Development Agreement and Ordinance (Final Version)

ORDINANCE NO. 2017-20

(Uncodified)

(Development Agreement for the Saranap Village Development)

The Board of Supervisors of Contra Costa County ordains as follows:

SECTION 1. Summary and Purpose. The purpose of this ordinance is to approve a development agreement for the Saranap Village Development, located in the Saranap area of central Contra Costa County.

SECTION 2. Authority. This ordinance is enacted pursuant to Government Code sections 65864 through 65869.5 and Contra Costa County Board of Supervisors' Resolution No. 85/412, which establishes the County's procedures for the consideration of development agreements.

SECTION 3. Recitals.

- (a) Saranap Village Developers, LLC, ("<u>Applicant</u>") desires to develop the Saranap Village Development ("<u>Project</u>") in the Saranap area of central Contra Costa County. The Project is a mixed-use development consisting of approximately 22,260 square feet of commercial space, and up to 198 multi-family residential units. The Project and the location of the Project are more particularly described in the "Development Agreement by and between Contra Costa County and Saranap Village Developers, LLC, Relating to the Development Commonly Known as Saranap Village," which is attached as <u>Exhibit 1</u> (the "<u>Development Agreement</u>").
- The following discretionary approvals (collectively, the "<u>Discretionary Approvals</u>") are required for the Project: a General Plan amendment to change the land use designations for the Subject Property to new project-specific Mixed-Use (M-15); a General Plan text amendment to change the classifications of Boulevard Way from "arterial" to "collector," and modify the language of General Plan Implementation Measure 5-w; a rezoning ordinance to rezone the Subject Property to a Planned Unit (P-1) zoning district; a vesting tentative map to subdivide the Subject Property into three parcels; a land use permit, including conditions of approval, to allow construction of the Saranap Village Development; preliminary and final development plans to allow for construction of the Saranap Village Development and associated infrastructure, utility, and roadway improvements; and a variance from the minimum parcel size for mixed-use developments in P-1 zoning districts.
- (c) An environmental impact report and its related CEQA mitigation monitoring and reporting program have been prepared for the Project.
- (d) On June 28, 2017, the Contra Costa County Planning Commission held a public hearing to consider the Applicant's application for the Development Agreement. Notice of the hearing was given in accordance with Government Code sections 65864 through 65869.5 and Board of Supervisors' Resolution No. 85/412. After the hearing, the Planning Commission adopted Planning Commission Resolution No. 12-2017, which recommends that the Board of Supervisors adopt this ordinance to approve the Development Agreement.

(e) Notice of the public hearing for the Board of Supervisors to consider the Applicant's application for the Development Agreement, and to consider adopting this ordinance approving the Development Agreement, was given in accordance with Government Code sections 65864 through 65869.5, and Board of Supervisors' Resolution No. 85/412.

SECTION 4. Findings. The Board of Supervisors has independently reviewed the Development Agreement and finds as follows:

- (a) The provisions of the Development Agreement are consistent with the Contra Costa County 2005-2020 General Plan.
- (b) The Development Agreement satisfies the requirements of Government Code sections 65864 through 65869.5 and Board of Supervisors' Resolution No. 85/412. Government Code sections 65867.5(b) and 66473.7 do not apply to the Development Agreement because the Project does not include a "subdivision" as that term is defined in Government Code section 66473.7.

SECTION 5. Approval of Development Agreement. The Board of Supervisors hereby approves the Development Agreement in the form attached hereto as <u>Exhibit 1</u>, without modification. The Board of Supervisors authorizes the Director of Conservation and Development to execute the Development Agreement on behalf of the County.

SECTION 6. Recording of Development Agreement. Within 10 days after the Development Agreement is fully executed, the Clerk of the Board of Supervisors shall record the Development Agreement in the Official Records of the Contra Costa County Clerk-Recorder pursuant to Government Code section 65868.5.

SECTION 7. Effective Date. This ordinance shall become effective 30 days after passage. Within 15 days of passage, this ordinance shall be published once, with the names of the Supervisors voting for and against it, in the <u>East Bay Times</u>, a newspaper of general circulation published in this County.

PASSED and ADOPTED on	by the following vote:
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
Board Chair	
	ATTEST: DAVID J. TWA, Clerk of the Board of Supervisors and County Administrator
	•
	By
	Deputy
Attachment:	
Exhibit 1 – Development Agreement	

SMS

H:\Client Matters\Public Works\Saranap Village\Ordinance 2017-20 - Saranap Village Development Agreement.doc

EXHIBIT 1

RECORDING REQUESTED BY CONTRA COSTA COUNTY

WHEN RECORDED RETURN TO:

Contra Costa County Clerk of the Board of Supervisors 651 Pine Street Room 106 Martinez, CA 94553

Space Above Reserved for Recorder's Use Only

BY AND BETWEEN CONTRA COSTA COUNTY

AND

SARANAP VILLAGE DEVELOPERS LLC
RELATING TO THE DEVELOPMENT COMMONLY KNOWN AS
SARANAP VILLAGE

Development Agreement by and between Contra Costa County and Saranap Village Developers LLC, Relating to the Development Commonly Known as Saranap Village

This Development Agreement ("<u>Agreement</u>") is entered into as of the Effective Date (defined in Section 1.03), by and between Contra Costa County, a political subdivision of the State of California, ("<u>County</u>") and Saranap Village Developers LLC, a California limited liability company ("<u>Developer</u>"). The County and Developer are sometimes referred to individually as a "<u>Party</u>" and collectively as the "<u>Parties</u>."

RECITALS

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted Government Code section 65864 *et seq.* ("Development Agreement Statute"), which authorizes a county to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property and establishing certain development rights therein.
- B. Developer has a legal or equitable interest in certain real property consisting of approximately 3.9 acres, as depicted and more particularly described and depicted in attached Exhibit A (the "Subject Property").
- C. The Parties desire to redevelop the Subject Property with the Saranap Village Development (as defined below), which will provide benefits to the County and to the public.
- D. By this Agreement, Developer will receive assurance that it may proceed with the development or redevelopment of the Subject Property for the Saranap Village Development in accordance with the Applicable Law (defined in Section 2.03).
- Consistent with Government Code section 65867 and County Ordinance Code section 26-2.408, the County Planning Commission held a public hearing on an application for this Agreement on . The County Planning Commission adopted Resolution to recommend that the County Board of Supervisors approve this Agreement and the following related discretionary approvals for the Saranap Village Development (each an "Approval," and collectively the "Approvals"): a General Plan amendment to change the land use designations for the Subject Property to new project-specific Mixed-Use (M-15); a General Plan text amendment to change the classifications of Boulevard Way from "arterial" to "collector," and modify the language of General Plan Implementation Measure 5-w; a rezoning ordinance to rezone the Subject Property to a Planned Unit (P-1) zoning district; a vesting tentative map to subdivide the Subject Property into three parcels; a land use permit, including conditions of approval, to allow construction of the Saranap Village Development; preliminary and final development plans to allow for construction of the Saranap Village Development and associated infrastructure, utility, and roadway improvements; and a variance from the minimum parcel size for mixed-use developments in P-1 zoning districts.

F.	Consistent with Government Code section 65867, the County Board of	
Supervisors	s held a public hearing on an application for this Agreement on	
•		

and adopted Ordinance No. _____ to approve this Agreement. Prior to adopting that ordinance, the County Board of Supervisors approved the Approvals recommended by the Planning Commission.

- G. To comply with the California Environmental Quality Act, the County Planning Commission adopted Resolution No. _____ certifying an environmental impact report (the "EIR") and approving a mitigation monitoring and reporting plan (the "MMRP") for the Saranap Village Development, and making findings. The EIR and the MMRP have been adopted by the Board of Supervisors. Since that EIR was certified, there have been no substantial changes to the Saranap Village Development or the circumstances under which it will be undertaken, and no new information has become available, that would require a subsequent or supplemental environmental impact report to be prepared.
- H. The County anticipates that during the Term (as defined below) of this Agreement and subsequent to the Effective Date, Developer will seek from County certain other implementing approvals, entitlements, and permits that are necessary or desirable for the Saranap Village Development (each a "Subsequent Approval," and collectively the "Subsequent Approvals"). The Subsequent Approvals are any that may be necessary or desirable to develop the Saranap Village Development and may include, but are not limited to, conditional use permits, design review approval, tree removal permits, acceptance or vacation of minor portions of rights of way, lot line adjustments, demolition permits, encroachment permits, site development permits, building permits, and any amendments to the foregoing.
- I. The Board of Supervisors has made a finding that this Agreement is consistent with the County's General Plan and the County Ordinance Code, both as amended by the Approvals.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the receipt and adequacy of which consideration is acknowledged, County and Developer agree as follows.

AGREEMENT

Article I.

DESCRIPTION OF THE SUBJECT PROPERTY, PROPOSED DEVELOPMENT, EFFECTIVE DATE, AND TERM.

- <u>Section 1.01.</u> <u>Description of Subject Property.</u> This Agreement vests laws applicable to development and/or redevelopment of the Subject Property for the Saranap Village Development on the Subject Property, as more particularly described and depicted in <u>Exhibit A.</u>
- <u>Section 1.02.</u> <u>Proposed Development.</u> Consistent with the Approvals, Developer may replace existing buildings on the Subject Property with four buildings containing up to 198 multifamily residential units, up to approximately 21,522 square feet of retail, restaurant, and service uses, private amenities for use by the project's residents, and off-street structured parking, as well as certain off-site improvements, as such project is further described in the Approvals (the "<u>Saranap Village Development</u>").
- <u>Section 1.03.</u> <u>Effective Date.</u> The rights, duties, and obligations hereunder shall be effective and the Term (as defined in Section 1.05) shall commence on the "<u>Effective Date</u>," which shall be the date this Agreement is executed by the Parties following (a) the effective date

of the ordinance adopted by the County Board of Supervisors approving this Agreement, and (b) the effective date of all Approvals.

<u>Section 1.04.</u> <u>Initial Term.</u> The term of this Development Agreement shall commence on the Effective Date and shall expire ten (10) years thereafter ("Initial Term"), unless it is sooner terminated, or unless it is extended as provided in Section 1.05.

<u>Section 1.05.</u> <u>Extended Term.</u> The Term of this Agreement may be extended beyond the Initial Term only in the manner provided in this Section 1.05. The Initial Term, together with any extensions of the Initial Term under this Section 1.05, are collectively referred to as the "Term."

(a) First Term Extension.

- (i) Discretionary Extension. If Developer is in compliance with the terms and provisions of this Agreement but has not commenced vertical construction of the Saranap Village Development on the Subject Property by the one hundred eightieth (180th) day before the end of the Initial Term, Developer may request that the County extend the Initial Term by one additional period of five (5) years by giving the County a written extension request at least one hundred twenty (120) days before the end of the Initial Term. After the County receives that written extension request, but no later than thirty (30) days before the end of the Initial Term, the County Board of Supervisors will consider extending the Term for one additional period of five (5) years ("First Term Extension"). The County Board of Supervisors shall have sole discretion to determine whether to approve the First Term Extension under this Section 1.05(a)(i).
- (ii) Required Extension. If Developer is in compliance with the terms and provisions of this Agreement and has commenced vertical construction of the Saranap Village Development on the Subject Property by the one hundred eightieth (180th) day before the end of the Initial Term, at the conclusion of the Initial Term, the Initial Term shall be extended automatically for one additional period of five (5) years (also a "<u>First Term Extension</u>").

(b) Second Term Extension.

- (i) Discretionary Extension. If Developer is in compliance with the terms and provisions of this Agreement but has not commenced vertical construction of the Saranap Village Development on the Subject Property by the one hundred eightieth (180th) day before the end of the First Term Extension, Developer may request that the County extend the Term by an additional period of five (5) years by giving the County a written extension request at least one hundred twenty (120) days before the end of the First Term Extension. After the County receives that written extension request, but no later than thirty (30) days before the end of the First Term Extension, the County Board of Supervisors will consider extending the Term for an additional period of five (5) years ("Second Term Extension"). The County Board of Supervisors shall have sole discretion to determine whether to approve the Second Term Extension under this Section 1.05(b)(i).
- (ii) Required Extension. If Developer is in compliance with the terms and provisions of this Agreement and has commenced vertical construction of the Saranap Village Development on the Subject Property by the one hundred eightieth (180th) day before the end of the First Term Extension, at the conclusion of the First Term Extension, the Term shall be extended automatically for one additional period of five (5) years (also a "Second Term Extension").

- (c) Additional Extensions; Tolling. In addition to Term extensions under Sections 1.05(a) and 1.05(b), the Term may be further extended or tolled as provided in this Section 1.05(c).
- Extension for Enforced Delay. If Developer encounters an Enforced Delay (as defined in this Section 1.05(c)(i)) and desires to extend the Term because of that delay, Developer shall give the County written notice of the Enforced Delay. If that written notice does not state the duration of the Enforced Delay because the delay remains ongoing. Developer shall give the County written notice of the date the Enforced Delay ends within ninety (90) days after the end of the delay. Following the end of the Enforced Delay, the County Director of Conservation and Development will provide Developer written notice of the extension of the Term, which shall be extended for as many days as the Enforced Delay occurs, as determined by the County Director of Conservation and Development in his or her sole discretion. For the purposes of this Agreement, "Enforced Delay" means a delay or default resulting arising only from one or more of the following: (A) a natural disaster or other Force Majeure, (B) an accident that requires all development activities to stop; (C) the interruption of services by suppliers for a substantial period of time when no alternative suppliers are available, (D) the unavailability of construction materials for a substantial period of time when no substitute materials are available, (E) war, civil disturbance, or riot where martial law is declared, or (F) any other severe occurrence that is beyond Developer's reasonable control, as determined by the County Director of Conservation and Development in his or her sole discretion.
- (ii) Tolling for Third-Party Lawsuit. If a third-party files a lawsuit to challenge this Agreement, the County's certification of the EIR, the Approvals, or the Subsequent Approvals (each a "Third-Party Lawsuit"), Developer may request that the Term be tolled during the pendency of the Third-Party Lawsuit by providing a written notice ("Tolling Notice") to the County within thirty (30) days after the commencement of the lawsuit. The tolling of the Term will begin upon the County's receipt of the Tolling Notice, and it will end on the earliest of the following to occur: (A) the date on which a court issues a final judgment in the Third-Party Lawsuit and the expiration of all appeal periods following that judgment, or (B) the date the Third-Party Lawsuit is dismissed. If, in a Third-Party Lawsuit, the court issues a temporary restraining order or injunction prohibiting Developer from taking actions to proceed with the Saranap Village Development, the Term will automatically be tolled beginning on the date the temporary restraining order or injunction is issued, and ending on the date the temporary restraining order or injunction is lifted or vacated.
- (iii) Tolling for Initiative or Referendum. If the subject of an initiative or petition or referendum petition would overturn, set aside, or substantially modify the Approvals or the Subsequent Approvals, or otherwise substantially impair the development of the Saranap Village Development, the Term of this Agreement may be tolled under this Section 1.05(c)(iii). The Term shall be automatically tolled beginning on the date that the initiative or referendum petition is submitted to the County elections official for signature verification, and ending on the date the last of the following that occurs: (A) the date the County elections official determines the petition does not include a sufficient number of signatures, (B) the date the measure is voted on by the County Board of Supervisors, or (C) the date of the election on the measure, if placed on the ballot.

Article II.

STANDARDS, LAWS, AND PROCEDURES GOVERNING THE PROPOSED DEVELOPMENT.

Section 2.01. Vested Right to Develop. Developer shall have the right to pursue the Saranap Village Development in accordance with the Applicable Law (defined in Section 2.03), including the Approvals, the Subsequent Approvals after they are granted, and the provisions of this Agreement, and including, without limitation, Developer's vested right to develop the Saranap Village Development on the Subject Property. Notwithstanding the foregoing or anything to the contrary in this Agreement, County will apply to the Saranap Village Development the then-current California Building Standards Codes (including the California Fire Code), and all local amendments to those codes, to the extent that the codes have been adopted by County or the Contra Costa County Fire Protection District and are in effect on a Countywide basis. In the event of any conflict or inconsistency between this Agreement and the Applicable Law, or between this Agreement and any Subsequent Approvals, to the fullest extent legally possible, this Agreement shall prevail and control.

<u>Section 2.02.</u> <u>Development Standards.</u> The permitted uses of the Subject Property, the density and intensity of uses, the maximum height, bulk, and size of the proposed building, provisions for reservation or dedication of land for public purposes and the location of public improvements, the general location of public utilities, and other terms and conditions of development applicable to the Saranap Village Development shall be as set forth in the Applicable Law (defined in Section 2.03), the Approvals, and the Subsequent Approvals (collectively, "<u>Development Standards</u>").

Section 2.03. Applicable Law. "Applicable Law" consists of the rules, regulations, and official policies governing the Development Standards in Section 2.02 applicable to the Saranap Village Development existing as of February 15, 2017 (the date the vesting tentative map application was complete), as supplemented and modified by the Approvals, the Subsequent Approvals once they are approved, and Later Enactments (defined in Section 2.05), all except as otherwise provided in this Agreement.

<u>Section 2.04.</u> <u>Fees.</u> All impact fees, mitigation fees, connection fees, processing fees, and all other fees, charges, taxes, and assessments that are vested by virtue of approval of a vesting subdivision map pursuant to Government Code section 66498.1 that are in effect as of February 15, 2017 (the date the vesting tentative map application was complete) shall apply to the Saranap Village Development through the time periods referenced in Government Code sections 66498.1 and 66498.5, as extended pursuant to Section 2.07 below, but not to exceed a period of ten (10) years from the Effective Date. After expiration of these time periods, Developer shall pay the amount of all applicable impact fees, mitigation fees, connection fees, processing fees, and all other fees, charges, taxes, or assessments in effect at the time they are required to be paid.

Section 2.05. No Conflicting Enactments. The County, or the electorate through the adoption of referenda and initiatives, may enact new or modified rules, regulations, or official policies after the Effective Date (each a "Later Enactment," and collectively, "Later Enactments"), and such Later Enactments shall be included within the Applicable Law. All Later Enactments shall be applicable to the Saranap Village Development only to the extent that application of any Later Enactment does not modify the Saranap Village Development, does not prevent or impede development of the Saranap Village Development, and does not conflict with this Agreement. Any Later Enactment shall be deemed to conflict with this Agreement if the enactment seeks to accomplish any one or more of the following results, either with specific

reference to the Saranap Village Development or the development or redevelopment of the Subject Property, or as part of a general enactment that would otherwise apply to the Subject Property:

- (a) Reduce the density or intensity of the Saranap Village Development under the Applicable Law;
- (b) Change any land use designation or permitted use of the Subject Property for the Saranap Village Development as described in the Applicable Law;
- (c) Require, for any work necessary to develop the Saranap Village Development on the Subject Property, the issuance of permits, approvals, or entitlements by County other than those required by Applicable Law; or
- (d) Materially limit the processing of, the procuring of applications for, or approval of the Subsequent Approvals.

Notwithstanding the foregoing, County shall not be precluded from applying a Later Enactment to the Saranap Village Development where the Later Enactment is: (a) specifically mandated by changes in state or federal laws or regulations adopted after the Effective Date, as provided in Government Code section 65869.5; (b) specifically mandated by a court of competent jurisdiction; (c) required by changes to the California Building Standards Codes (including the California Fire Code), and similar safety regulations that may change from time to time, including all local amendments adopted by the County or the Contra Costa County Fire Protection District; or (d) required as a result of facts, events or circumstances presently unknown or unforeseeable that would otherwise have an immediate adverse risk on the health or safety of the surrounding community, as determined by County in its sole discretion. Except as expressly provided in this Agreement, this Agreement does not restrict County's exercise of its police powers, and County reserves those powers to itself.

Section 2.06. Conflict of State or Federal Laws. In the event that state and/or federal law(s) and/or regulation(s) enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, the Party identifying the conflict shall provide the other Party, as soon as practicable after the conflict becomes known to the notifying Party, written notice of the conflict, a copy of the law(s) and/or regulation(s) that give rise to the conflict, and a statement explaining the nature of the conflict. Within thirty (30) days after that notice is given, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement so as to comply with the state and/or federal law(s) and/or regulation(s) giving rise to the conflict, pursuant to Government Code section 65869.5. If Developer does not consent to an amendment that is required to make this Agreement consistent with state and/or federal law(s) and/or regulation(s) in accordance with Government Code section 65869.5, County will provide Developer written notice of the immediate suspension of this Agreement, and the Agreement shall remain suspended until the date the Agreement is so amended. The Term shall not be tolled or extended for any period of suspension under this Section 2.06.

<u>Section 2.07.</u> <u>Life of Approvals.</u> The term of any Approval and any Subsequent Approval shall be deemed extended for the longer of the Term of this Agreement or the term otherwise applicable to such Approval or Subsequent Approval.

<u>Section 2.08.</u> <u>Timing of Construction and Completion.</u> The Parties acknowledge that Developer cannot, at this time, predict when or the rate at which the Saranap Village

Development will be constructed. The Parties agree that there is no requirement that Developer commence or complete construction or use of the Saranap Village Development within any particular period of time during the Term of this Agreement. Therefore, notwithstanding anything to the contrary in County Ordinance Code Article 26-2.20, sections 84-66.1406(1), 84-66.1602, and any other provisions of the County Code, County has ordained by adopting the ordinance approving this Agreement that Developer may commence construction and use at any time during the Term of this Agreement without loss of any rights granted under any Approval or Subsequent Approval. The Parties acknowledge that construction may be delayed by litigation, market factors, or other reasons. In light of the foregoing, the Parties agree that Developer may construct the Saranap Village Development at the rate and time Developer deems appropriate within the exercise of its reasonable business judgment, subject to the terms of this Agreement.

Section 2.09. Processing Subsequent Approvals. The Subsequent Approvals shall be deemed mechanisms to implement those final policy decisions reflected by the Approvals and other provisions of Applicable Law. Upon submission by Developer of an application for a Subsequent Approval, County shall cooperate and diligently work to promptly process and consider approving that application. County shall retain its discretionary authority in its consideration of any and all Subsequent Approvals that involve discretionary decisions. The County will consider an application for a Subsequent Approval with reference to the Applicable Law, any applicable state or federal law, Later Enactments, and this Agreement.

Subject Property Modifications. The Parties anticipate potential conveyances of property and interests in property between Developer and County related to potential adjustments of the Subject Property's boundaries (each a "Boundary Adjustment"). If property is added to the Subject Property as a result of a Boundary Adjustment, this Agreement shall encumber that additional property effective on the date that title to the additional property vests in Developer. If property is removed from the Subject Property as a result of a Boundary Adjustment, this Agreement shall no longer encumber the property removed effective on the date title to the property vests in the grantee. Further, within ninety (90) days after a Boundary Adjustment occurs, the Parties will consider amending this Agreement and any exhibits thereto to the extent necessary to incorporate the Boundary Adjustment into this Agreement.

<u>Section 2.11.</u> <u>No Limitation on Future Discretionary Actions.</u> Except to the extent that this Agreement expressly provides otherwise, nothing in this Agreement requires the County, or any of its boards or commissions, to adopt any future ordinances or resolutions, to enter into any other agreements with Developer, or to exercise its discretion in any particular manner in the future.

Article III. DEVELOPER FUNDING OBLIGATION.

Developer shall pay County Fifty Thousand Dollars (\$50,000) for County to use towards processing a comprehensive land use plan or study for the Saranap area, which plan will be consistent with the Saranap Village Development for the life of this Agreement. Developer shall make that Fifty Thousand Dollar (\$50,000) payment to County within 30 days of receiving a written notice from the County Director of Conservation and Development for initiation of such study. County shall have no obligation to account to Developer for the use of those funds.

Article IV. AMENDMENTS.

<u>Section 4.01.</u> <u>Amendment of this Agreement.</u> This Agreement may be amended from time to time, in whole or in part, only by mutual written consent of the Parties or their successors in interest, in accordance with the provisions of Government Code sections 65867, 65867.5, and 65868, and in accordance with County Resolution No. 85/412 (Procedures and Requirements for the Consideration of Development Agreements) (the "<u>Local Procedures</u>"). Following any amendment of this Agreement, the amended Agreement will be recorded in accordance with Government Code section 65868.5.

Section 4.02. Amendments of Approvals or Subsequent Approvals. No Subsequent Approval that is granted pursuant to this Agreement, or amendment of an Approval or Subsequent Approval that is consented to by Developer, shall require an amendment to this Agreement, and the Subsequent Approval or amendment of Approval or Subsequent Approval shall be deemed to be incorporated into this Agreement as of the date of the approval or amendment is effective.

Article V. DEFAULTS; PERIODIC REVIEW.

Section 5.01. Default and Litigation.

- (a) Default. Any failure by either Party to perform any term or provision of this Agreement, which failure continues uncured for a period of ninety (90) days following written notice of such failure from the non-defaulting Party (unless such period is extended by written mutual consent), shall constitute a default under this Agreement. Written notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such ninety (90) day period, then, within that ninety (90) day period, the defaulting Party shall begin acting to cure the default and shall continue acting diligently to complete the complete the cure. If the default is not cured as required by this Section 5.01(a), the non-defaulting Party may pursue legal action in accordance with Section 5.01(b).
- (b) Litigation. If a default is not cured in the manner required by Section 5.01(a), the non-defaulting Party shall provide the defaulting Party written notice ("Dispute Notice") that specifies, in reasonable detail, the reasons for that a default and dispute exists, and what, if any, reasonable actions may be taken to cure the default and resolve the dispute. Within thirty (30) days after the Dispute Notice is given, the Parties will meet in person and confer in good faith in an attempt to resolve the dispute. In addition to any other rights or remedies, if, following the meet and confer process, the non-defaulting Party determines that the dispute cannot be resolved informally, the non-defaulting Party may institute legal action to cure, correct, or remedy the default, enforce any covenant or agreement herein, enforce by specific performance the obligations and rights of the Parties hereto, or obtain any other remedy consistent with this Agreement.
- (c) No Waiver of Tort Claims Act. Nothing in this Agreement shall relieve a non-defaulting Party from satisfying any applicable requirements of the California Tort Claims Act.
- <u>Section 5.02.</u> <u>Periodic Review.</u> No later than ten (10) months after the Effective Date, and no later than every twelve (12) months thereafter, Developer and the County Director of Conservation and Development, or his or her designee, shall meet and review this Agreement

annually to ascertain the good faith compliance by Developer with the Agreement's terms pursuant to the Development Agreement Statute. Additionally, County will review this Agreement annually in accordance with the Development Agreement Statute the Local Procedures. If, as a result of County's annual review of this Agreement, County determines, on the basis of substantial evidence, that Developer has not complied in good faith with the terms of this Agreement, County may terminate or modify this Agreement in accordance with the Development Agreement Law and the Local Procedures.

Section 5.03. Termination.

- (a) Termination by County. If County elects to consider terminating this Agreement due to a material default by Developer, then County shall give a notice of intent to terminate this Agreement and the matter shall be scheduled for consideration and review by the County Board of Supervisors in the manner set forth in the Development Agreement Statute and the Local Procedures. If the County Board of Supervisors, in its sole discretion, determines that a material default has occurred and elects to terminate this Agreement, County shall give Developer, by certified mail, written notice of termination of this Agreement under this Section 5.03(a) and this Agreement shall be terminated on the date that notice of termination is given. Developer reserves any and all rights it may have to challenge in court County's termination of this Agreement and the basis therefor.
- (b) Termination by Developer. Developer may terminate this Agreement at its sole discretion after payment to County of the Fifty Thousand Dollar (\$50,000) Developer Funding Obligation described in Article III. Developer shall give County, by certified mail, written notice of termination of this Agreement under this Section 5.03(b) and this Agreement shall be terminated thirty (30) days after that notice is given.
- <u>Section 5.04.</u> <u>Attorney's Fees.</u> In any legal action or other proceeding, including an Enforcement Action, brought by either Party to enforce or interpret this Agreement, each Party shall bear its own costs and attorney's fees, unless a statute expressly provides otherwise.
- Section 5.05. Notice of Compliance. Within sixty (60) days after Developer's written request, but no more often than once per calendar year, County will execute and deliver to Developer a written "Notice of Compliance" in recordable form, duly executed and acknowledged by County, which certifies the following, but only if the County, in its sole discretion, determines the following to be true based on the County's actual knowledge as of the date the notice is given:
- (a) This Agreement is unmodified and in full force and effect, or, if there have been modifications to this Agreement, this Agreement is in full force and effect as modified and stating the date and nature of such modifications;
- (b) There are no known current uncured defaults under this Agreement or, in the alternative, specifying the dates and nature of any such default.

Developer may record the County's Notice of Compliance.

Article VI. INDEMNITY.

Developer shall indemnify, defend (with counsel reasonably acceptable to the County), and hold harmless County and its boards, commissions, officers, employees, and agents from

all liabilities, claims, demands, and losses, including for personal injury, death, and property damage, costs and expenses, including attorney's and expert's fees (collectively, "Liabilities") that arise from activities or operations of Developer, or its contractors, subcontractors, agents, or employees, under this Agreement, or that are related to the development of the Saranap Village Development. Developer's obligations under this Article VI apply to all Liabilities suffered or alleged to have been suffered, regardless of whether County prepared, supplied, or approved plans or specifications for the Saranap Village Development. However, the obligations of this Article VI do not apply to any Liabilities that arise solely from the operation of public improvements and facilities following the County's acceptance of those improvements and facilities. The requirements of this Article VI are in addition to the requirements of the Defense and Indemnification Agreement between County and Developer dated _______, 2017 ("Indemnity Agreement"). If this Article VI conflicts with the requirements of the Indemnity Agreement, the requirements of the Indemnity Agreement shall prevail. The obligations of this Article VI shall survive the expiration or termination of this Agreement.

Article VII. NO AGENCY, JOINT VENTURE, OR PARTNERSHIP.

The Saranap Village Development is a private undertaking of Developer. Neither Party is acting as the agent of the other in any respect hereunder. Each Party is an independent contracting entity with respect to the terms and provisions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership, joint venture, or joint enterprise between or among the Parties to this Agreement.

Article VIII. SALE, ASSIGNMENT, OR TRANSFER.

Section 8.01. Approval of Sale, Assignment, or Transfer. Except as expressly set forth in Section 8.02, Developer shall have the right to sell, assign, or transfer this Agreement, and all of its rights, duties, and obligations hereunder, to any person or entity at any time during the Term, subject to the prior written approval of the County Director of Conservation and Development. That notice shall include the contact information for the proposed purchaser, assignee, or transferee, and information that enables the County Director of Conservation and Development to determine the experience, qualifications, and financial resources of the proposed purchaser, assignee, or transferee. The County Director of Conservation and Development must render a decision on a request for such approval within forty-five (45) days after receipt of Developer's written request for County's consent to Developer's sale. assignment, or transfer of this Agreement, and the approval will be deemed granted if no decision is made at the end of such period. The County Director of Conservation and Development will consent to Developer's sale, assignment, or transfer of this Agreement if he or she determines that the purchaser, assignee, or transferee possesses the experience. qualifications, and financial resources to complete and operate the Saranap Village Development, or applicable portions thereof, which consent and determination shall not be unreasonably withheld. Within ten (10) days after a sale, assignment, or transfer of this Agreement under this Section 8.01, County and purchaser, assignee, or transferee shall execute a writing to amend this Agreement to substitute purchaser, assignee, or transferee for Developer, and to include purchaser's, assignee's, or transferee's contact information in Article IX.

Sale, Assignment, or Transfer to Affiliate. Notwithstanding Section 8.01, Developer, at its sole discretion, may sell, assign, or transfer this Agreement to an entity of which a majority owner is also a majority owner of Developer (an "Affiliate"). Developer shall provide County written notice at least forty-five (45) days in advance of any sale, assignment, or

transfer of this Agreement under this Section 8.02. The notice shall (a) identify the purchaser, assignee, or transferee, (b) include contact information for the purchaser, assignee, or transferee, and (c) include all relevant filings with the California Secretary of State to establish common majority ownership of Developer and the purchaser, assignee, or transferee. Within ten (10) days after a sale, assignment, or transfer of this Agreement under this Section 8.02, County and Affiliate shall execute a writing to amend this Agreement to substitute Affiliate for Developer and to include Affiliate's contact information in Article IX.

Section 8.03. Continuing Obligations. Beginning on the date of the sale, assignment, or transfer of this Agreement by Developer to another person or entity, that other person or entity shall be required to satisfy all of Developer's obligations under this Agreement. However, Developer shall continue to be obligated to defend, indemnify, and hold harmless County and its boards, commissions, officers, employees, and agents from all Liabilities that arise before the sale, assignment, or transfer of this Agreement.

Article IX. NOTICES.

Unless this Agreement expressly provides otherwise, any notice, demand, or communication required hereunder between County and Developer shall be in writing, and may be given either personally, by overnight delivery, or by registered or certified mail (return receipt requested), to the address specified below:

Contra Costa County:

Contra Costa County Attn: Director of Conservation and Development 30 Muir Road Martinez, CA 94553

With copies to: Contra Costa County Counsel's Office 651 Pine Street, 9th Floor Martinez, CA 94553

Saranap Village Developers LLC:

Saranap Village Developers LLC Attn: Mark Hall 1855 Olympic Boulevard Suite 300 Walnut Creek, CA 94596 With copies to:
Perkins Coie LLP
Attn: Cecily Barclay
505 Howard Street
Suite 1000
San Francisco, CA 94105

A Party may change its address listed above by giving the other Party written notice in accordance with this Article IX at least 10 days before the change in address becomes effective. Unless this Agreement expressly provides otherwise, a notice shall be deemed effective on the day it is give if given personally, on the next business day following the date of deposit for overnight delivery, and three business days following the date of mailing if given by registered or certified mail (return receipt requested).

Article X. MISCELLANEOUS.

<u>Section 10.01.</u> <u>No Third Party Beneficiary Rights.</u> This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any person or entity that is not a Party to this Agreement

<u>Section 10.02.</u> <u>Governing Law, Interpretation of Agreement.</u> This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be brought in a court of competent jurisdiction in Contra Costa County or, in the case of any federal claims, in federal court for the Northern District of California.

<u>Section 10.03.</u> <u>Severability.</u> If any term of this Agreement, or its application to any situation, is held invalid or unenforceable, in a final judgment that is no longer subject to rehearing, review or appeal by a court of competent jurisdiction, then the invalid term is severed, and the remaining parts of this Agreement, and the application of any part of this Agreement to other situations, shall continue in full force and effect.

Section 10.04. Covenants Running with the Land. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, and assigns (including any person or entity acquiring an interest in any portion of the Subject Property or Saranap Village Development). All of the terms and provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law including, without limitation, California Civil Code section 1468.

<u>Section 10.05.</u> <u>Further Acts.</u> Each Party shall execute and deliver any and all additional documents and instruments, and perform such further acts, that the executing, delivering, or performing Party determines, in its sole discretion, to be necessary or proper to achieve the purposes of this Agreement.

<u>Section 10.06.</u> <u>Counterparts.</u> This Agreement, and any and all amendments and supplements to it, may be executed in counterparts, and all counterparts together shall be construed as one document.

<u>Section 10.07.</u> <u>Recordation of Agreement.</u> Not later than ten (10) days after the Parties enter into this Agreement, the Clerk of the Board of Supervisors shall cause this Agreement to be recorded in the Official Records of Contra Costa County. Developer shall reimburse County

for the cost to record this Agreement within thirty (30) days after Developer receives County's written request for reimbursement.

<u>Section 10.08.</u> <u>Appeals.</u> Decisions made by the County Director of Conservation and Development pursuant to this Agreement may be appealed by Developer to the Zoning Administrator. The Zoning Administrator's decisions shall be subject to appeal as provided in Article 26-2.24 of the County Ordinance Code.

Section 10.09. Cooperation in the Event of Legal Challenge. In the event of any legal or equitable action or proceeding instituted by a third party challenging the validity of any provision of this Agreement or the procedures leading to its adoption or the issuance of any or all of the Approvals or Subsequent Approvals, the Parties agree to cooperate in defending said action or proceeding. Developer shall diligently defend any such action or proceeding and shall bear the litigation expenses of defense, including attorneys' fees. County shall retain the sole option to employ independent defense counsel at Developer's expense. Developer further agrees to hold County harmless from all claims for recovery of the third party's litigation expenses, including attorneys' fees. The requirements of this Section 10.09 are in addition to the requirements of the Indemnity Agreement. If this Section 10.09 conflicts with the requirements of the Indemnity Agreement, the requirements of the Indemnity Agreement shall prevail. The obligations of this Section 10.09 shall survive the expiration or termination of this Agreement.

<u>Section 10.10.</u> <u>Exhibit.</u> The following exhibit is attached to this Development Agreement and incorporated herein as though set forth in full for all purposes:

EXHIBIT A. Map and Legal Description of the Subject Property.

[Remainder of page left blank - signatures on next page.]

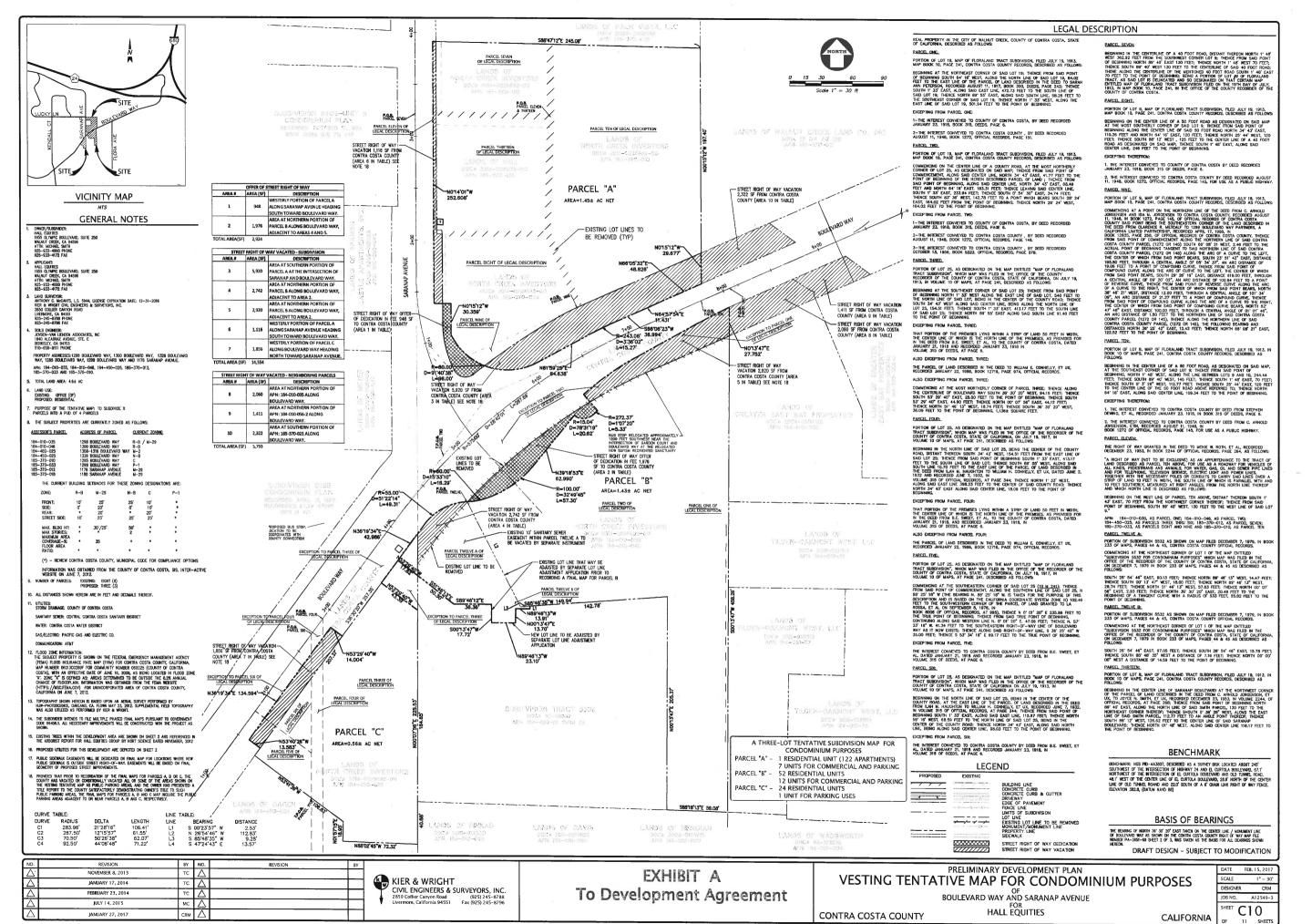
In witness whereof, the Parties have entered into this Agreement as of the Effective Date.

DEVELOPER:	COUNTY:
SARANAP VILLAGE DEVELOPERS LLC	CONTRA COSTA COUNTY
Ву:	Ву:
Print:	Print:
Title:	Title:
Date:	Date:

Exhibit

Exhibit A - Map and Legal Description of the Subject Property

SMS



Z:\2012\A12546-3\A12540-3 PG.deg 2/1/2017 4:55:19 PM