or the Property.

(c) The Developer acknowledges and agrees that the Developer has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in real or personal property from the City.

(d) Certain development standards and design controls for the Project may be established between the Developer and the City, but it is understood and agreed between the City and the Developer that the Project and the redevelopment of the Property must conform to all City and other applicable governmental development, land use and architectural regulations and standards. Drawings, plans and specifications for the Project shall be subject to the approval of the City through the standard development application process for projects of this nature. Nothing in this Agreement shall be considered approval of any plans or specifications for the Project or of the Project itself by the City.

(e) The City reserves the right to reasonably obtain further available information and data to ascertain the ability and capacity of the Developer to acquire or lease, develop and operate the Property and/or the Project. The Developer acknowledges that it may be requested to make certain financial disclosures to the City, its staff, legal counsel or other consultants, as part of the financial due diligence investigations of the City relating to the potential sale of the Property and redevelopment of the Project on the Property by the Developer and that any such disclosures may become public records. The City shall maintain the confidentiality of financial and other proprietary information of the Developer to the extent allowed by law, as determined by the City Attorney.

10. **Nondiscrimination.** The Developer shall not discriminate against nor segregate any person, or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in undertaking its obligations under this Agreement.

11. **Limitation on Damages and Remedies.**

(a) THE DEVELOPER AND THE CITY ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY THE DEVELOPER UPON THE BREACH OF THIS AGREEMENT BY THE CITY, HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES THE DEVELOPER WOULD SUFFER UPON THE BREACH OF THIS AGREEMENT BY THE CITY. THE DEVELOPER AND THE CITY AGREE THAT A REASONABLE ESTIMATE OF THE DEVELOPER'S DAMAGES IN SUCH EVENT IS TEN THOUSAND DOLLARS (\$10,000.00) (THE "LIQUIDATED DAMAGES AMOUNT"). THEREFORE, UPON THE BREACH OF THIS AGREEMENT BY THE CITY, THE CITY SHALL PAY THE LIQUIDATED DAMAGES AMOUNT TO THE DEVELOPER AND THIS AGREEMENT SHALL TERMINATE. RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT SHALL BE THE DEVELOPER'S SOLE AND EXCLUSIVE REMEDY ARISING FROM ANY BREACH OF THIS AGREEMENT BY THE CITY.

Initials of Authorized
Representative of City

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Representative of Developer

(b) THE CITY AND THE DEVELOPER EACH ACKNOWLEDGE AND AGREE THAT THE CITY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT, IF IT WERE TO BE LIABLE TO THE DEVELOPER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY OR ANY REMEDY OTHER THAN TERMINATION OF THIS AGREEMENT AND PAYMENT OF THE LIQUIDATED DAMAGES AMOUNT. ACCORDINGLY, THE CITY AND THE DEVELOPER AGREE THAT THE DEVELOPER'S SOLE AND EXCLUSIVE RIGHT AND REMEDY UPON THE BREACH OF THIS AGREEMENT BY THE CITY IS TO TERMINATE THIS AGREEMENT AND RECEIVE THE LIQUIDATED DAMAGES AMOUNT.

(c) THE DEVELOPER ACKNOWLEDGES THAT IT IS AWARE OF THE MEANING AND LEGAL EFFECT OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(d) CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, IT IS THE INTENTION OF THE DEVELOPER TO BE BOUND BY THE LIMITATION ON DAMAGES, RECOVERY AND REMEDIES SET FORTH IN THIS SECTION 12, AND THE DEVELOPER HEREBY RELEASES ANY AND ALL CLAIMS AGAINST THE CITY FOR MONETARY DAMAGES, MONETARY RECOVERY OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY BREACH OF THIS AGREEMENT, EXCEPT RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO THE DEVELOPER AS OF THE EFFECTIVE DATE OF THIS AGREEMENT. THE DEVELOPER SPECIFICALLY WAIVES THE BENEFITS OF CALIFORNIA CIVIL CODE SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS (WHETHER STATE OR FEDERAL) OF SIMILAR EFFECT WITH REGARD TO THE LIMITATIONS ON DAMAGES AND REMEDIES AND WAIVERS OF ANY SUCH DAMAGES AND REMEDIES CONTAINED IN THIS SECTION 12.

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Representative of City

Initials of Authorized
Representative of Developer

12. **Default.**

(a) Failure or delay by either Party to perform any material term or provision of this Agreement shall constitute a default under this Agreement. If the Party who receives notice of a default from the other Party cures, corrects or remedies the alleged default within fifteen (15)

calendar days after receipt of written notice by the other Party specifying such default, such Party shall not be in default under this Agreement. The notice and cure period provided in the immediately preceding sentence shall not, under any circumstances, extend the Negotiation Period. If there are less than fifteen (15) days remaining in the Negotiation Period, the cure period allowed pursuant to this Section 12(a) shall be automatically reduced to the number of days remaining in the Negotiation Period.

(b) The Party claiming that a default has occurred shall give written notice of default to the Party claimed to be in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. However, the injured Party shall have no right to exercise any remedy for a default under this Agreement, without first delivering written notice of the default and allowing the applicable period to cure any such default as set forth in Section 12(a).

(c) Any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

(d) If a default of either Party remains uncured for more than fifteen (15) calendar days following receipt of written notice of such default, a “breach” of this Agreement by the defaulting Party shall be deemed to have occurred. In the event of a breach of this Agreement, the sole and exclusive remedy of the Party who is not in default shall be to terminate this Agreement by serving written notice of termination on the Party in breach and, in the case of a breach by the City, the Developer shall also be entitled to receive the Liquidated Damages Amount.

(e) Notwithstanding anything to the contrary contained in this Agreement, in no event shall Developer be responsible for any consequential or punitive damages, and in the event of a default by Developer, Developer shall only be liable for any actual damages incurred by the City, if any.

13. **Compliance with Law.** The Developer acknowledges that any future DDA, if approved by the governing body of the City, will require the Developer (among other things) to carry out the development of the Project in conformity with all applicable laws, including all applicable building, planning and zoning laws, environmental laws, safety laws and federal and state labor and wage laws.

14. **Press Releases.** The Developer agrees to obtain the approval of the City Manager or his or her designee or successor in function of any press releases Developer may propose relating to the redevelopment of the Property or negotiation of a DDA with the City, prior to publication. The rights and obligations in this provision shall not apply to leasing and marketing brochures and/or information distributed by email or placed online on a brokerage website or real estate website such as LoopNet.com.

15. **Notice.** All notices required under this Agreement shall be presented in person, by nationally recognized overnight delivery service or by facsimile and confirmed by first class certified or registered United States Mail, with return receipt requested, to the address and/or fax number for the Party set forth in this Section 15. Notice shall be deemed confirmed by United

States Mail effective the third (3rd) business day after deposit with the United States Postal Service. Notice by personal service or nationally recognized overnight delivery service shall be effective upon delivery. Either Party may change its address for receipt of notices by notifying the other Party in writing. Delivery of notices to courtesy copy recipients shall not be required for valid notice to a Party

TO DEVELOPER:

RMRG Portfolio LLC
1234E 17th Street
Santa Ana, CA 91724
Attn: Kyle Weichert
657-383-4212
kweichertarmrginc.com

TO CITY:

City of Signal Hill
Carlo Tomaino, City Manager
2175 Cherry Avenue
Signal Hill, CA 90755
(562) 989-7302

COPY TO:

Best Best & Krieger LLP
Attn: Matthew E. Richardson, Esq.
18101 Von Karman Ave., Suite 1000
Irvine, CA 92615
Facsimile: (949) 260-0972
Telephone: (949) 263-2600

16. **Warranty Against Payment of Consideration for Agreement.** The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 16, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects, brokers and other consultants, when such fees are considered necessary by the Developer.

17. **Acceptance of Agreement by Developer.** The Developer shall acknowledge its acceptance of this Agreement by delivering to the City three (3) original counterpart executed copies of this Agreement signed by the authorized representative(s) of the Developer.

18. **Counterpart Originals.** This Agreement may be executed by the City and the Developer in multiple counterpart originals, all of which together shall constitute a single agreement.

19. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended to benefit any person or entity other than the City or the Developer.

20. **Governing Law.** The City and the Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City of Signal Hill, California. The City and the Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California, without application of such laws' conflicts of laws principles.

21. **Waivers.** No waiver of any breach of any term or condition contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach of such term or condition, or of any other term or condition contained in this Agreement. No extension of the time for performance of any obligation or act, no waiver of any term or condition of this Agreement, nor any modification of this Agreement shall be enforceable against the City or the Developer, unless made in writing and executed by both the City and the Developer.

22. **Construction.** Headings at the beginning of each section and sub-section of this Agreement are solely for the convenience of reference of the City and the Developer and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one or the other of the City or the Developer, but rather as if both the City and the Developer prepared this Agreement. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to this Agreement and incorporated into this Agreement by this reference. If the date on which the City or the Developer is required to take any action pursuant to the terms of this Agreement is not a business day of the City, the action shall be taken on the next succeeding business day of the City.

23. **Attorneys' Fees.** If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, then the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees as fixed by the court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees. For the purposes hereof the words "reasonable attorneys' fees" mean and include, in the case of either Party, salaries and expenses of the lawyers working for or employed by such Party (allocated on an hourly basis) to the extent they provide legal services to such Party in connection with the representation of that Party in any such matter.

[Signatures on following page]

THE CITY OF SIGNAL HILL
EXCLUSIVE NEGOTIATION AGREEMENT

IN WITNESS WHEREOF, the City and the Developer have executed this Negotiation Agreement on the dates indicated next to each of the signatures of their authorized representatives, as appear below.

DEVELOPER:

By: _____

Dated: _____

Michael H. Mugal

Dated: _____

CITY:

THE CITY OF SIGNAL HILL

By: _____

Dated: _____

City Manager, Carlo Tomaino

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:
BEST BEST & KRIEGER LLP

By: _____
City Attorney

Exhibit "A"
Property Description

Exhibit "B"
Project Description