

**AGENDA OF A SPECIAL MEETING  
PARKING AUTHORITY OF THE CITY OF NATIONAL CITY**

**City Council Chambers  
Civic Center  
1243 National City Boulevard  
National City, California  
Tuesday – December 6, 2016 - 6:00 P.M.**

**Open To the Public**

**ROLL CALL**

**OPEN SESSION**

**NON CONSENT CALENDAR**

Consent Calendar: Consent calendar items involve matters, which are of a routine or noncontroversial nature. All consent calendar items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

1. Resolution of the Parking Authority of the City of National City authorizing the Chairman to execute the Tenth Amendment to the Option to Purchase Agreement with the County of San Diego for the purchase of an Open-Space Easement on a 15.08 acre parcel of land at the southwest corner of Sweetwater Road and Bonita Center Road that extends the term of said Option for one year and pays the County of San Diego \$1.00 as consideration for the extension. (Housing & Economic Development Division)
2. Resolution of the Parking Authority of the City of National City authorizing the City Manager to execute the Third Amendment to the Option Agreement with CarMax Auto Superstores California, LLC, a Virginia limited liability company, amending the Total Purchase Price to be paid to \$1,500,000 for 7.7 acres or \$4.40 per square foot contingent on a reduction of the sales price for the County of San Diego Open Space Easement and allowing the size and dimension of the Property to be determined by CarMax based upon the total size needed for the CarMax Project. (Housing & Economic Development Division)

**ADJOURNMENT**

Adjourn to the Regular Parking Authority Meeting – Tuesday, August 15, 2017 – 6:00 p.m., Council Chambers, Civic Center.

**Council Requests That All Cell Phones and  
Pagers Be Turned Off During City Council Meetings**

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at 336-4228 to request a disability-related modification or accommodation. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**CITY OF NATIONAL CITY, CALIFORNIA  
PARKING AUTHORITY AGENDA STATEMENT**

**MEETING DATE:** December 6, 2016

**AGENDA ITEM NO.** 1

**ITEM TITLE:**

Resolution of the Parking Authority of the City of National City authorizing the Chairman to execute the Tenth Amendment to the Option to Purchase Agreement with the County of San Diego for the purchase of an Open-Space Easement on a 15.08 acre parcel of land at the southwest corner of Sweetwater Road and Bonita Center Road that extends the term of said Option for one year and pays the County of San Diego \$1.00 as consideration for the extension.

**PREPARED BY:** Carlos Aguirre  
Housing & Economic Development Mgr. 

**DEPARTMENT:** Housing & Economic Development

**PHONE:** 619 336-4391

**APPROVED BY:**  \_\_\_\_\_

**EXPLANATION:**

The Parking Authority entered into an Option to Purchase Agreement ("Option Agreement") with the County of San Diego on March 20, 2007 that provided the Parking Authority the option to purchase the current Open-Space Easement attached to a 15.08-acre parcel of land at the southwest corner of Sweetwater Road and Bonita Center Road to develop a commercial project. The Option Agreement has been amended nine times since 2007 each extending the Option Agreement for another year. The Tenth Amendment to the Option to Purchase Agreement would extend the term of the Option Agreement to December 31, 2017. The County Board of Supervisors previously authorized one additional one (1) year extension through December 31, 2017.

**FINANCIAL STATEMENT:**

**ACCOUNT NO.**

N/A

**APPROVED:** \_\_\_\_\_ **Finance**

**APPROVED:** \_\_\_\_\_ **MIS**

**ENVIRONMENTAL REVIEW:**

N/A

**ORDINANCE:** INTRODUCTION:  FINAL ADOPTION:

**STAFF RECOMMENDATION:**

Adoption of the Resolution.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Attachment No.1: Tenth Amendment to the Option to Purchase Agreement

## TENTH AMENDMENT TO OPTION TO PURCHASE AGREEMENT

This Tenth Amendment to Option to Purchase Agreement (Tenth Amendment) is made as of \_\_\_\_\_, 2016, by and between the COUNTY OF SAN DIEGO, a political subdivision of the State of California (County) and the PARKING AUTHORITY OF THE CITY OF NATIONAL CITY, a public body corporate and politic created pursuant to the Parking Law of 1949 (Optionee) with reference to the following facts:

### RECITALS

1. Optionee owns a 15.08-acre parcel of land at the southwest corner of Sweetwater Road and Bonita Center Road in National City, California, identified as County Assessor's Parcel Number 564-471-11.
2. In 1978 Optionee conveyed to County an easement for open space and park purposes over this 15.08-acre parcel (the Easement).
3. Optionee wishes to purchase the Easement from County.
4. On April 3, 2007, County and Optionee entered into an Option to Purchase Agreement (Option Agreement) setting forth the terms of an option whereby Optionee could purchase the Easement from County.
5. On December 13, 2007, Optionee exercised its option to purchase the Easement, and on March 12, 2008, Optionee and County opened escrow pursuant to the terms of the Option Agreement. The escrow was subsequently cancelled in 2011.
6. Optionee was unable to meet the 90-day deadline for closing escrow and requested that the date for close of escrow be extended to December 31, 2008.
7. On July 2, 2008, the parties executed the First Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2008.
8. Optionee was unable to meet the December 31, 2008 deadline. Therefore, on October 14, 2008, the parties executed the Second Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2009.
9. Optionee was unable to meet the December 31, 2009 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, the parties executed the Third Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2010.
10. Optionee was unable to meet the December 31, 2010 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, the parties executed the Fourth Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2011.

11. Optionee was unable to meet the December 31, 2011 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, on March 6, 2012, the parties executed the Fifth Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2012.

12. Optionee was unable to meet the December 31, 2012 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, on November 1, 2013, the parties executed the Sixth Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2013.

13. Optionee was unable to meet the December 31, 2013 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, on December 3, 2014, the parties executed the Seventh Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2014.

14. Optionee was unable to meet the December 31, 2014 deadline and requested that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, on April 21, 2015, the parties executed the Eighth Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2015.

15. On October 21, 2014, the Board of Optionee approved an Exclusive Negotiating Agreement ("ENA") between Optionee and CarMax Auto Superstores California, LLC ("CarMax") to allow Optionee and CarMax to negotiate the potential sale to CarMax of approximately 9.5 acres of the Property as defined in the Option Agreement.

16. On August 18, 2015, the Board of Optionee approved an Option Agreement ("CarMax Option") between Optionee and CarMax to grant CarMax the right to purchase at least 9.5 acres for not less than \$3,500,000 and additional compensation for each square foot in excess of 9.5 acres of the Property.

17. Pursuant to Section 9 of the CarMax Option, a condition precedent to the close of escrow under the CarMax Option between Optionee and CarMax is Optionee's completion of the purchase of the Easement from the County.

18. Optionee was unable to meet the December 31, 2015 deadline and requested that the deadline for the close of escrow and the term of the Option Agreement be extended for an additional year. Therefore, on December 28, 2015, the parties executed the Ninth Amendment, which extended the deadline for close of escrow and the term of the Option Agreement to December 31, 2016.

19. Optionee is unable to meet the December 31, 2016 deadline and requests that the deadline for close of escrow and the term of the Option Agreement be extended for an additional year.

**AGREEMENT**

Now, therefore, the parties agree as follows:

1. Optionee shall pay County \$1.00 as consideration for this Tenth Amendment. The payment shall be made as specified in paragraph 3B of the Option Agreement.

2. Paragraph 2 of the Option Agreement is amended to read as follows:

“2. The term ("Term") of this Option shall be from the Effective Date through December 31, 2017.”

3. Paragraph 9C(2) of the Option Agreement is amended to read as follows:

“9 C (2) Close of Escrow; Closing Date. Escrow shall close either on or before December 31, 2017, or five business days after Optionee's notice to County and escrow company requesting to close escrow, whichever is sooner, ("Close of Escrow" or "Closing Date"). The terms "Close of Escrow" and/or "Closing Date" shall mean the date the deeds conveying title to the Easement and title to the Walkway Area are recorded in the Office of the County Recorder of the County of San Diego.

4. All other terms and conditions of the Option Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Tenth Amendment effective as of the date first written above.

**OPTIONEE**

<p>By:</p> <hr/> <p>RON MORRISON, Chairman                  Parking Authority of the City of                  National City</p>	<p>By:</p> <hr/> <p>LESLIE DEESE, Secretary                  Parking Authority of the City of National City</p> <p>Approved as to form                  City Attorney</p> <p>By _____                  George Eiser                  Interim City Attorney</p>
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<p><b>COUNTY OF SAN DIEGO</b></p> <p>By: _____ Marko Medved, P.E., CEM, Director Department of General Services</p>	<p>Approved as to form and legality County Counsel</p> <p>By: _____ KRISTEN LAYCHUS Deputy County Counsel</p>
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RESOLUTION NO. 2016 –

RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF NATIONAL CITY  
AUTHORIZING THE CHAIRMAN TO EXECUTE THE TENTH AMENDMENT  
TO THE OPTION TO PURCHASE AGREEMENT WITH THE COUNTY OF  
SAN DIEGO FOR THE PURCHASE OF AN OPEN-SPACE EASEMENT  
ON A 15.08 ACRE PARCEL OF LAND AT THE SOUTHWEST CORNER  
OF SWEETWATER ROAD AND BONITA CENTER ROAD THAT EXTENDS  
THE TERM OF SAID OPTION FOR ONE YEAR AND PAYS THE COUNTY  
OF SAN DIEGO \$1.00 AS CONSIDERATION FOR THE EXTENSION

WHEREAS, on March 20, 2007, the Parking Authority of the City of National City ("Parking Authority") entered into an Option to Purchase Agreement ("Option Agreement") with the County of San Diego to purchase an open-space easement attached to the 15.08-acre parcel of land located at the southwest corner of Sweetwater Road and Bonita Center Road (Parcel No. 564-471-11) to develop a commercial project; and

WHEREAS, the Option Agreement has been subsequently amended in 2008, 2009, 2010, 2011, 2012, 2013, 2014, and 2015 each extending the term of the Option Agreement for one year; and

WHEREAS, the Tenth Amendment to the Option Agreement extends the term of the Option Agreement for one year, to December 31, 2017, and in consideration for the amendment, the Parking Authority agrees to pay \$1.00 to the County of San Diego.

NOW, THEREFORE, BE IT RESOLVED, that the Parking Authority of the City of National City hereby authorizes the Chairman to execute the Tenth Amendment to the Option to Purchase Agreement by and between the Parking Authority of the City of National City and the County of San Diego to extend the term of the Option Agreement for one year, to December 31, 2017, and in consideration for the amendment, the Parking Authority agrees to pay \$1.00 to the County of San Diego. The Tenth Amendment is on file in the office of the City Clerk.

PASSED and ADOPTED this 6th day of December, 2016.

ATTEST:

\_\_\_\_\_  
Ron Morrison, Chairman

\_\_\_\_\_  
Leslie Deese, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
George Eiser  
Interim Legal Counsel

**CITY OF NATIONAL CITY, CALIFORNIA  
PARKING AUTHORITY AGENDA STATEMENT**

**MEETING DATE:** December 6, 2016

**AGENDA ITEM NO. 2**

**ITEM TITLE:**

Resolution of the Parking Authority of the City of National City authorizing the Chairman to execute the Third Amendment to the Option Agreement with CarMax Auto Superstores California, LLC, a Virginia limited liability company, amending the Total Purchase Price to be paid to \$1,500,000 for 7.7 acres or \$4.40 per square foot contingent on a reduction of the sales price for the County of San Diego Open Space Easement and allowing the size and dimension of the Property to be determined by CarMax based upon the total size needed for the CarMax Project.

**PREPARED BY:** Gregory Rose, Property Agent 

**DEPARTMENT:** Housing & Economic Development 

**PHONE:** (619) 336-4266

**APPROVED BY:** 

**EXPLANATION:**

See Attachment No. 1 Background Report.

**FINANCIAL STATEMENT:**

**ACCOUNT NO.** N/A

**APPROVED:** \_\_\_\_\_ Finance

**APPROVED:** \_\_\_\_\_ MIS

**ENVIRONMENTAL REVIEW:**

This action is not considered a project as defined by the California Environmental Quality Act (CEQA), and is therefore not subject to CEQA. The Optionee may exercise the option to purchase the property only upon the City certifying compliance with CEQA.

**ORDINANCE:** INTRODUCTION:  FINAL ADOPTION:

**STAFF RECOMMENDATION:**

Adoption of the Resolution

**BOARD / COMMISSION RECOMMENDATION:**

Not Applicable

**ATTACHMENTS:**

Attachment No. 1: Background Report

Attachment No. 2: Third Amendment to the Option Agreement



**PARKING AUTHORITY OF THE CITY OF NATIONAL CITY  
CarMax Third Amendment to the Option Agreement**

Option Agreement with CarMax

The Parking Authority of the City of National City ("Authority") owns a 15.08-acre parcel located at the southwest corner of Sweetwater Road and Plaza Bonita Center Way (APN 564-471-11) ("Property"). The Authority entered into an Option to Purchase Agreement ("Agreement") with CarMax Auto Superstores California, LLC, ("CarMax") on August 18, 2015. CarMax intends to use the Property to build a CarMax Superstore ("Project"), provide for on-site mitigation, and create a remnant parcel of one to two acres to be used for future development by the Authority. The total purchase price in the Original Option Agreement is not to be less than \$3,500,000 for 9.5 acres. If the Optionee elected to purchase more than 9.5 acres, the Agreement further describes how the purchase price for additional acreage would be calculated.

CarMax Proposes Adjustment to Purchase Price and Size based on Current Appraisal

Based on an updated appraisal ("Appraisal"), CarMax recently proposed to offer an adjusted Purchase Price ("Purchase Price") of \$1,500,000 for at least 7.7 acres or \$4.40 per square foot. A review of the Appraisal confirms that the adjusted Purchase Price being offered by CarMax is consistent with the fair market value of the property. Extensive analysis has been conducted with consultants, the City, Caltrans, and other regulatory agencies to determine that site preparation, mitigation and construction costs are much higher than originally estimated. The higher costs are the main factor in CarMax's proposed adjustment to the purchase price and size for the development of the Project.

Purchase of Open Space Easement from the County of San Diego

An Open Space Easement ("Easement") granted to the County of San Diego ("County") encumbers and prevents development of the Property. Over 10 years ago, the City negotiated an Option to Purchase the Easement from the County. The Option Price ("Option Price") was negotiated at \$3,000,000. The Authority is currently negotiating with the County to lower the Option Price for the Easement to reflect the Easement's current market value as indicated by CarMax's recent Appraisal and to make it feasible for the Authority to consider CarMax's adjusted Purchase Price. The County was presented with an offer of \$603,000 for the entire Easement and considered the offer in closed session on November 15, 2016. County staff responded to the Authority with a request for additional time to consider the offer for the Easement. The 10<sup>th</sup> Amendment to the Easement Option between the Authority and the County, also under consideration by the Authority Board on December 6, 2016, will provide for the additional time needed by the County to consider the Authority's offer.

The Purchase Price for CarMax, under the Third Amendment, is contingent on a reduction to the price for the Easement payable to the County ("County's Contingency"). If the County's Contingency has not been satisfied on or before March 1, 2017, the change to the Purchase Price shall be deemed to have become null and void and of no further force or effect, and the purchase price agreed to under Section 6(a) of the Original Agreement shall remain and continue in full force and effect. The Third Amendment would also allow the size and dimension of Project to be determined by CarMax as needed by the Project.

THIRD AMENDMENT  
TO  
OPTION AGREEMENT

This THIRD AMENDMENT TO OPTION AGREEMENT (this “**Amendment**”) is entered into as of \_\_\_\_\_, 2016, by and between THE PARKING AUTHORITY OF THE CITY OF NATIONAL CITY, a public body corporate and politic (the “**Authority**”) and CARMAX AUTO SUPERSTORES CALIFORNIA, LLC, a Virginia limited liability company (the “**Optionee**”).

RECITALS

A. The Authority and the Optionee are parties to that certain Option Agreement (CarMax, National City, California) dated as of August 18, 2015, as amended by that certain First Amendment to Option Agreement dated as of May 3, 2016 and that certain Second Amendment to Option Agreement dated as of August 26, 2016 (collectively, the “**Original Agreement**”), relating to certain real property in National City, California (the “**Property**”).

B. Optionee has been in the process of reviewing the feasibility of the Property for its intended use.

C. The parties desire to amend the Original Agreement as hereinafter provided.

D. Capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in the Original Agreement. The Original Agreement, as modified by this Amendment, shall be referred to herein as the “**Agreement**.”

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

(a) The term “**Additional Acreage**” in Section 5 of the Original Agreement is hereby deleted in its entirety.

(b) The term “**Minimum Acreage**” in Section 5 of the Original Agreement is hereby deleted in its entirety.

(c) The term “**Property**” in Section 5 of the Original Agreement is hereby amended by deleting the initial sentence thereof and inserting the following in lieu thereof:

“**Property**” means that certain real property located at the southwest corner of Sweetwater Road and Bonita Center Road, in the City of National City, California as generally depicted on Exhibit “B” attached hereto (provided that the final size and dimensions of the Property shall be determined pursuant to Section 7(h) of the Agreement), and the Improvements, if any, located thereon.

2. Purchase Price. Section 6(a) of the Original Agreement is hereby amended by deleting said paragraph in its entirety and inserting the following in lieu thereof:

(a) Total Purchase Price. Subject to satisfaction of the County Contingency (defined below), the purchase price to be paid by the Optionee for the Property (the "**Purchase Price**") shall be the greater of (i) One Million Five Hundred Thousand Dollars (\$1,500,000.00), or (ii) Four and 40/100 Dollars (\$4.40) per square foot. By way of illustration, if the Property is comprised of 7.7 acres, then the Purchase Price for the Property shall be One Million Five Hundred Thousand Dollars (\$1,500,000.00). As used herein, the "**County Contingency**" shall mean that the Authority shall have entered into an amendment with the County of San Diego (the "**County**") with respect to the Option to Purchase Agreement (as defined in the Section 5 of the Original Agreement), as previously amended, most recently by that certain Ninth Amendment to Option to Purchase Agreement dated as of December 28, 2015, to reduce the purchase price payable by the Authority to the County to release the Easement (as defined in the Section 5 of the Original Agreement), to an amount as determined by the Authority in its discretion. The date for satisfaction of the County Contingency shall be on or before March 1, 2017. The Authority shall promptly notify Optionee if and when such amendment has been executed and the County Contingency has been satisfied. If the County Contingency has not been satisfied on or before March 1, 2017, then unless agreed upon by the parties hereto in writing, the change to the Purchase Price contemplated hereby shall be deemed to have become null and void and of no further force or effect, and Section 6(a) of the Original Agreement shall be deemed to remain and continue in full force and effect.

(a) Size and Dimensions of the Property. Section 7(h) of the Original Agreement is hereby amended by deleting the third sentence thereof and inserting the following in lieu thereof:

The size and dimensions of the Property shall be determined by the Optionee based upon its good faith determination of the total size of the property needed to accommodate and support the Project which it intends to construct on the Property (including without limitation, any property required for detention or retention ponds), but without including any additional or surplus property which would not be needed for the Project; provided however that the Planning Commission, as the sole decision-making body for the Tentative Parcel Map, has complete discretion to make modifications to, or to disapprove, the Tentative Parcel Map.

3. Obligations of Optionee as to the Residual Parcel. Section 11(g) of the Agreement provides in part that following the Closing Date, Optionee would assume the obligation of the Authority “to install a vegetated buffer along the north side of the trail/walkway pursuant to Section 7 of the Option to Purchase Agreement...” with respect to the Property. Optionee hereby further agrees that following the Closing Date, Optionee would also assume the obligations of the Authority to install the vegetated buffer as required by Section 7.A. of the Option to Purchase Agreement with respect to the Residual Parcel as well as the Property. Such work shall be completed prior to the date on which Optionee has procured a certificate of occupancy for the improvements to be constructed by Optionee on the Property.

4. Exhibit “B”. Exhibit “B” of the Original Agreement is hereby revised by deleting Exhibit “B” attached to the Original Agreement and inserting in lieu thereof Exhibit “B” attached hereto.

5. General. Except as expressly amended hereby, the terms and conditions of the Original Agreement shall remain unmodified and in full force and effect. This Amendment may be executed in counterparts, all of which evidence only one agreement, binding on all parties, even though they are not signatories to the same counterpart. If any term, covenant or condition of this Amendment or its application to any person or circumstances shall be held to be invalid or unenforceable, the remainder of this Amendment and the application of such term or provision to other persons or circumstances shall not be affected, and each term hereof shall be valid and enforceable to the fullest extent permitted by law. The terms of this Amendment are binding upon and shall inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns. This Amendment shall be governed by the laws of the State of California.

[Signatures continued on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

**AUTHORITY:**

PARKING AUTHORITY OF THE CITY OF  
NATIONAL CITY

By: \_\_\_\_\_  
Ron Morrison, Chairman

Approved as to Form:

By: \_\_\_\_\_  
George Eiser  
Interim Legal Counsel for the Parking Authority  
of the City of National City

**OPTIONEE:**

CARMAX AUTO SUPERSTORES  
CALIFORNIA, LLC, a Virginia limited liability  
company

By: \_\_\_\_\_  
K. Douglass Moyers, Vice President




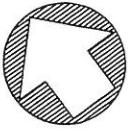
EXHIBIT "B"

GENERAL SITE MAP OF THE PROPERTY

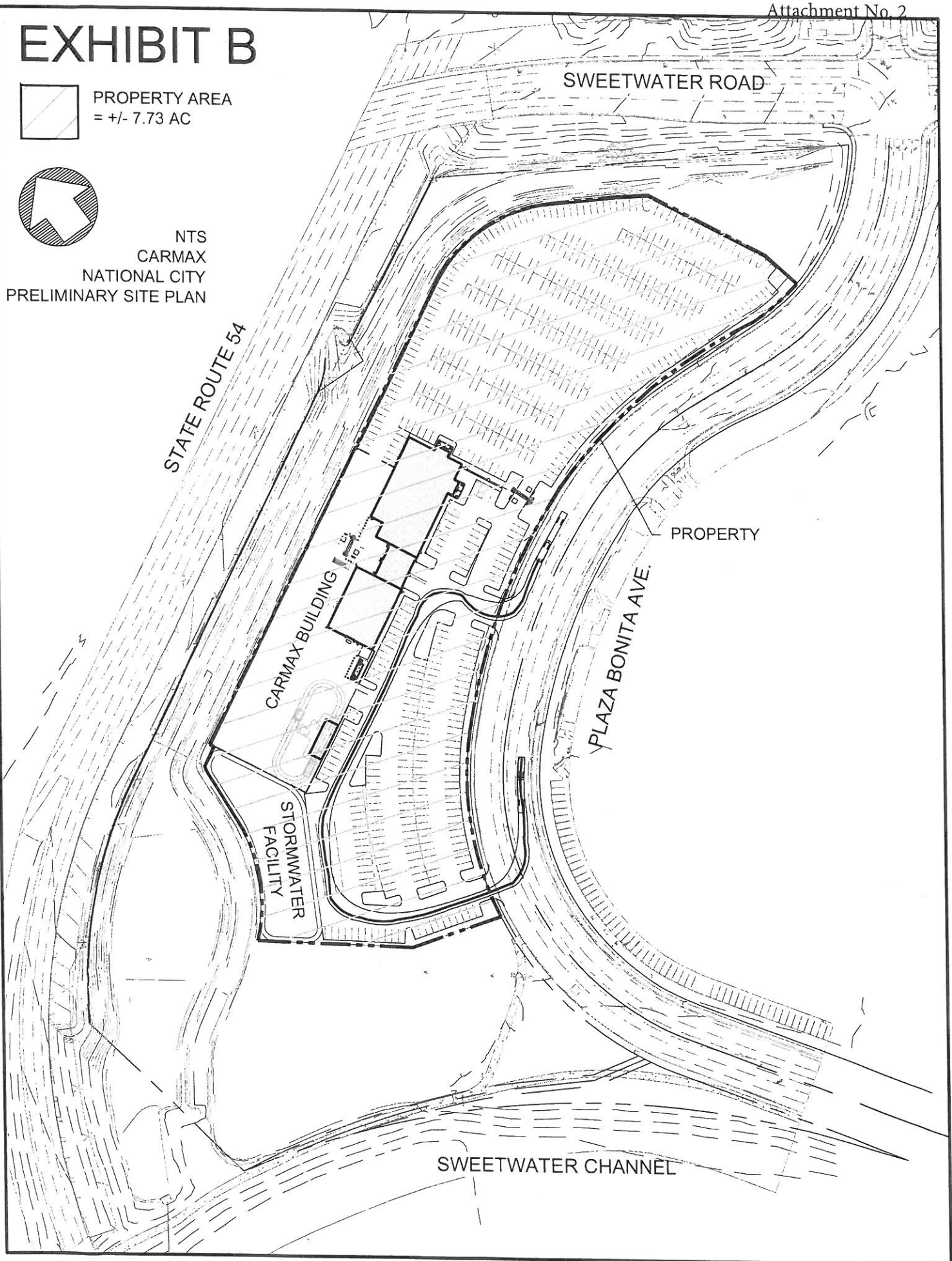
See Attached

# EXHIBIT B

 PROPERTY AREA  
= +/- 7.73 AC



NTS  
CARMAX  
NATIONAL CITY  
PRELIMINARY SITE PLAN



RESOLUTION NO. 2016 –

RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF NATIONAL CITY AUTHORIZING THE CHAIRMAN TO EXECUTE THE THIRD AMENDMENT TO THE OPTION AGREEMENT WITH CARMAX AUTO SUPERSTORES CALIFORNIA, LLC, A VIRGINIA LIMITED LIABILITY COMPANY, AMENDING THE TOTAL PURCHASE PRICE TO BE PAID TO \$1,500,000 FOR 7.7 ACRES OR \$4.40 PER SQUARE FOOT CONTINGENT ON A REDUCTION OF THE SALES PRICE FOR THE COUNTY OF SAN DIEGO OPEN SPACE EASEMENT AND ALLOWING THE SIZE AND DIMENSION OF THE PROPERTY TO BE DETERMINED BY CARMAX BASED UPON THE TOTAL SIZE NEEDED FOR THE CARMAX PROJECT

WHEREAS, the Parking Authority of the City of National City ("Authority") and Carmax Auto Superstores California, LLC ("Optionee") are parties to that certain Option Agreement dated as of August 18, 2015, as amended by that certain First Amendment to Option Agreement dated as of May 3, 2016 and that certain Second Amendment to Option Agreement dated as of August 26, 2016 (collectively, the "Original Agreement"), relating to certain real property in National City, California (the "Property"); and

WHEREAS, Optionee has been in the process of reviewing the feasibility of the Property for its intended use; and

WHEREAS, the parties desire to further amend the agreement; and

WHEREAS, a current Appraisal completed by the Dore Group ("Appraisal") on September 19, 2016 confirms that site preparation, mitigation and construction costs are much higher than originally estimated and have an impact on the value of the Property; and

WHEREAS, based on the updated Appraisal, CarMax proposes to offer an adjusted purchase price of \$1,500,000 for at least 7.7 acres or \$4.40 per square foot; and

WHEREAS, the Optionee would also like to determine the size and dimensions of the Property purchased upon a good faith determination of the total size of the Property needed to accommodate and support the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Parking Authority of the City of National City hereby authorizes the Chairman to execute the Third Amendment with CarMax Auto Superstores California, LLC, a Virginia limited liability company, amending the Total Purchase Price to be paid to \$1,500,000 for 7.7 acres or \$4.40 per square foot contingent on a reduction of the sales price for the County of San Diego Open Space Easement and allowing the size and dimension of the Property to be determined by CarMax based upon the total size needed for the CarMax Project. The Third Amendment is on file in the office of the City Clerk.

*[Signature Page to Follow]*

Resolution No. 2016 –  
Page Two

PASSED and ADOPTED this 6th day of December, 2016.

\_\_\_\_\_  
Ron Morrison, Chairman

ATTEST:

\_\_\_\_\_  
Leslie Deese, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
George Eiser  
Interim Legal Counsel