

Resolution P - Exhibit A

Draft Our Town Development Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Paso Robles
Attn: Paso Robles City Clerk
1000 Spring Street
Paso Robles, CA 93446

1/24/20 Draft

With a copy to:
[[Owner Rep]]
[[Address]]
[[Address]]

RECORDING FEE EXEMPT
PURSUANT TO GOVERNMENT CODE
SECTION 27383

(Space Above Line for Recorder's Use)

AGREEMENT AFFECTING REAL PROPERTY – RIGHT OF WAY DEDICATION AGREEMENT

This Agreement Affecting Real Property — Right of Way Dedication Agreement (“Agreement”) is entered into on _____, 2020 by and between the CITY OF PASO ROBLES (“City”), a California general law city, and Wayne Condict and Sallie Roberts (collectively “Owner”), Owner and City are sometimes referred to below collectively as the “Parties” and each individually as a “Party”.

RECITALS

A. Owner is the owner of certain real property in San Luis Obispo County, California, as depicted on the Site Map, Exhibit A attached hereto, and as legally described in the Property Legal Description, Exhibit B attached hereto, comprising portions of two Specific Plan Planning Areas: 1) Planning Area 10A, Assessor's Parcel No. [_____] (the “Planning Area 10A Property”); and 2) Planning Area 10B, Assessor's Parcel No. [_____] (the “Planning Area 10B Property”); all collectively referred to herein as the “Our Town Property”). Owner, collectively, is the owner of a portion of Planning Areas 10A and 10B, collectively referred to as the Our Town Property. The initial signatories to this Agreement shall benefit from and be bound by it for the Our Town Property. Subject to the terms of this Agreement, other owners of property within Planning Areas 10A and 10B may, at a later date, sign onto this Agreement and thereafter be benefit from and be bound by this Agreement, and once such later signatories join this Agreement, such property shall be added to the term “Our Town Property” as used in this Agreement.

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B. Owner intends to dedicate certain real property to City for use by the City and the general public as public right of way for a planned extension of Niblick Road (Public Right-Of-Way Dedication Area 1 & Exhibit C-1), as part of a proposed development of the Olsen-South Chandler Specific Plan area, if the City approves the Olsen-South Chandler/Vinedo Specific Plan (the “Specific Plan”), to include zoning the Planning Area 10B Property Medium Density Residential at up to 9 units per acre and the Planning Area 10A Property Medium Density Residential at up to 6 units per acre, and vacating certain portions of the public right of way. The real property proposed for dedication to the City is depicted on the Site Map and is legally described in the Dedication Area Legal Description, Exhibit C-1, attached hereto (collectively, the “Dedication Area”). The portion of the public right of way proposed for vacation is depicted on the Site Map as Public Right-of-Way Abandonment Area 3 and is legally described in the Public Right-of-Way Abandonment Area 3 Legal Description, Exhibits E attached hereto (“the Vacation Area”).

C. The City intends to consider in good faith approving the proposed development of the Olsen-South Chandler Specific Plan area, including zoning the Planning Area 10B Property Medium Density Residential at up to 9 units per acre and the Planning Area 10A Property Medium Density Residential at up to 6 units per acre, and allowing transfer of density among those two Planning Areas and across the entire Specific Plan area, to accommodate a density allowing up to a total of 140 residential units across the Our Town Property. The City also intends to consider in good faith a Street Abandonment process vacating the Vacation Area (Exhibit A - Public Right-of-Way Abandonment Area 3). The City’s consideration of this proposal and entering into this Agreement in no way precludes the City’s consideration of alternatives to the proposed development of the Olsen-South Chandler Specific Plan area, rezoning the Our Town Property, and vacating portions of the public right of way, including a no-action alternative whereby all proposed development would be denied, or approval of alternative proposals that entail greater or lesser density or different land uses. The City understands that Our Town may choose to develop in phases. For purposes of identification in this agreement only, Phase 1 represents the original (developed) 13 lots. Phase 2 represents the 12 new lots proposed to the north and west of Phase 1. Phase 3 represents the 40 existing lots to the south and east of Phase 1. The phasing of development may not necessarily proceed in this sequence.

D. This Agreement is intended to confirm Owner’s conditional grant of the Dedication Area to the City and the City’s commitment to consider in good faith and timely process the application for development of the Olsen-South Chandler Specific Plan area, including a rezoning of the Our Town Property to accommodate additional residential allowing a density up to a combined total of 140 units on the Our Town Property, and vacating the Vacation Area.

E. Nothing in this Agreement obligates the City to approve any proposed development, rezoning, or vacations, nor to approve any particular course of action.

F. Nothing in this Agreement obligates Owner to transfer any property to City unless and until (i) the City has approved the vacation of the Vacation Area as agreed and depicted in Exhibit A – Public Right-of-Way Abandonment Area 3; and (ii) the Specific Plan and its rezoning

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of the Our Town Property has been finally approved, and all times for appeal or referendum challenge to these actions have run, without any final non-appealable judgment or certified election result barring these City actions.

G. The City finds that it is in the public interest to commit to consider approval of the proposed development of the Olsen-South Chandler Specific Plan area, including rezoning the Our Town Property and vacating the Vacation Area, and to, if the City decides to approve rezoning the Our Town Property and vacating the Vacation Area, induce Owner to grant the Dedication Area to the City.

H. The City has considered approval of this Agreement at a public meeting and finds it fair, just, and reasonable. The City Council determined that entering into this Agreement is consistent with the City's General Plan and in the best interest of the City and its residents. The Agreement confirms that, if the City, after full consideration of the proposal at noticed public hearings and completion of the California Environmental Quality Act process, including consideration of project alternatives and a no-action alternative, decides to approve the development of the Olsen-South Chandler Specific Plan area, then the public will benefit from additional workforce housing opportunities and improved circulation through the area via an extension of Niblick Road and widening of Airport Road, in return for the Owner's promises in this agreement. The City Council further determines that entering into this Agreement is a lawful and appropriate exercise of its police powers.

I. The Parties agree that Owner will be independently obligated to indemnify the City for any challenge to the entitlements necessary to develop the Our Town Property.

J. The terms and conditions of this Agreement have been reviewed by Owner and found to be fair, just, and reasonable. Each Party has had the opportunity to consult legal counsel with respect to the Agreement. Both parties intend to be bound hereafter by the terms, conditions, and provisions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the following mutual covenants, benefits and burdens, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

BASIC PURPOSES.

The purposes of this Agreement are to:

- (a) obtain Owner's conditional commitment to grant the Dedication Area to the City for use as public right of way for a contemplated expansion of Niblick Road;
- (b) to confirm City's commitment to consider in good faith, but not necessarily approve, the proposed development of the Olsen-South Chandler Specific Plan Area, including rezoning the Our Town Property and vacating the Vacation Area.

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(c) The conditions for Owner's obligation to transfer the Dedication Area to the City are each of the following: (i) the City approves the Specific Plan rezoning the Our Town Property to allow a total combined density of up to 140 residential units across Planning Areas 10A and 10B; and (ii) vacates the Vacation Area. If the City does not finally approve the rezoning of the Our Town Property for the maximum density provided herein and vacate the Vacation Area, then Owner shall have no obligations to transfer the Dedication Area to City under this Agreement.

1. DEFINITIONS.

Defined Terms. Terms used in this Agreement shall have the following meanings unless the context otherwise requires:

- 1.1. "Agreement" means this Agreement Affecting Real Property — Right of Way Dedication Agreement, including Exhibits A through H-2 attached hereto and incorporated into this Agreement by this reference.
- 1.2. "City" means the City of El Paso de Robles, California, a general law city or the land within it, as the context may require.
- 1.3. "Dedication Area" means the real property owned by Owner and proposed for dedication to City as depicted in Exhibit A, including the following real property:
 - 1.3.1. Public Right-Of-Way Dedication Area 1 – Niblick Road as legally described in the Dedication Area Legal Descriptions, Exhibit C-1 (Public Right-Of-Way Dedication Area 1 – Niblick Road).
- 1.4. "Effective Date" means the date this Agreement is signed by the later of the Parties to do so.
- 1.5. "Escrow Holder" means a title or escrow company mutually agreed-upon by the Parties.
- 1.6. "Outside Closing Date" means the date on which this Agreement shall expire as provided in Section 3 hereof.
- 1.7. "Owner" means collectively Wayne Condict and Sallie Roberts ("Owner"), and its successors in the Our Town Property and its permitted assigns in this Agreement. Owner shall also include any subsequent signatories to this Agreement, under the terms of Section 13.1.
- 1.8. "Parties" means City and Owner and "Party" shall mean either of them.
- 1.9. "Planning and Zoning Laws" means the state's laws governing planning and zoning, Government Code section 65000, et seq.
- 1.10. "Our Town Property" means the real property owned by Owner depicted in Exhibit A and legally described in the Property Legal Description, Exhibit B. Our Town Property shall be expanded to include the property within Planning Areas 10A and 10B owned by any subsequent signatories to this Agreement, under the terms of Section 13.1.

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- 1.11.** “Rezoning Approvals” means the discretionary land use approvals and entitlements, including a General Plan amendment and the Olsen-South Chandler Specific Plan, necessary to allow a total combined residential density on the Our Town Property of up to 140 residential units to be developed across Planning Areas 10A and 10B. The Specific Plan and Rezoning Approvals also includes the City’s approval of a Street Abandonment application to vacate the Vacation Area. The Specific Plan and Rezoning Approvals are further described in Exhibit D.
- 1.12.** “Olsen-South Chandler Specific Plan” means the proposed Specific Plan and related development project proposed for the Olsen-South Chandler area of the City, presently under consideration, but not approved, by the City.
- 1.13.** “Vacation Area” means the portion of Planning Areas 10A and 10B depicted in Exhibit A as Public Right of Way Abandonment Area 3, legally described in the Public Right-of-Way Abandonment Area 3 Legal Description – Exhibit E.

2. TERM OF AGREEMENT.

- 2.1.** This Agreement shall commence on the Effective Date and the Outside Closing Date for the close of the escrow provided in Section 8, to include the City’s approval of the Rezoning Approvals and the vacation of the Vacation Area, and the Owner’s dedication of the Dedication Area, shall one year after the Effective Date, unless extended under this section or as agreed in writing by further agreement of the Parties (the “Outside Closing Date”). If the City approves the Rezoning Approvals on or before the Outside Closing Date and a referendum petition regarding the Rezoning Approvals is filed or a lawsuit is initiated by any person challenging the Rezoning Approvals, then the Outside Closing Date shall be extended to ninety days after the City’s voters uphold the Rezoning Approvals or a final judgment after exhaustion of any and all appeals is entered validating the City’s approval of the Rezoning Approvals thereby allowing time for the referendum or litigation process to conclude, as applicable. The time for exercising and expiration of the Rezoning Approvals shall be as stated in the City Council’s Resolutions approving the Rezoning Approvals, separate from the Term of this Agreement.
- 2.2.** Further, the term of this Agreement shall extend for a period of twenty (20) years from the Effective Date unless it is terminated, modified or extended by the circumstances set forth in this Agreement or by the mutual agreement of the Parties.

3. CITY COMMITMENTS.

- 3.1.** City agrees to consider in good faith and timely process any application for approval by the City Council and Planning Commission of the proposed development of the Olsen-South Chandler Specific Plan area, including the Rezoning Approvals, which would, if approved, allow a total combined residential density on the Our Town Property of up to 140 residential units to be developed across Planning Areas 10A and 10B, and vacate the Vacation Area as depicted in Exhibit A – Public Right-Of-Way Abandonment Area 3.

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- 3.1.1.** Upon vacation, title to Public Right-Of-Way Abandonment Area 3 shall vest in Our Town Property Owners Association, LLC. Notwithstanding any other provision of this Agreement, the City shall delay completing the vacation of Public Right-Of-Way Abandonment Area 3 until such time as the City Engineer certifies that all existing residences served by the access provided by Public Right-Of-Way Abandonment Area 3 have alternative access to the City's road network via Niblick Road.
- 3.1.2.** The City further agrees to the vacation of Public Right-of-Way Abandonment Area 5.
- 3.2.** Planning Area 10B Zoning Commitments. Planning Area 10B consists of 53 existing lots depicted in Exhibit A – Site Map and described in Tract No. 232, recorded in the official records of San Luis Obispo County, September 12, 1962.

 - 3.2.1.** If the Rezoning Approvals are approved, Planning Area 10B will be rezoned and designated Medium Density Residential zoning as part of Olsen-South Chandler Specific Plan, allowing 9 units per acre. The density allowed by this zoning may be transferred to Planning Area 10A or elsewhere in the Specific Plan, as allowed by the Specific Plan and this Agreement.
 - 3.2.2.** Development of new residences on the 53 existing, subdivided lots does not require further approval of a subdivision map, is exempt from the City's 50-foot buffer zone from agricultural development requirement, and will need to meet the City's standard Tier 1 stormwater protection requirements, but not any newer or more stringent stormwater protection requirements. The City further agrees the 53 existing lots in Planning Area 10B are not subject to annexation into the City's existing Community Facilities District No. 2005-01 (Public Services District).
 - 3.2.3.** Any redevelopment of Planning Area 10B that includes a new subdivision of all or a portion of Planning Area 10B shall be subject, for the portion re-subdivided, to all applicable requirements of the Specific Plan, the City's Municipal Code, and the City's current development standards, without exemption or exception.
- 3.3.** Planning Area 10A Zoning Commitments. Planning Area 10A consists of approximately 2.1 acres as depicted in Exhibit A – Site Map.

 - 3.3.1.** If the Rezoning Approvals are approved, Planning Area 10A will be rezoned and designated Medium Density Residential zoning as part of Olsen-South Chandler Specific Plan, allowing 6 units per acre. The density allowed by this zoning may be transferred to Planning Area 10B or elsewhere in the Specific Plan, as allowed by the Specific Plan and this Agreement.
 - 3.3.2.** All development in Planning Area 10A will be subject to the Specific Plan, the Specific Plan's Final Environmental Impact Report Mitigation Monitoring and Reporting Program, and all current City development policies. Infrastructure necessary to serve the development will be the responsibility of the developer to install.

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- 3.3.3.** In addition to the Rezoning Approvals, a Planning Commission approved Tentative Tract Map and Planned Development entitlement will be required for any subdivision and development of Planning Area 10A. The City agrees to expeditiously process Owner's application for such Tentative Tract Map and Planned Development entitlement applications.
- 3.4.** Density Transfer Provision. The Specific Plan will allow residential density to be shifted, at Owner's option, among Planning Areas 10A and 10B, subject to a maximum combined residential density of 140 units across all both Planning Areas 10A and 10B. Further, the Specific Plan will allow residential density to be shifted among all Planning Areas within the Specific Plan, subject to the Specific Plan's total maximum density. No transfer may be effectuated except between a donor parcel and a benefitted parcel as to both of which every owner has become a party to a Development Agreement with the City and as to which such Development Agreement has been recorded. Any transfer of density from one parcel to another shall require approval by the City's Planning Commission via a Development Plan Permit land use entitlement and, as part of the application for that permit, written consent of the owner of the parcel reducing its available density to the benefit of the other parcel.
- 3.5.** The City's commitment in this Agreement is solely to consider in good faith and timely process any application for approval of the Rezoning Approvals, subsequent Tentative Tract Maps and Planned Development entitlements, and the requested street vacations not to approve such entitlements nor to take any other legislative actions. Nothing in this Agreement is intended to or shall be construed to limit the discretion of the City to consider the merits of such an application according to applicable law. Nothing in this Agreement shall authorize any development of the Olsen-South Chandler Specific Plan area nor the Our Town Property before compliance with the Planning and Zoning Law, the City's municipal code, the California Environmental Quality Act (Public Resources Code § 21000 *et seq.* ["CEQA"]), the CEQA Guidelines (14 Cal. Code Reg. § 15000 *et seq.*), and other applicable laws, policies and procedures. The City expressly reserves its full legislative power and its consideration of the Olsen-South Chandler Specific Plan and Rezoning Approvals will include evaluation of alternatives to these approvals, including not adopting these plans, not rezoning the Our Town Property, or adopting other, alternative legislative actions, e.g. zoning for other types of development or rezoning the Our Town Property for a higher or lower density or other land uses than proposed in the Rezoning Approvals.
- 4. OWNER COMMITMENTS.**
- 4.1.** Owner agrees, within thirty days after the effective date of this Agreement, to provide to the Escrow Holder a conditional offer to dedicate the Dedication Area to the City, in a fully executed format suitable for recording and approved as to form and content by the City and Owner. The Parties agree to meet and confer and confirm in writing within that thirty-day period their agreement to the form of the conditional offer of dedication,

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which shall dedicate the Dedication Area as described in Exhibit C-1 subject to the conditions in this Agreement.

- 4.2. Owner further agrees that, if the City finally approves the Rezoning Approvals, which means all appeal or referendum periods for such approvals have expired without successful challenge or referendum, and the other specified conditions of escrow closing in Section 8 are met before the termination date of this Agreement, then the Owner consents to the Community Development Director requiring the Escrow Holder to deliver the conditional offer to dedicate the Dedication Area to the City for recordation and that the City may then accept the Dedication Area. Owner agrees that the City may then use the Dedication Area for public right of way purposes.
- 4.3. Owner agrees to provide from a title company acceptable to both Parties a C.L.T.A. owner's policy of title insurance confirming Owner as fee owner of the Dedication Area before the close of escrow.
- 4.4. Local Preference Program for New Housing: Owner is required to comply with the Olsen-South Chandler Specific Plan local preference program requirements for development in Planning Area 10A and in Planning Area 10B if re-subdivided, as further specified in Exhibit H. This program requires an initial exclusive thirty-day marketing period and first-preference for selling new residences in the Olsen-South Chandler Specific Plan area, including in Planning Area 10A, and in Planning Area 10B if re-subdivided, to persons who live or work within the City, and second to persons who live or work in the surrounding northern San Luis Obispo County area. This program further requires first preference for local marketing for contracting and employment opportunities in the Olsen-South Chandler Specific Plan Area, including in Planning Area 10A, and in Planning Area 10B if re-subdivided, to persons who live or work within the City, and second preference to persons who live or work in the surrounding northern San Luis Obispo County area. Development of any new or remodeled residential units using the 53 existing lots in Planning Area 10B as currently subdivided is expressly exempt from this requirement.

5. UTILITIES COMMITMENTS

5.1. Potable Water

5.1.1. For purposes of potable water, the Our Town development is likely to be considered in Phases, as noted in the Recitals. Phase 1 includes the 13 existing lots that have some level of development, and that are currently served by a private water system supplied by a well. The lots in Phase 1 can continue to be served by the existing private water system for an indefinite period subject to the following:

- 5.1.1.1. When the purchaser of the well site determines that the well is to be abandoned, Our Town shall connect to a City water supply on Airport or Niblick Roads and disconnect from the well. City water will be supplied to

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Our Town as a wholesale water supply and will not be subject to connection fees at that time.

- 5.1.1.2.** Within two (2) years of the disconnection from the well, Our Town shall establish a Mutual Water Company or such other public or private water provider, using the existing pipes, hydrants, and fixtures, shall maintain all of the water system within Our Town at their own expense, and shall meet public health standards. Once the Mutual Water Company is established the wholesale water agreement shall be transferred to such Water Company.
- 5.1.1.3.** When Phase 2 is developed, it shall be fully served by City water, with mains, hydrants, meters, valves and such provided by the developer according to City specifications. All such lots in Phase 2 shall be served by City water and shall become customers of City water, shall pay all connection and meter fees to City water.
- 5.1.1.4.** When Phase 3 is developed, it shall be fully served by City water, with mains, hydrants, meters, valves and such provided by the developer according to City specifications. All such lots in Phase 3 shall be served by City water and shall become customers of City water, shall pay all connection and meter fees to City water.
- 5.1.1.5.** When either Phase 2 or Phase 3 are developed, or when Phase 1 is redeveloped, Phase 1 shall be fully served by City water, with mains, hydrants, meters, valves, and such provided by the developer according to City specifications. All lots shall be subject to standard connection and meter fees at such time. In addition, existing mains, hydrants, and other materials shall be removed and upgraded to new materials according to City standards and specifications. The water piping system may be required to be looped to improve system pressure and water quality at the City's discretion.
- 5.1.2.** No lot in Phase 2 or Phase 3 shall be served by the existing well, or any future replacement of such well. When the water system serving Phase 1 is disconnected from the existing well, the well shall then be abandoned according to State of California standards, properly inspected, and the well abandonment approved by the City.
- 5.1.3.** As each unit, either existing or new, connects to the City water system, excluding the Mutual Water Company, the standard connection and meter fees in effect at the time will apply. The fees can be paid over time, with the recordation of a deed restriction.

5.2. Sanitary Sewer

- 5.2.1.** For purposes of sanitary sewer, the Our Town development is to be considered in three Phases. Phase 1 includes the 13 existing lots that have some level of development, and that are currently served by several on-site septic systems. The

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lots in Phase 1 can continue to be served by the existing septic systems for an indefinite period subject to the following:

- 5.2.1.1.** Each lot in Phase 1 may remain connected to the on-site septic system until such time as the system fails, or until the 13 lots in Phase 1 are redeveloped, whichever comes first. At that time such lot will need to install sewer lines and connect to the City sanitary sewer system.
 - 5.2.1.2.** When Phase 2 is developed, it shall be fully served by City sanitary sewer, with mains, manholes, and laterals provided by the developer according to City specifications. All lots in Phase 2 shall be served by City sanitary sewer and shall become customers of City sewer and shall pay all connection fees to City sewer.
 - 5.2.1.3.** When Phase 3 is developed, it shall be fully served by City sanitary sewer, with mains, manholes, and laterals provided by the developer according to City specifications. All lots in Phase 3 shall be served by City sanitary sewer and shall become customers of City sewer and shall pay all connection fees to City sewer.
 - 5.2.2.** At such time as any lot in Phase 1 connects to the City sanitary sewer system, any existing septic system is to be pumped and abandoned according to State of California standards, properly inspected, and the septic system abandonment approved by the City. The cost of extending the City public sanitary sewer system pipelines and manholes to the existing developed lots in Phase 1 will be borne by the redeveloper of Phase 1 or by the owners of those existing developed lots. As each unit, either existing or new, connects to the City sanitary sewer system, the standard connection fee in effect at that time will apply. The fee can be paid over time, with the recordation of a deed restriction.
- 5.3. Streets**
- 5.3.1.** All existing streets in any portion of Phases 1, 2, or 3 are to be brought up to City standards with a pavement condition of PCI 70 or better prior to being maintained by the City of Paso Robles. Having the streets be designated as private streets and subject to maintenance by a homeowners' association or other appropriate financing mechanism is permissible so long as the City agrees to the terms of such private maintenance by future agreement in writing.
- 5.4. Overhead Utilities**
- 5.4.1.** Our Town will not be required to underline power and other overhead utilities in Phase 1 until such time as it is redeveloped. At that time all existing and new overhead utility lines, poles, guy wires, and related utility facilities are to be undergrounded

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according to the City's utility undergrounding standards at the sole cost of the developer.

- 5.4.2.** When Phase 2 and Phase 3 are developed they will be expected to fully comply with the City's undergrounding standards at the sole expense of the developer.

6. FINANCIAL COMMITMENTS

6.1. Owner and City agree that the City shall be kept whole by Owner with respect to all fiscal aspects of the planning, development, maintenance, and operation of the development of Planning Area 10A, and the re-subdivision of Planning Area 10B, including the costs to the City of providing new development with public infrastructure, services, and facilities, the payment of City's costs associated with the development of Planning Area 10A, and the re-subdivision of Planning Area 10B, and the Rezoning Approvals, and the costs of mitigation of the environmental impacts of the development of development of Planning Area 10A, and the re-subdivision of Planning Area 10B, not to exceed the fair and reasonable share of these costs relative to the larger Olsen-South Chandler Specific Plan development. The Parties intend that the Owner's financial commitment to the City is intended to prevent the development of Planning Area 10A, and the re-subdivision of Planning Area 10B, from resulting in negative fiscal impacts on the City, to facilitate the construction, operation, and maintenance of infrastructure and public services facilities, and to assist in the development of Planning Area 10A, and the re-subdivision of Planning Area 10B, to provide long-term fiscal, housing, and other benefits to City, including increased employment opportunities, an increased tax base and revenues to the City, and an enhanced quality of life for the City's residents.

6.1.1. Owner and City agree any redevelopment of Planning Area 10B that includes a new subdivision of all or a portion of Planning Area 10B shall be subject, solely for the newly subdivided lots, to annexation into the City's existing Community Facilities District No. 2005-01 (Public Services District) and into such other financing mechanisms as required by this Agreement and the Specific Plan. Owner shall create a financing mechanism, to the satisfaction of the City Engineer, which provides for payment of all costs associated with the redevelopment of Planning Area 10B, including all in-project infrastructure development and maintenance costs, specifically including frontage landscaping.

6.1.2. All development in Planning Area 10A will be subject to annexation into the City's existing Community Facilities District No. 2005-01 (Public Services District) and into such other financing mechanisms as required by this Agreement and the Specific Plan. Owner shall create a financing mechanism, to the satisfaction of the City Engineer, which provides for payment of all costs associated with the development of Planning Area 10A, including all in-project infrastructure development and maintenance costs, specifically including frontage landscaping.

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6.2. Backbone Infrastructure Fair Share Reimbursement

6.2.1. Owner agrees to participate in an Olsen – South Chandler Specific Plan reimbursement district or financing mechanism to pay the per-unit developer cost allocation fees as stated in Exhibit F-1 for the improvements shown on Exhibit F-2 for development of Planning Area 10A, and for any redevelopment of newly subdivided portions of Planning Area 10B. Owner or any future successor in interest shall pay a per unit reimbursement fee of \$25,088 to the City before the issuance of a building permit for each new residential unit in Planning Area 10A, and for any new residential units in newly subdivided portions of Planning Area 10B. This reimbursement fee does not apply to any new residential unit built on one of the 53 existing subdivided lots in Planning Area 10B. This reimbursement fee comprises \$23,203 per unit for the Olsen Chandler Ranch Specific Plan backbone infrastructure costs and \$1,885 per unit for reimbursement of application and processing fees incurred by Olsen Ranch 212, LLC as applicant for the Specific Plan, as specified in Exhibits F-1 (Cost Allocation) and Exhibit F-2 (Backbone Infrastructure Plan). This fee shall be in addition to all applicable City development impact, application, and other fees assessed on development, except to the extent such fees are accounted for within this per-unit developer cost allocation fee as specified in Exhibit F-1.

6.3. The City and Owner agree that the rezoning action and City's abandonment of public right-of-way will be considered an equal exchange for Owner's public right-of-way dedication and no additional credit or compensation will be required of either party.

7. CITY'S INSPECTION OF DEDICATION AREA.

7.1. At any time before the close of escrow, with reasonable notice to Owner, City, its agents, contractors or engineers, shall have the right to enter the Our Town Property, at City's sole cost and expense, for the purpose of inspecting, surveying, conducting engineering studies and soil tests, and for other similar investigation, provided such operations do not permanently damage the Our Town Property. City will complete such independent investigations as it deems necessary or appropriate concerning the use or suitability of the Dedication Area before the close of escrow. City agrees to indemnify Owner and its agents, officers, directors and employees and hold them harmless from all costs, expenses, liability or loss incurred or arising from any such investigation conducted by City. Notwithstanding the foregoing, City shall have no liability or obligation to Owner with respect to any conditions concerning the Our Town Property discovered or uncovered by City during the course of City's investigation of the Our Town Property. Such investigation shall not be construed as an acceptance of Owner's title or as a waiver of any of Owner's warranties or obligations herein.

7.2. City may, by written notice to Owner and Escrow Holder within sixty (60) days after the Effective Date cancel this Agreement based upon City's dissatisfaction with the Dedication Area. Upon receipt of such notice, Owner shall have forty-five (45) days during which to take such actions as may be necessary to place the Dedication Area in a

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condition suitable for the construction and operation of the Dedication Area as a public roadway and right of way. If the Owner fails to complete a cure within forty-five (45) day period, the City may terminate this Agreement by delivering not later than ten (10) days after expiration of the forty-five (45) day period written notice of termination to Owner and Escrow Holder, and this Agreement shall terminate upon Owner's receipt of such notice. In the event of City's timely termination pursuant to this section, the parties hereto shall have no further liability to each other except as otherwise provided herein. In the event of City's termination as set forth above, Escrow Holder shall distribute any funds and release any documents to the parties entitled thereto. In the event City does not terminate this Agreement pursuant to this section, and the soil or geologic conditions are not in all respects entirely suitable for the use or uses to which the Property will be put, then it is the sole responsibility and obligation of the City to take such action as may be necessary to place the soils and geologic conditions in a condition entirely suitable for its proposed use.

8. ESCROW CONDITIONS AND REQUIREMENTS.

8.1. Opening of Escrow. Within thirty days of the effective date, City shall open an escrow ("Escrow") at an escrow company selected by City ("Escrow Holder") with Owner's reasonable approval for the purpose of carrying out the terms of this Agreement. This Agreement shall constitute the joint escrow instructions of City and Owner with respect to dedication of the Dedication Area and a copy of this Agreement shall be delivered to the Escrow Holder upon the opening of Escrow. In addition, upon written request from Escrow Holder, each party shall sign and deposit escrow instructions in the standard form (to the extent reasonably acceptable to the Parties) utilized by Escrow Holder, within ten (10) days after the opening of Escrow. Each Party shall pay half the Escrow Holder fees except as otherwise provided below. The escrow instructions shall not modify or amend the provisions of this Agreement. If any conflict exists between the escrow instructions and this Agreement, the provisions of this Agreement shall prevail.

8.2. Escrow Cancellation. The Close of Escrow shall occur as soon as possible following the satisfaction or waiver of all closing conditions set forth in this Agreement, but in no event later than the Outside Closing Date. If Escrow is not in a condition to close by the Outside Closing Date, Escrow Holder shall continue to comply with the instructions contained herein until a written demand has been made by a party entitled to do so for the cancellation of Escrow, as described below. Escrow Holder shall notify the other party of any such demand.

8.2.1. If the Close of Escrow fails to occur due to Owner's default, defined as a failure of the Owner to comply with any obligation imposed by this Agreement on the Owner before the Close of Escrow, Owner shall pay all Escrow cancellation charges.

8.2.2. If the Close of Escrow fails to occur due to City's default, defined as a failure of the City to comply with any obligation imposed by this Agreement on the City before the Close of Escrow, City shall pay all Escrow cancellation charges.

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8.2.3. If the Close of Escrow fails to occur for any reason other than the foregoing, City and Owner shall each pay one-half (½) of any Escrow cancellation charges, and each party shall release the other party from all liability hereunder for the failure of the Close of Escrow to occur. “Escrow cancellation charges” means all fees, charges and expense incurred and charged by Escrow Holder.

8.3. Escrow Closing Conditions. The Parties agree that the Escrow cannot close until the following conditions have been met:

8.3.1. The Owner has deposited the required conditional offers of dedication of the Dedication Area and other documents required by this Agreement and Section 8.4.1 with Escrow Holder.

8.3.2. The City has deposited the documents required by this Agreement and Section 8.4.2 with Escrow Holder.

8.3.3. The City has completed final approval of the Rezoning Approvals, providing for a total combined density of up to 140 residential units across Planning Areas 10A and 10B, and approved vacating the Vacation Area, as further described in Exhibit D. This condition shall be met when any of the following events occurs, whichever is later:

8.3.3.1. the City Council approves an ordinance for the Rezoning Approvals and the statute of limitations for any legal challenge to the adoption of such ordinance, including any CEQA challenge, has expired with no challenge having been filed by any person and the referendum period for any required ordinance has expired without any referendum petition having been filed by any person;

8.3.3.2. the City Council approves an ordinance for the Rezoning Approvals, a referendum petition is filed and qualifies for the ballot, and the City’s voters uphold the Rezoning Approvals, and the statute of limitations for any legal challenge to the Rezoning Approvals or the referendum has expired with no challenge having been filed by any person;

8.3.3.3. the City Council approves an ordinance for the Rezoning Approvals, a lawsuit is filed challenging the Rezoning Approvals, and a final judgment after exhaustion of any and all appeals is entered validating the City’s approval of the Rezoning Approvals; or

8.3.3.4. the City Council approves an ordinance for the Rezoning Approvals, a referendum petition is filed and qualifies for the ballot and the City’s voters uphold the Rezoning Approvals, and a lawsuit is filed challenging the Rezoning Approvals and a final judgment after exhaustion of any and all appeals is entered validating the City’s approval of the Rezoning Approvals.

8.3.4. The escrow closing conditions shall not be met and the Dedication Area shall not be granted to City if the City does not approve the Rezoning Approvals or the City’s

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approval of the Rezoning Approvals is overturned by the City's voters via referendum or by entry after all appeals have been exhausted of a final judgment or issuance of a final order directing the City to set aside, withdraw, or abrogate the City Council's approval of this Agreement or any material part of the Rezoning Approvals.

8.4. Deposit of Documents.

8.4.1. Owner shall deposit with Escrow Holder the following documents:

- 8.4.1.1.** The Conditional Offers of Dedication of the Dedication Area described in Section 5.1 above.
- 8.4.1.2.** Owner shall complete, execute and deliver to Escrow Holder any required statement of intention to transfer the Dedication Area or preliminary change of ownership statement.
- 8.4.1.3.** Disclosure of Non Foreign Status, in compliance with Internal Revenue Code Section 1445 and the regulations thereunder.
- 8.4.1.4.** A written statement that all of the conditions precedent to the Close of Escrow stated in this Agreement have been satisfied.
- 8.4.1.5.** Owner's share of closing costs.

8.4.2. City shall deposit with Escrow Holder the following documents:

- 8.4.2.1.** A certified copy of the final ordinance or other document evidencing the City's final approval of the Rezoning Approvals, including approval of vacation of Public Right-Of-Way Abandonment Area 3, with the understanding that completion and recordation of the vacation of Public Right-Of-Way Dedication Area 3 shall be delayed until such time as the City Engineer certifies that all existing residences served by the access provided by Public Right-Of-Way Abandonment Area 3 have alternative access to the City's road network via Niblick Road.
- 8.4.2.2.** A written statement that all of the conditions precedent to the Close of Escrow stated in this Agreement have been satisfied.
- 8.4.2.3.** City's share of closing costs.

8.5. Close of Escrow. For purposes of this Agreement, the "Close of Escrow" shall be the date that the Conditional Offer of Dedication offering the Dedication Area to City is recorded under this Agreement in the Official Records of San Luis Obispo County, California ("Official Records").

8.5.1. The escrow shall be in a condition to close and shall close when the Escrow Holder holds all the items referred to in Section 8.4 above, and when the Escrow Holder is in a position to obtain, and the Title Company has committed to deliver, a C.L.T.A. owner's policy of title insurance issued by the Title Company in favor of City in an amount designated by the City, insuring City's title to the Dedication Area

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subject only to those exceptions and encumbrances approved by City, per Section 5.3 (the “Title Insurance Policy”). The cost of the Title Insurance Policy will be paid by City. Once the conditions precedent to the close of escrow have occurred and once the Escrow Holder is in a position to obtain, and the Title Company has committed to deliver, the Title Insurance Policy, the Community Development Director shall direct the Escrow Holder to close the escrow. Upon receipt of the Community Development Director’s direction to close the escrow, the Escrow Holder shall:

- 8.5.1.1.** Record the Conditional Offers of Dedication in the official records of San Luis Obispo County.
 - 8.5.1.2.** Pay, and charge Owner and City for any fees, charges and costs payable under this Agreement. Before such payments are made, the Escrow Holder shall notify Owner and City of the fees, charges and costs.
 - 8.5.1.3.** Deliver conformed copies of the recorded Conditional Offers of Dedication and the Title Insurance Policy, and other documents to the parties entitled thereto. The Title Insurance Policy shall be delivered to City effective as of the Close of Escrow.
- 8.5.2.** After the Close of Escrow, the City must record an acceptance of the Dedication Area, completing the Owner’s grant of the Dedication Area to the City. Further, after the Close of Escrow and at such time as the City Engineer certifies that all existing residences served by the access provided by Public Right-Of-Way Abandonment Area 3 have alternative access to the City’s road network via Niblick Road, the City shall record and complete the vacation of Public Right-Of-Way Abandonment Area 3.
- 8.5.3.** If Escrow has not closed on the Outside Closing Date, either Party may terminate this Agreement by delivering written notice of termination to the other Party and Escrow Holder, termination to be effective upon the other Party’s receipt of such termination notice. Thereafter, Escrow Holder shall return the Conditional Offer of Dedication to Owner and shall return any funds deposited by City or Owner to either Party, and the Parties shall have no further liability to each other except as otherwise provided herein.
- 8.6. Prorations.** Real property taxes and insurance shall be prorated as of Close of Escrow. Owner shall pay all transfer taxes to the extent the conveyance is not exempt under Cal. Gov’t Code section 6103, Rev. & Tax Code section 11922, or other applicable law. Escrow fee and other expenses of Escrow shall be paid one half by City and one half by Owner except as otherwise provided above.
- 8.7. Possession.** Right to possession of the Dedication Area shall transfer to City upon recordation of the City’s acceptance of the Dedication Area.
- 8.8. Risk of Loss.** Risk of loss to the Dedication Area portion of the Our Town Property shall be borne by Owner before the City’s acceptance of the Dedication Area and by City

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thereafter. In the event the Dedication Area are damaged in a material degree by flood, fire, earthquake or other casualty before the City's acceptance of the Dedication Area, City may, at its option, elect not to acquire the Dedication Area, in which case this Agreement shall be terminated and Escrow Holder shall return any deposits made into Escrow; or City may elect to accept the Dedication Area, in which case Owner shall assign to City all insurance proceeds, if any, relating to such damage.

9. Transfer Agreements.

- 9.1.** In connection with the transfer or assignment by Owner of all or any portion of the Property (other than a transfer or assignment by Owner to an affiliated party (as defined in Section 1.9.3 below), a "Mortgagee", or a "Non-Assuming Transferee" (as defined in Section 1.9.2 below)), Owner and the "Transferee" shall enter into a written agreement (a "Transfer Agreement") regarding the respective interests, rights and obligations of Owner and the Transferee in and under this Agreement and the Specific Plan. Such Transfer Agreement may, if approved by the City: (i) release Owner from obligations under this Agreement and any related land use entitlements or the subset thereof pertaining to that portion of the Our Town Property being transferred, as described in the Transfer Agreement, provided that the Transferee expressly assumes such obligations; (ii) transfer to the Transferee vested rights to improve that portion of the Our Town Property being transferred; and (iii) address any other matter deemed by Owner or City to be necessary or appropriate in connection with the transfer or assignment.
- 9.2.** Except as provided in Section 9.7 of this Agreement, Owner shall obtain City's prior written consent to any Transfer Agreement, which consent shall not be unreasonably withheld. City shall consider promptly and in good faith any request by Owner for City's consent to any Transfer Agreement containing provisions releasing Owner from any obligations under this Agreement. City's consent to any release contained in a Transfer Agreement may be withheld only if: (i) reliable evidence supports a conclusion that the Transferee may not be able to perform the financial and other obligations proposed to be assumed by the Transferee under the Transfer Agreement, (ii) the obligations proposed to be assumed by the Transferee may not reasonably be allocable among particular portions of the Our Town Property to be transferred, or (iii) the Owner or Transferee fails to provide acceptable security, as and if reasonably requested by City, to ensure the performance of the obligations proposed to be assumed by the Transferee pursuant to the Transfer Agreement. Further, because and to the extent certain obligations arising under this Agreement may not reasonably be allocable among particular portions of the Our Town Property, City may refuse to release the Owner of its obligations under this Agreement related to one portion of the Our Town Property even though the City agrees to release the Owner of its obligations under this Agreement related to some other portion of the Our Town Property. City shall respond within forty-five (45) days to any request by Owner for City's consent to any Transfer Agreement. Such determination shall be made by the City Manager in consultation with City Attorney, and is appealable by Owner directly to the Council.
- 9.3.** If approved by City under Section 9.2, a Transfer Agreement shall be binding on Owner, City and the transferee provided: (i) Owner is not then in default under this Agreement,

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(ii) Owner has provided notice to City of such transfer, and City has approved the transfer, and (iii) the Transferee executes and delivers to City a written agreement in which: (a) the name and address of the Transferee is set forth and (b) the Transferee expressly and unconditionally assumes each and every obligation of Owner under this Agreement with respect to the Our Town Property, or portion thereof, transferred, to the extent Owner has not retained a continuing obligation, and (c) City has satisfied itself of Transferee's ability to assume Owner's obligations under this Agreement related to the Transferee's ongoing obligations. Upon recordation of any Transfer Agreement in the Official Records of San Luis Obispo County, Owner shall automatically be released from those obligations assumed by the Transferee therein only to the extent expressly stated in the Transfer Agreement and as approved by the City in writing

- 9.4.** Owner shall be free from any and all liabilities accruing on or after the date of any assignment or transfer with respect to those obligations expressly assumed by a Transferee pursuant to a Transfer Agreement. No breach or default hereunder by any person succeeding to any portion of Owner's obligations under this Agreement arising after the effective date of the Transfer Agreement shall be attributed to Owner, nor may Owner's rights hereunder be canceled or diminished in any way by any breach or default by any such person.
- 9.5.** Owner's Continuing Responsibilities. Any obligation under this Agreement not expressly assumed by the Transferee in an approved Transfer Agreement shall remain with Owner.
- 9.6. Non-Assuming Transferees.** Except as otherwise required by Owner, in Owner's sole discretion, the burdens, obligations and duties of Owner under this Agreement shall terminate with respect to: (i) any single residential parcel conveyed to a purchaser, or (ii) any property that has been established as one or more separate legal parcels and conveyed for office, commercial, open space, park, school or other nonresidential uses. Neither a Transfer Agreement nor City's consent shall be required in connection with subsections (i) and (ii) above. So long as Owner continues to assume obligations with respect to the portion that is transferred, or can otherwise demonstrate bonds and/or other financial security will satisfy these obligations, the Transferee in such a transaction and its successors ("Non-Assuming Transferees") shall be deemed to have no obligations under this Agreement, but shall continue to benefit from the vested rights provided by this Agreement until this Agreement is terminated with respect to that parcel under this section. Nothing in this section shall exempt any property transferred to a Non-Assuming Transferee from payment of applicable fees and assessments or compliance with applicable conditions of approval.
- 9.7. Transfers to Affiliated Parties.** Owner, or any "Affiliated Party" of Owner, may at any time and without City's consent or a Transfer Agreement, transfer all or any portion of its rights and obligations under this Agreement to any "Affiliated Party" of such Transferor and, in connection with the transfer of any such obligations, be released from such obligations. As used herein, the term "Affiliated Party" shall mean any entity that owns fifty-one percent (51%) or a controlling interest in Owner, or any entity in which Owner owns fifty-one percent (51%) or a controlling interest, or any entity under common ownership or control with Owner.

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Draft Our Town Development Agreement

10. REMEDIES.

10.1. The Parties agree and acknowledge this Agreement relates to unique land use and real property issues and that remedies at law, even if available, would be inadequate in the event of a breach. Both Parties agree and recognize that, if a breach of this Agreement occurs, it is not possible to determine an amount of monetary damages which would adequately compensate either Party for their losses nor calculate the consideration City and Owner would require from each other to justify such exposure. Therefore, the Parties agree that monetary damages shall not be an adequate remedy for either Party if the other Party should be determined to be in default under this Agreement. The Parties further agree that specific performance, writ of mandate for performance of a required act, or rescission, shall be the sole available and appropriate remedy for either Party under this Agreement. Each Party expressly agrees that it shall not seek monetary damages from the other party under this Agreement or under any otherwise applicable legal basis for monetary damages arising out of this Agreement except for any indemnity obligations set forth herein. In no event will either party or its officers, agents, or employees, be liable for damages for any default under this Agreement, it being expressly understood and agreed that the sole legal remedy available to either Party for a default under this Agreement shall be a legal action in mandamus, specific performance, rescission, or other injunctive or declaratory relief to enforce the provisions of this Agreement. No delay or omission in the exercise of any right or remedy accruing to the non-defaulting party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach by the defaulting party. The waiver by either party of any condition or covenant contained herein shall not be deemed a waiver of any other condition or of any subsequent breach by the other party of any term, covenant or condition contained herein. All rights, powers, elections and remedies afforded to a party either hereunder or by law shall be cumulative and not alternative, and the exercise of any right, power, election or remedy shall not bar the exercise of any other. The Parties agree that failure to complete the dedication based on failure of any of the conditions precedent or contingencies in this Agreement, including any failure by City to approve the Rezoning Approvals, shall not be considered a breach hereunder.

11. TERMINATION.

11.1. Except as otherwise provided in this Agreement, this Agreement shall terminate on the earlier of (1) the expiration of the Term, (2) the City's election to terminate this Agreement under Section 7.2 or Section 8.5.3, (3) the Owner's election to terminate this Agreement under Section 8.5.3 or the (4) Escrow has not closed by the Outside Closing Date thought the fault of neither party.

12. PARTIES.

12.1. The parcels to be conveyed to the City, the Dedication Area, are held by four owners who shall all be initial parties to this Agreement. Owner, collectively, is the owner of a portion of Planning Areas 10A and 10B, collectively referred to as the Our

Resolution P - Exhibit A

Draft Our Town Development Agreement

Town Property. The initial signatories to this Agreement, who own the Our Town Property, shall benefit from and be bound by it for the Our Town Property.

- 12.2.** Subject to the terms of this Agreement, other owners of property within Planning Areas 10A and 10B may, at a later date, sign onto this Agreement and thereafter be benefit from and be bound by this Agreement. The rights and obligations of this Agreement will benefit and bind any owner of a parcel in Planning Areas 10A, and 10B who signs the form of Acceptance of this Agreement, included as Exhibit G, agrees to be bound by this Agreement, and records that acceptance as to the property. Upon acceptance, signature, and recordation of this Agreement, such later signatory shall become one of the Owners, as that term is defined in this Agreement, and shall benefit from and be bound by the obligations of Owner as stated in this Agreement. Acceptance of this Agreement by a later signatory will not affect the rights and obligations of others who own parcels within Planning Areas 10A and 10B, who may continue to enjoy the land use rights afforded them by other law. The right for any owner of land within Planning Areas 10A and 10B to exercise this option to participate in this Agreement will expire 20 years after its Effective date, with this deadline extended if and to the same duration as the Olsen-South Chandler Specific Plan Development Agreement's Term is itself extended.

13. MISCELLANEOUS PROVISIONS.

- 13.1.** SEVERABILITY. It is the intent of the Parties that the remaining terms, provisions, covenants and conditions of this Agreement be in effect, valid, and enforceable should any term, provision, covenant or condition of this Agreement be determined invalid, void or unenforceable. The City and Owner each declares it would have adopted this Agreement and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, parts or portions be declared invalid or unconstitutional.
- 13.2.** INTERPRETATION AND GOVERNING LAW. This Agreement and any dispute arising hereunder shall be governed and interpreted pursuant to the laws of the State of California, and it shall be deemed to have been executed in San Luis Obispo County, California. This Agreement shall be construed as a whole according to its fair language and common meanings to achieve the objectives and purposes of the parties hereto, and shall be interpreted as if mutually drafted by the parties, all parties having been represented by counsel in its negotiation and preparation.
- 13.3.** SECTION HEADINGS. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.
- 13.4.** CONSTRUCTION. As used herein, the singular of any word includes the plural and the masculine, feminine and neutral include the other genders as the context may require.
- 13.5.** WAIVER. Failure of either Party to insist upon the strict performance of any term, covenant condition or provision of this Agreement by the other, or the failure of a Party

Resolution P - Exhibit A

Draft Our Town Development Agreement

to exercise its rights upon the default of the other, shall not constitute waiver of such Party's right to demand strict compliance by the other Party with that particular term, covenant, condition, provision or with any other part of this Agreement thereafter.

- 13.6. NO THIRD-PARTY BENEFICIARIES; NO ASSIGNMENT; RECORDATION.** This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and permitted assigns. No other person shall have any right of action based on this Agreement. This Agreement constitutes a covenant regarding the use and improvement of the Our Town Property and shall run with title to it. City may record this Agreement or a memorandum of this Agreement against the Property. Owner shall not assign any interest in this Agreement other than by transfer of title to the Our Town Property without the prior written consent of City, which City may grant or deny in its unfettered discretion. Any attempt to transfer an interest in this Agreement without such consent shall be null and void and confer no right on any third party.
- 13.7. MUTUAL COVENANTS.** The covenants contained in this Agreement are mutual and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed by such benefited Party.
- 13.8. SUCCESSORS IN INTEREST.** The burdens of this Agreement shall be binding upon, and its benefits shall inure to all successors in interest to the Parties to this Agreement.
- 13.9. FURTHER ACTIONS AND INSTRUMENTS.** Each of the Parties shall cooperate and provide reasonable assistance to the other as allowed by applicable law in the performance of this Agreement and the satisfaction of its conditions. On the request of either Party at any time, and as allowed by applicable law, the other Party shall promptly execute, with acknowledgement or affidavit, if reasonably required, and file or record such required instruments and writing and take any action as may be reasonably necessary to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions it contemplate.
- 13.10. AMENDMENTS IN WRITING.** This Agreement may be amended, including to extend its term, only by written consent of both Parties.
- 13.11. WARRANTY OF AUTHORITY.** The persons signing this Agreement below hereby warrant for the benefit of the Party for which they do not sign that they have actual authority to bind their principal to this Agreement.
- 13.12. SURVIVAL.** All of the representations and warranties of the parties contained in this Agreement, all covenants, agreements and indemnities made herein by the parties, and all obligations to be performed under the provisions hereof will remain operative, will be deemed made at the Close of Escrow, and will survive the Close of Escrow.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above, by and between:

Resolution P - Exhibit A

Draft Our Town Development Agreement

Owner:

Wayne Condict and Sallie Roberts

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

Owner's Counsel

CITY:

CITY OF Paso Robles, a California general law city

By: _____

ATTEST: _____

Name: _____

City Clerk

Title: _____

APPROVED AS TO FORM:

City Attorney

Resolution P - Exhibit A
Draft Our Town Development Agreement

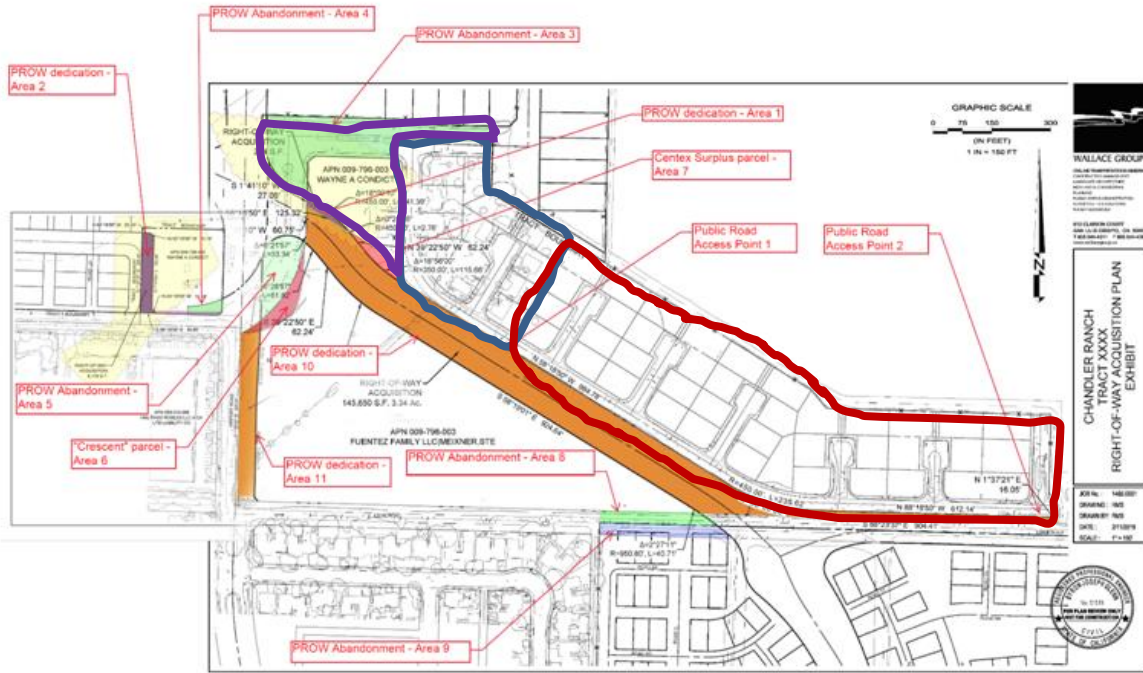
EXHIBIT A - SITE MAP


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Resolution P - Exhibit A

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EXHIBIT A - SITE MAP



 Phase 1

 Phase 2

 Phase 3

[[Need a site map that shows the Phases, with better graphics than this]]

Resolution P - Exhibit A

Draft Our Town Development Agreement

EXHIBIT B - LEGAL DESCRIPTION OF OUR TOWN PROPERTY OWNED BY INITIAL SIGNATORIES

[The list of lot and tract numbers is needed here.]

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Resolution P - Exhibit A

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**EXHIBIT C-1 - LEGAL DESCRIPTION OF NIBLICK ROAD DEDICATION AREA
(PUBLIC RIGHT-OF-WAY DEDICATION AREA 1 ON EXHIBIT A)**

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Resolution P - Exhibit A

Draft Our Town Development Agreement

EXHIBIT D - DESCRIPTION OF DISCRETIONARY LAND USE ENTITLEMENTS AND APPROVALS FOR PLANNING AREAS 10A AND 10B

The discretionary land use entitlements and approvals for Planning Areas 10A and 10B, as that term is used in this Agreement, consist of the following:

- Olsen-South Chandler Specific Plan, inclusive of a total combined density of up to 140 residential units across Planning Areas 10A and 10B, with the ability to transfer density among Planning Areas 10A and 10B within this maximum combined density.
- Rezoning of Planning Area 10A from the current RSF-6 zoning to Medium Density Residential zoning, as part of Olsen-South Chandler Specific Plan, allocated 6 units per acre.
- Rezoning of Planning Area 10B from the current RMF-9 zoning to Medium Density Residential zoning, as part of Olsen-South Chandler Specific Plan, allocated 9 units per acre.
- Street Abandonment Application approving vacating the Vacation Area, as depicted in Exhibit E.

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EXHIBIT E-1 - LEGAL DESCRIPTION OF THE VACATION AREA, PART 1

(Public Right-Of-Way Abandonment Area 3 on Exhibit A)

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EXHIBIT F-1 - OLSEN-SOUTH CHANDLER SPECIFIC PLAN FAIR SHARE COSTS ALLOCATION

Exhibit "X"
Olsen Chandler Ranch Specific Plan
Developer Cost Allocation
December 17, 2019

OCR Specific Plan Backbone Costs (a)				
Construction Items	Phase 1	Phase 2	Phase 3	Total
Rough Grading	\$0	\$0	\$0	\$0
Slope Drainage	\$0	\$0	\$0	\$0
Erosion Control	\$70,544	\$69,224	\$23,833	\$163,601
Parkway, Landscape & Irrigation	\$2,142,378	\$1,979,175	\$0	\$4,121,552
Entry Monumentation	\$105,000	\$25,000	\$0	\$130,000
Walls & Fences	\$0	\$0	\$0	\$0
Retaining Walls	\$0	\$0	\$0	\$0
Domestic Water Improvements	\$1,413,439	\$507,403	\$0	\$1,920,842
Sewer Improvements	\$817,202	\$232,082	\$0	\$1,049,283
Storm Drain System Improvements	\$1,561,149	\$258,762	\$0	\$1,819,911
Street Improvements	\$2,477,150	\$2,694,435	\$466,417	\$5,638,002
Utilities (elec., tel., gas, catv)	\$2,401,950	\$1,297,950	\$0	\$3,699,900
Subtotal	\$10,988,809	\$7,064,030	\$490,250	\$18,543,089
Contingency (15%)	\$1,648,321	\$1,059,604	\$73,538	\$2,781,463
Total Construction Costs	\$12,637,131	\$8,123,634	\$563,788	\$21,324,553
Consulting Services	\$1,284,874	\$797,814	\$93,624	\$2,176,312
Assessments, Bonds & Fees	\$959,137	\$554,911	\$14,398	\$1,528,447
Phased Backbone Costs	\$14,881,142	\$9,476,359	\$671,810	\$25,029,312
Total Offsite Street Costs (b),(c)	\$2,393,745	\$0	\$0	\$2,393,745
Royal Oaks Park	\$1,100,000	\$0	\$0	\$1,100,000
Total Backbone Costs	\$18,374,887	\$9,476,359	\$671,810	\$28,523,057
Specific Plan Units (d)	806	392	95	1,293
Backbone Cost per DU by Phase	\$22,798	\$24,174	\$7,072	\$22,060

OCR Specific Plan Developer Cost Allocation				
Units	1028	119	146	1293
Project	Venido Fair Share	Centex Fair Share	Our Town Fair Share	Total
Cost Allocation by Developer	\$22,677,264	\$2,625,092	\$3,220,701	\$28,523,057
Cost Per Unit	\$22,060	\$22,060	\$22,060	\$22,060

Specific Plan Application & Processing Fees (e)				
Project	Venido Fair Share	Centex Fair Share	Our Town Fair Share	Total
Studies & Reports	\$136,240	\$15,771	\$19,349	\$171,360
Planning Consultant	\$528,708	\$61,203	\$75,089	\$665,000
Engineering	\$911,067	\$105,464	\$129,393	\$1,145,923
Applications	\$361,398	\$41,835	\$51,327	\$454,560
Total Costs	\$1,937,413	\$224,273	\$275,158	\$2,436,843
Cost Per Unit	\$1,885	\$1,885	\$1,885	\$1,885

Footnotes:

- (a) Estimated backbone costs based on Olsen-Chandler budget dated December 16, 2019 prepared by Savello & Associates.
- (b) Represents the estimated non-TIF credit eligible costs for TIF segments 33a-33e (See TIF Budget 33a-e) of \$7,446,621 less OCR TIF credits of \$6,100,728 and Offsite TIF Improvements at Creston & Niblick, Creston & Scott, Niblick & River Rd, and other offsite mitigation estimated at \$1,047,852 (net of City TIF credits) - Note: Actual costs may be higher as the TIF credits have not yet been agreed upon with the City.
- (c) Amount does not include offsite street improvements for which the OCRSP is conditioned to construct if such improvements are not constructed by Beechwood.
- (d) Phase 1 includes 541 OCR units, 119 Centex units, and 146 Our Town units.
- (e) Specific Plan application and processing fees estimated as of September 30, 2019.

EXHIBIT F-2 - OLSEN-SOUTH CHANDLER SPECIFIC PLAN FAIR SHARE COSTS ALLOCATION BACKBONE INFRASTRUCTURE PLAN

MAP X.X: CENTEX FAIR SHARE MAP
VER. 12.1719

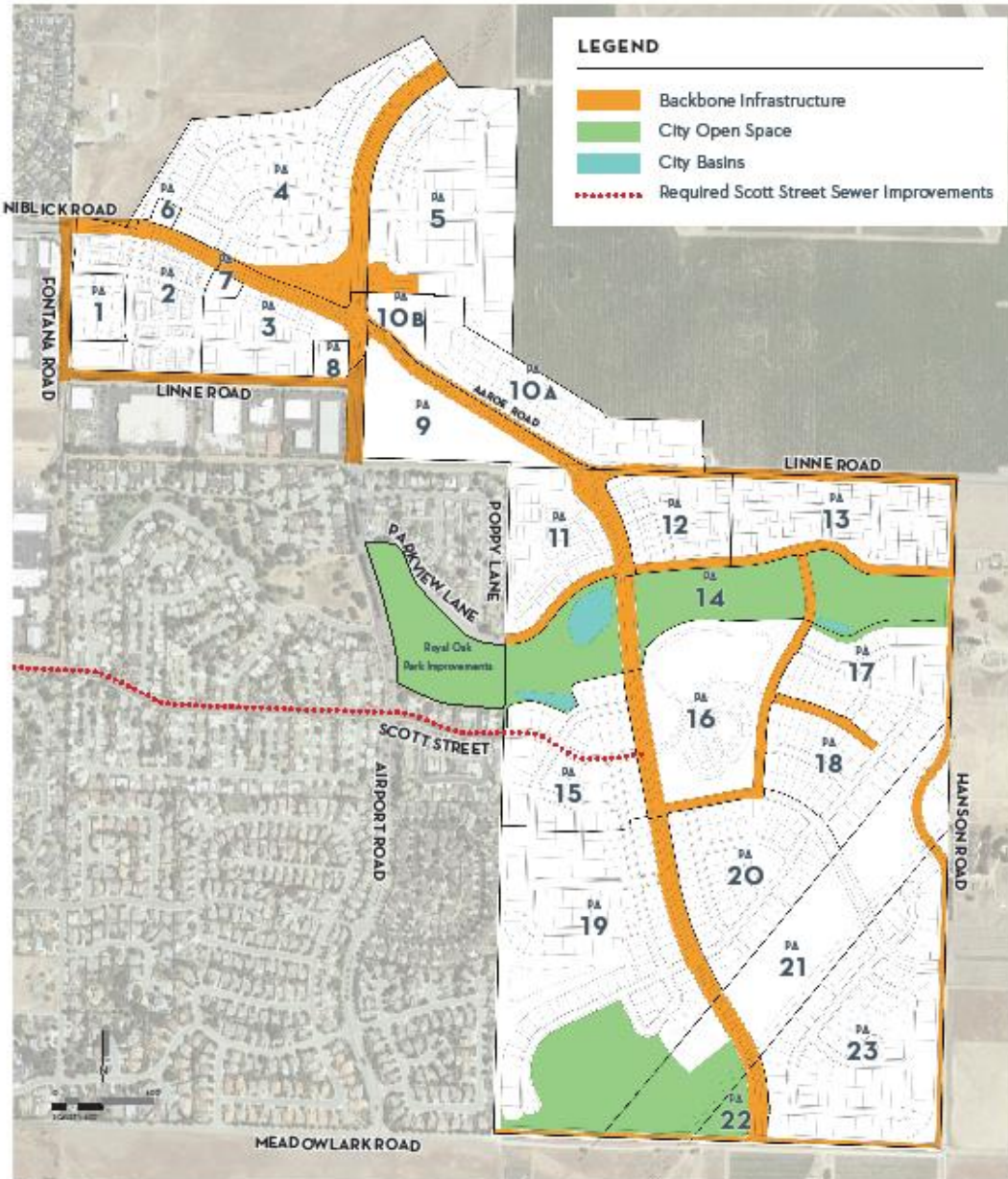


EXHIBIT G - FORM OF SUBSEQUENT SIGNATORY ACCEPTANCE AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Paso Robles
Attn: Paso Robles City Clerk
1000 Spring Street
Paso Robles, CA 93446

With a copy to:
Owner
Address
Address

RECORDING FEE EXEMPT
PURSUANT TO GOVERNMENT CODE
SECTION 27383

(Space Above Line for Recorder’s Use)

AGREEMENT AFFECTING REAL PROPERTY

This Agreement Affecting Real Property — Acceptance Agreement (“Acceptance Agreement”) is entered into on _____, 20__ by and between the CITY OF PASO ROBLES (“City”), a California general law city, and [_____] (collectively “Owner”), Owner and City are sometimes referred to below collectively as the “Parties” and each individually as a “Party”.

RECITALS

K. Owner is the owner of certain real property in San Luis Obispo County, California, as legally described in the Property Legal Description, Exhibit A attached hereto, comprising a portion of one of two Planning Areas within the Olsen South Chandler Specific Plan Area: Planning Area 10B or Planning Area 10B, (the “Subject Property”).

L. On _____, the City approved the Olsen South Chandler Specific Plan (the “Specific Plan”) and related land use entitlements, including zoning the Planning Area 10B Property Medium Density Residential at up to 9 units per acre and zoning the Planning Area 10A Property Medium Density Residential at up to 6 units per acre.

M. On _____, the City approved and entered into an Agreement Affecting Real Property with four parties who own portions of Planning Areas 10A and 10B, further implementing the Specific Plan, known as the “Our Town Agreement.” The Our Town Agreement provides for specified development rights, consistent with the Specific Plan, in return for certain dedications of land for public rights of way and other specified promises to the City.

N. The Our Town Agreement initially only bound and benefitted the land owned by four initial signatories.

O. The Our Town Agreement, in Section 12, provided for subsequent entities who own property within Planning Areas 10A and 10B to join the Our Town Agreement by signing this Acceptance Agreement and agreeing to be bound by and benefit from the terms of the Our Town Agreement.

P. Owner intends to join into, be bound by, and benefit from the Our Town Agreement.

Q. The City finds that it is in the public interest to accept Owner into and to be bound to and benefit from the Our Town Agreement with respect to the Subject Property.

R. As approved by the City Council in its approval of the Our Town Agreement and the Specific Plan, the City Manager is authorized to and intends to consent to the City's entering into this Acceptance Agreement, finding it fair, just, and reasonable.

S. The terms and conditions of this Agreement have been reviewed by Owner and found to be fair, just, and reasonable. Each Party has had the opportunity to consult legal counsel with respect to the Agreement. Both parties intend to be bound hereafter by the terms, conditions, and provisions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the following mutual covenants, benefits and burdens, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. BASIC PURPOSES.** The purposes of this Acceptance Agreement are to:
 - (a) obtain Owner's commitment to be bound by and benefit from the Our Town Agreement and the Specific Plan; and
 - (b) to confirm City's commitment to accept Owner and the Subject Property as bound by and benefitting from the Our Town Agreement and the Specific Plan.
- 2. OWNER COMMITMENTS.** Owner agrees that it shall be bound by the terms of the Our Town Agreement and the Specific Plan for the Subject Property, including the financial and other commitments in Sections 5 and 6 of the Our Town Agreement governing development of any property within Planning Area 10A or re-subdivision and redevelopment of any property within Planning Area 10B.
- 3. CITY COMMITMENTS.** The City affirms that the option for Owner to join into, be bound by, and benefit from, the Our Town Agreement under its Section 13.1 presently exists. The City agrees that it shall be bound by the terms of the Our Town Agreement and the Specific Plan for the Subject Property, including the City's commitments in Section 4 of the Our Town Agreement governing development of any property within Planning Area 10A or re-subdivision and redevelopment of any property within Planning Area 10B.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above, by and between:

Owner:

[[Need Names of Owners/Ownership Entities & Their Signers for Four Initial Signatories]]

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

Owner's Counsel

CITY:

CITY OF Paso Robles, a California general law city

By: _____

ATTEST: _____

Name: _____

City Clerk

Title: _____

APPROVED AS TO FORM:

City Attorney

EXHIBIT H - LOCAL PREFERENCE PROGRAM FOR OLSEN-SOUTH CHANDLER SPECIFIC PLAN

Program Intent: The City's Housing Element calls for the development of additional housing available to the City's workforce, particularly its lower income residents and employees who may be forced to travel long distances and live outside the community in which they work. The approval and build out of the Olsen-South Chandler Specific Plan will result in the development of an additional 1,293 housing units. The City and Owner agree that the implementation of this local preference program for all housing units in the Specific Plan will help increase the availability of these new residences to persons who live or work within the City, which may be expanded to include those persons who live or work within northern San Luis Obispo County, upon approval of the City, including persons with documentation of current residency or employment in the area, and persons with a bona fide offer of employment within the area ("Local Buyers").

In addition, this local preference program will require Owner to implement a reasonable methodology, subject to the City's approval, for hiring local contractors, employees, and tradespeople that live in the City or have a place of business within the City, which may be expanded to include those persons who live or work within northern San Luis Obispo County, upon approval of the City ("Local Workers").

Under this local preference program, Owner agrees to undertake all reasonable steps to market and promote the availability of each phase of new residences to Local Buyers for a minimum of 30 days. The local preference program is intended to promote the availability of these new residences to persons who live or work within the City and area, reducing the influence of out-of-area investors as a limiting factor on housing choice and availability. Expanding the availability of workforce housing in the City is part of the City's strategy for resolving the current imbalance between jobs and housing.

Local Preference Program Requirements:

Local Buyers. Initial 30-Day Marketing Period to Local Buyers. Owner agrees, for itself and the builders who buy land subject to this Agreement within the Olsen-South Chandler Specific Plan, that all new residential units shall be marketed first only to Local Buyers for a minimum of 30 days in each release. Owner agrees the marketing efforts within this period shall include:

- Advance marketing to local residents and employees through local media, presentations to local groups, and other marketing efforts geared to potential Local Buyers for a minimum of 30 days prior to the release of each new set of units. The advance marketing shall feature the local preference program and instruct potential Local Buyers how to qualify for an interest list.
- Development of an interest list composed of Local Buyers who have expressed interest in the new residences. Owner shall maintain the interest list and shall separate

and prioritize the names of Local Buyers based on their interest in each available residential product type.

- Owner agrees to give first preference to purchase or rent, as applicable, units in each residential phase or release to Local Buyers, during the initial 30-day local marketing period. When each phase or release becomes available for sale, Owner shall notify those Local Buyers on the interest list for that product type of its availability. Owner agrees that those persons so notified shall have approximately 30 days to become pre-qualified to purchase a residence and to confirm their status as a Local Buyer. These two periods may overlap, as the 30 day qualification period for each Local Buyer begins to run upon Owner's notification to Local Buyer of the opportunity to purchase a residence. Owner agrees to not sell any residential unit to any person who is not a Local Buyer for the first 30 days of availability of each residential phase. Owner further agrees to not sell any residential unit to any person who is not a Local Buyer without first offering the unit to a Local Buyer on the interest list for that product type. After exhausting Local Buyers on the interest list for each product type and phase, Owner agrees to give preference to persons who live and work in the surrounding northern San Luis Obispo County area.
- Owner will conduct significant outreach to Local Buyers for the first 30 days of marketing each phase or release's availability, as each phase becomes available. Owner will use all available local marketing channels to advertise the availability of each phase, including direct mail, email, online and social media ads, radio, tv, promotional events, and outreach to local real estate agents, brokers, and realtors, and other standard, local commercial marketing tools. Owner agrees that all marketing tools used in the first 30 days of availability of each phase of the development will be limited to target only Local Buyers. City will coordinate local outreach as well, through the Chamber of Commerce, the Hispanic Business Alliance, and the City's economic development efforts, amplifying the reach of Developer's local marketing efforts.
- Owner further agrees to host at least four events during each 30-day local marketing period intended to promote the availability of new residences to Local Buyers.

The above requirements constitute the standard Local Buyer program requirements. Each builder of a particular tract may either implement this standard program or craft an alternative program, tailored to the builder's portion of the Project, with such alternative program subject to approval by the City before issuance of the first building permit for that builder.

Local Workers. Owner further agrees, for itself and the builders who buy land subject to this Agreement and within the Olsen-South Chandler Specific Plan, that it will establish and implement a reasonable methodology, subject to the City's approval, for selecting and implementing a preference for and hiring Local Workers. Owner will include proof of compliance with this provision as part of the annual report required under this Agreement. This program shall include providing the first opportunity for employment as a Local Worker to persons who live or work within the City, and the second opportunity for employment as a Local Worker to persons who live or with within the northern San Luis Obispo County Area. The

program shall include provisions intended to inform Local Workers, local contractors' associations, and other similar local organizations of tradespeople, about the contracting and employment opportunities coming via the Project for at least thirty days, before information non-local tradespeople about those contracting and employment opportunities. Each builder of a particular tract may either implement this standard program or craft an alternative program, tailored to the builder's portion of the Project, with such alternative program subject to approval by the City before issuance of the first building permit for that builder.

Nothing herein shall preclude Owner from notifying multiple individuals about the opportunity to purchase a residence and prioritizing the purchase and sale, or hiring of Local Workers, based on "first in line" principles. Nothing herein shall preclude Owner from taking all reasonable actions necessary in order to facilitate the sale of units within the Olsen-South Chandler Specific Plan, if such actions are consistent with this local preference program and applicable law. City and Owner agree that the operation of the interest list and local preference program shall comply with applicable state and federal laws. Owner shall, upon request, update the City on its implementation of this program and provide City with the interest list and proof of compliance with this program requirement.

City and Owner agree that this local preference program will accomplish four important objectives: 1) use new housing to address the current imbalance between existing jobs and housing; 2) ensure that, to the maximum extent practicable, the increased housing generated by this development will allow local employees and Local Workers to reduce their commuting distances, reducing the City's greenhouse gas emissions, improving local traffic and air quality, and contributing to a better quality of life for the community; 3) reduce competition from investors outside of the community in the initial offering and sales of these new residences; and 4) ensure that Local Workers shall have first opportunity to contract for and build the new residences and commercial facilities within the Specific Plan area, ensuring that the new development contributes to and improves the City and surrounding community's economy, adding both new, local jobs and economic opportunities and not just housing.