

CITY OF DANA POINT  
M E M O R A N D U M

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DATE: FEBRUARY 18, 2014  
TO: CITY COUNCIL  
FROM: MICHAEL KILLEBREW, ASSISTANT CITY MANAGER *MK*  
SUBJECT: ITEM 22 – ADDITIONAL INFORMATION

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After the Agenda Packet had been distributed to the Council, staff noticed that Item #22, "Authorization To Issue City Of Dana Point Community Facilities District No. 2006-1 (CFD 2006-1), 2014 Special Tax Bonds (Headlands), was missing a Supporting Document. Supporting Document H, Foreclosure Letter Agreement, has been added. Please include this letter with your item.

Enclosure

Agenda Item No. 22  
February 18, 2014

Headlands Reserve LLC

January \_\_ 2014

Via Email

**SUPPORTING DOCUMENT H**

Mike Killebrew  
City of Dana Point  
33282 Golden Lantern St.  
Dana Point, CA 92629

Re: Letter Agreement between Headlands Reserve LLC and the City of Dana Point to Expedite Timing of Foreclosure Proceeding with Respect to the Community Facilities District Formed for The Strand at Headlands

Dear Mike:

Per your request, I am sending you this letter to memorialize Headlands Reserve LLC's ("**Headlands**") agreement with the City of Dana Point ("**City**") to expedite the timing of foreclosure proceeding that the City may commence in the event that Headlands fails to make timely payments of special taxes to the proposed Community Facilities District ("**CFD**") formed with respect to the Strand at Headlands ("**Project**"). Headlands' agreement is detailed below.

(1) Headlands agrees that the City may commence foreclosure proceedings if Headlands does not tender to the City written evidence of Headlands' payment of the special taxes owed by Headlands to the CFD with respect to the Project by December 15 with respect to the December 10 payment or April 15 with respect to the April 10 payment.

(2) Headlands additionally agrees that in the event of the City's commencement of any foreclosure proceeding against Headlands with respect to the Project, Headlands will enter into and cause to be filed a stipulation agreeing to shortened litigation deadlines for the foreclosure proceeding as follows:

(a) With respect to Headlands' deadline to respond to the complaint, Headlands agrees that it will stipulate to a response deadline of 10 days, rather than the 30 days allowed by California Code of Civil Procedure sections 412.20 and 430.40.

(b) With respect to the first date by which the City may file a motion for summary judgment, Headlands agrees that it will stipulate that the City may file a motion for summary judgment 10 days after the general appearance of Headlands, rather than the 60 days required by California Code of Civil Procedure section 437c.

(c) With respect to the notice period for any motion for summary judgment filed by the City, Headlands agrees that it will stipulate to waive the 75-day notice period required by California Code of Civil Procedure section 437c and Headlands will instead stipulate to a 10-day notice period.

(3) This letter agreement shall automatically terminate when Headlands owns less than ten (10) residential parcels within the Project.

(4) This letter agreement shall be construed and interpreted in accordance with the laws of the State of California. The enforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

(5) This letter agreement may be executed in one or more counterparts, including facsimile or electronically transmitted counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one in the same letter agreement.

Please indicate your acceptance of the terms contained herein by executing this letter agreement, as indicated below, and returning the same to me via e-mail at [sedward@hrllc.net](mailto:sedward@hrllc.net).

Sincerely,

HEADLANDS RESERVE, LLC

Sanford Edward

ACKNOWLEDGED AND AGREED:

CITY OF DANA POINT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_