



STAFF REPORT

DATE: August 22, 2023
 PL23-0270 – 661 Bear Valley Parkway

PROJECT NUMBER / NAME: PL23-0270 / Extension of Time for 661 Bear Valley Development Agreement

REQUEST: A request for an Extension of Time to amend a previously executed Development Agreement for SUB15-0002, PHG15-0004, and ENV15-0001 (661 Bear Valley Parkway Development). The Extension of Time is to extend the term of the Development Agreement by two years while the applicant finalizes permits for the Final Map, grading permit, and other post-entitlement permits related to the Project.

PROPERTY SIZE AND LOCATION: The approximately 42-acre site is located on the east side of Bear Valley Parkway, and is addressed at 661 Bear Valley Parkway. (Assessor's Parcel Numbers: 237-131-01-00 and 237-131-02-00) APPLICANT: Trumark Homes

GENERAL PLAN / ZONING: Estate II (E2) / Planned Development – Residential (PD-R) PRIMARY REPRESENTATIVE: Paul Faye (Trumark)

DISCRETIONARY ACTIONS REQUESTED: Extension of Time for a Development Agreement

PREVIOUS ACTIONS: The project was approved by the City Council on August 22, 2018.

CEQA RECOMMENDATION: The City Council certified a Final Environmental Impact Report (SCH No. 2016111060) on August 22, 2018.

STAFF RECOMMENDATION: Recommend approval to City Council

REQUESTED ACTION: Approve Planning Commission Resolution No. 2023-14

CITY COUNCIL HEARING REQUIRED: YES NO

REPORT APPROVALS: Andrew Firestine, Director of Development Services

Adam Finestone, City Planner



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BACKGROUND

Trumark Homes (“Applicant”) has submitted an Extension of Time for a previously executed Development Agreement associated with Planning Case Nos. SUB15-0002, PHG15-0004, and ENV15-0001 (Bear Valley Parkway Development) (“Project”). On August 22, 2018, the City Council approved a Tentative Subdivision Map, Master Plan, Grading Exemption, and Development Agreement for 55 residential lots. The approval included the certification of a Final Environmental Impact Report (SCH No. 2016111060).

On October 25, 2022, the Planning Commission reviewed and approved the Precise Development Plan for the architectural details of the homes.

SUMMARY OF REQUEST

The Project site is located at the intersection of Encino Drive and Bear Valley Parkway, on the east side of Bear Valley Parkway, and is addressed at 661 Bear Valley Parkway (see Attachment 1). The Applicant request an Extension of Time to amend the terms of a previously executed Development Agreement (see Attachment 2) by an additional two years so that they may finalize their post-entitlement permits related to recordation of the Final Map, grading, building, and landscaping permits. The only amendment to the Development Agreement is to extend its term; no other changes are proposed.

SUPPLEMENTAL DETAILS OF REQUEST

The Applicant is working to finalize permits associated with on-site and off-site improvements for the development of the Project. The following permits have been applied for and their statuses are provided below:

L22-0009 (On-Site Landscape Plan): Approved on 2/15/22 - pending outstanding fees and security bonds.

L22-0022 (Habitat Mitigation Landscape Plan - Bear Valley Parkway): Approved on 2/28/22 - pending outstanding fees and security bonds.

L22-0023 (Fence and Wall Plan): 3rd plan check returned on 5/2/23 – several minor corrections.

P22-0004 (On-site Public Improvement Plan): Approved on 01/05/2023 - pending outstanding fees and security bonds.

P22-0003 (Off-site Public Improvement Plan): 3rd plan check returned on 4/10/23 – several major corrections on retaining wall design and street design.

E22-0007 (Final Map): 3rd plan check returned to applicant on 11/17/22 – several minor corrections.

GP22-0003 (Rough Grading Plan): 4th plan check returned on 5/23/23 – several minor corrections, fees balance and bonds are outstanding.

GP22-0057 (Precise Grading Plan): Screen check conducted of the Precise Grading Plan, returned on 11/29/2022 – on hold until Final Map records.

T22-0005 (Traffic Control Plans): 2nd plan check returned on 2/16/23 – several corrections outstanding.



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B23-2326 (Building Permit for Private Streetlights): 1st plan check returned on 7/31/23 – several minor corrections.

B22-4285 (Building Permit for Construction of Homes): 1st plan check returned 01/04/23 – corrections.

PROJECT ANALYSIS

1. General Plan Conformance:

a. Land Use and Community Form:

The City's 2012 General Plan has several policies and goals related to the use of Development Agreements.

Development Agreement Policy 15.1: Encourage Development Agreements as a mechanism to secure community benefits from applicants that the City cannot require as part of a project's approval

The original Development Agreement outlined several public benefits and improvements related to designing and constructing 2,937 -lineal feet of Bear Valley Parkway; contributing \$215,000 for security related to the off-site improvements; and construction of 528-lineal feet of Northbound Bear Valley Parkway from the south edge of the residential development to Ranchito Drive. The Project will retain the previously identified public benefits and improvements, and will provide the Applicant an additional two years to finalize the outstanding plans and permits identified above.

2. Zoning or Specific Plan Conformance:

Article 58 (Development Agreements) of the Escondido Zoning Code allows for the execution of Development Agreements. The Project is for the extension of a previously executed Development Agreement. Amendments to Development Agreements are permitted under Section 33-1142 (Amendments and cancellation of agreement by mutual consent). The amendment will amend the terms of the agreement to allow for an additional 2 years for the Applicant to finalize their permits.

FISCAL ANALYSIS

None.

ENVIRONMENTAL ANALYSIS

On August 22, 2018, the City Council adopted Resolution No. 2018-120 for certification of a Final Environmental Impact Report (EIR) and adoption of a Mitigation Monitoring and Reporting Program. The Project is for an Extension of Time for a previously recorded Development Agreement. Pursuant to Section 15162 of the California Environmental Quality Act Guidelines, a subsequent EIR is only required if substantial changes are proposed which will require major revisions of the previous EIR; substantial changes with respect to the circumstances under which the project is undertaking due to the involvement of new significant environmental effects or substantial increase in the severity of the previously identified significant effects; or new information of substantial importance, which



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was not known and could not have been known with exercise of reasonable diligence at the time previous EIR was certified. The Project would not exceed the parameters outlined for requiring a subsequent EIR. A Notice of Determination will be filed with the County of San Diego per CEQA Guidelines Section 15075.

PUBLIC INPUT

The project was noticed consistent with the requirements of both the Escondido Zoning Code and the State Law. Staff has not received any correspondence from the public regarding the project as of the preparation of this report.

CONCLUSION AND RECOMMENDATION

Staff has found that the Project is consistent with policies outlined in the 2012 General Plan. The amended Development Agreement will provide an additional 2 years for the Applicant to finalize outstanding post-entitlement permits. The Project does not otherwise change the prior approvals, conditions of approval, or the previously certified Final Environmental Impact Report.

Based on the analysis contained in this staff report, staff recommends that the Planning Commission adopt Resolution No. 2023-14, recommending approval of the Extension of Time to amend a previously executed Development Agreement as described in this staff report, as detailed in Exhibits "A" and "B" of Resolution No. 2023-14. The draft Planning Commission Resolution No. 2023-14, including Exhibits "A," "B," and "C" is included as Attachment 3 to this staff report.

ATTACHMENTS

1. Location Map, General Plan, and Zoning
2. Executed Development Agreement
3. Draft Planning Commission Resolution No. 2023-14 including Exhibits "A," "B," and "C"



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ATTACHMENT 1

GENERAL PLAN, ZONING, AND LOCATION MAP



**PROPOSED PROJECT
PL 23-0270**

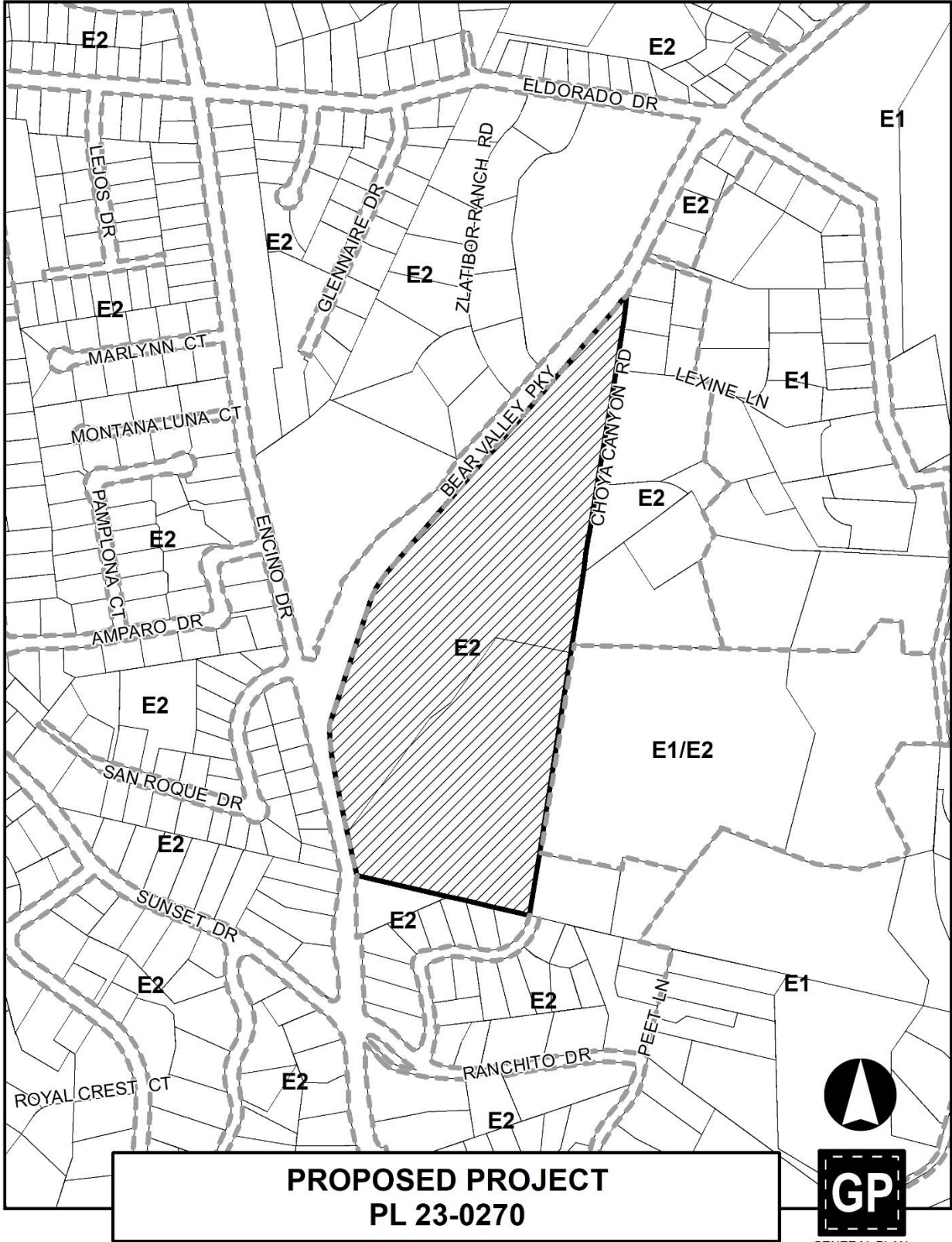
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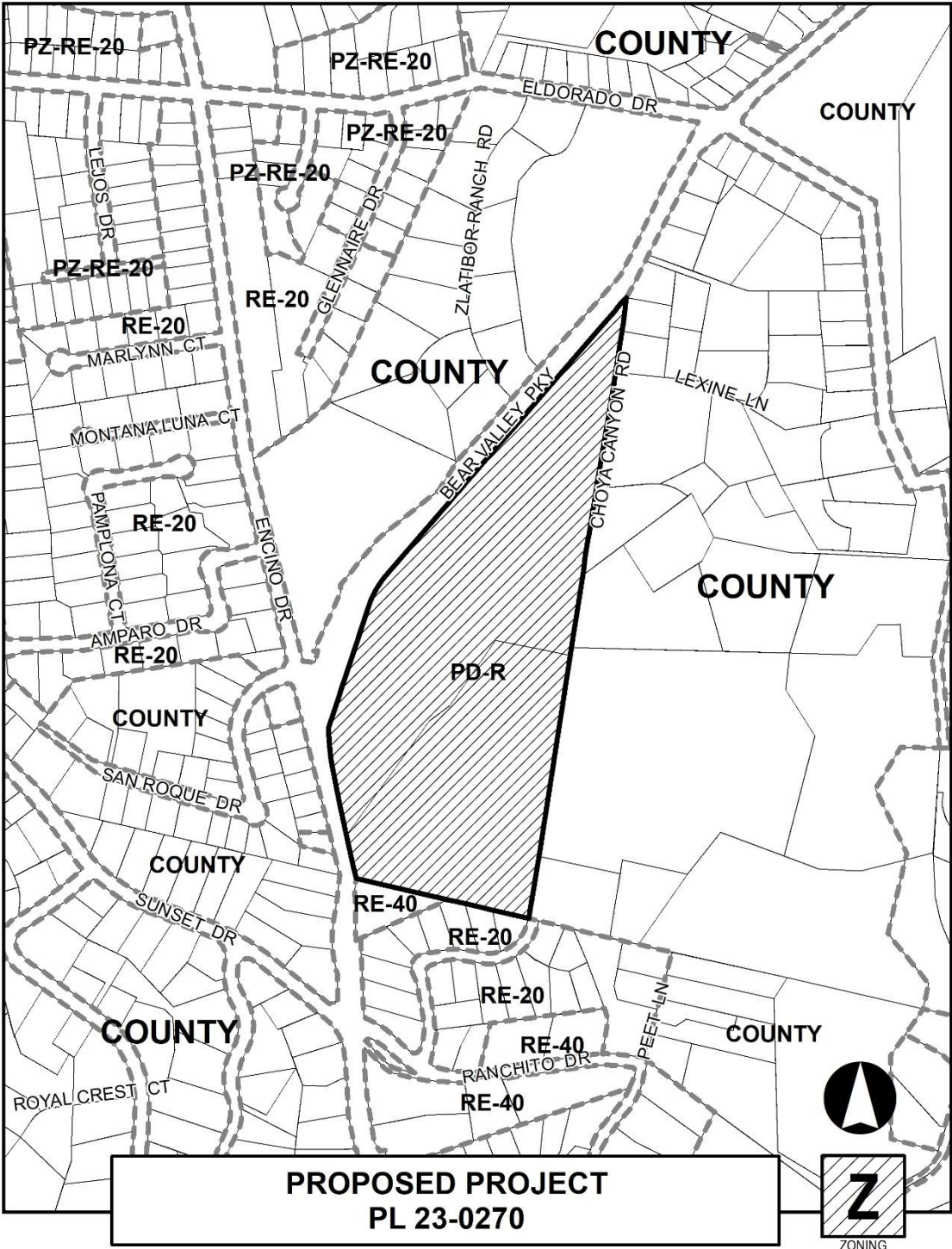
**PROPOSED PROJECT
PL 23-0270**





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Nov 05, 2018 02:52 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$0.00 (SB2 Atkins: \$0.00)

PAGES: 21

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RECORDING REQUESTED BY:

CITY CLERK, CITY OF
ESCONDIDO

WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF ESCONDIDO
201 N. BROADWAY
ESCONDIDO, CA 92025

THIS SPACE FOR RECORDER'S USE ONLY

APN: 237-131-01 and 237-131-02

**Recording Fees Exempt Per Government Code Section 27383
DEVELOPMENT AGREEMENT
for 661 Bear Valley Parkway**

between

CITY OF ESCONDIDO

and

Spieth & Wohlford, Inc.

November 1, 2018

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into by and between the City and Owner.

RECITALS

WHEREAS, Government Code Sections 65864 through 65869.5 and Articles 58 and 68 of the City's Zoning Code authorize the City to enter into binding development agreements with persons or entities having legal or equitable interests in real property for the purpose of establishing certainty in the development process for both the City and the property owner, and to enable specific terms regarding property development, to be negotiated and agreed upon; and

WHEREAS, the purposes of the Agreement are to eliminate uncertainty in the planning and development of the Project by assuring Owner that it may develop the Property, in accordance with existing laws, subject to the terms and conditions contained in the Agreement; assure the orderly installation of necessary improvements and the provision for public services appropriate for the development of the Project; and enable the City to obtain substantial public benefits by virtue of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

ARTICLE I Definitions

1. "**Amendment**" refers to any written amendment to this Agreement approved by the City Council as provided in Article II, Section 3.
2. "**Annual Review**" refers to the Owner's demonstration of compliance with the terms of this Agreement every 12 months.
3. "**Assignee**" refers to an assignee of this Agreement in accordance with Article II, Section 2 and approved by the City in writing.
4. "**Director**" refers to the Director of Community Development.
5. "**CEQA**" refers to the California Environmental Quality Act.
6. "**City**" refers to the City of Escondido, its City Council, its mayors and council members, past and present, and employees and agents.
7. "**Cure Period**" refers to the period of time in which a default may be cured, which will be 30 days.
8. "**Development Fees**" refers to the development related fees as provided in the City's Fee Guide and referred to as development fees.

9. **"Differing Site Condition"** means unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.
10. **Effective Date.** The effective date of the Agreement shall be the day that is 30 days after the City Council's adoption of an ordinance approving this Agreement.
11. **"Entitlements"** refers to all approvals and permits necessary or incidental to the development of the Project or any portion thereof, whether discretionary or ministerial, including but not limited to, specific plans, tentative or final tract map approvals, whether standard or vesting, conditional use permits, variances, project plans, grading permits, building permits, and this Agreement and includes all conditions of approval regarding any particular Entitlement.
12. **"Exaction"** refers to any fee, tax, requirement, condition, dedication, restriction, or limitation imposed by the City upon the development of the Property at any time in accordance with the Existing Laws.
13. **"Existing Laws"** refers to the ordinances, resolutions, codes, rules, regulations, general plan, stormwater regulations and official policies of the City governing the development of the Property, including, but not limited to, the permitted uses of the Property, the density or intensity of use, the design, improvement and construction standards and specifications for the Project, including the maximum height and size of proposed buildings, and the provisions for reservation and dedication of land for public purposes, in effect on the Effective Date of this Agreement.
14. **"Future Exaction"** refers to Exactions imposed after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise.
15. **"Future Laws"** refers to all ordinances, resolutions, codes, rules, regulations, and official policies implemented by the City after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise. Future Laws includes changes to the Existing Laws.
16. **"General Fees"** refers to all general development fees which the City may levy pursuant to Government Code Sections 66000 et seq. ("the Mitigation Fee Act"), including, but not limited to, application fees, processing fees, utility connection fees, inspection fees, capital facilities fees, development impact fees, traffic impact fees, park fees and such other similar fees as may be enacted from time to time and generally applied throughout the City, excluding Development Fees.
17. **"General Plan"** refers to the City's General Plan in effect on the Effective Date.
18. **"Minor Modifications"** refers to minor modifications regarding the performance of this Agreement that are consistent with the Entitlements and have minimal impacts to the City's operations in terms of timing, performance, or value.

- 19. **"Modification"** refers to a modification approved by the City Council as provided in Article VI, Section 5.
- 20. **"Offsite Improvements"** refers to the Public Benefit offsite improvements as defined in Section I.B of Exhibit B to this Agreement.
- 21. **"Operating Memorandum"** refers to addenda to this Agreement to document changes or adjustments in the performance of this Agreement as specified in Article III, Section 7.
- 22. **"Owner"** refers to Spieth & Wohlford, Inc., who has legal or equitable interest in the real property which is the subject of this Agreement.
- 23. **"Party"** City or Owner may be referred to individually as Party or collectively as Parties.
- 24. **"Project"** shall mean and refer to all improvements described in the Entitlements and this Agreement.
- 25. **"Property"** shall mean the certain real property located in the County of San Diego, State of California as described in the Exhibit A.
- 26. **"Public Benefits"** shall refer to the consideration given by Owner to the City, as described in Exhibit B attached hereto, in return for the City's good faith performance of all applicable terms and conditions in this Agreement.
- 27. **"Public Improvements"** refers to any public improvements required to be constructed as conditions of approval to the Entitlements or as additionally provided in this Agreement.
- 28. **"Review Letter"** refers to a letter from the City regarding a statement of Owner's compliance with this Agreement, following a positive Annual Review by the City.
- 29. **"Term"** shall refer to the term of this Agreement as provided in Article II, Section 1.

ARTICLE II
General Provisions

- 1. **Term of Agreement.** The term of this Agreement shall commence on the Effective Date and shall continue for (five) 5 years unless terminated, modified, amended or extended as permitted by this Agreement. After the expiration of the Term, this Agreement shall be deemed terminated and of no further force or effect. This Agreement shall terminate with respect to any lot and such lot shall be released and no longer subject to the Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the building(s) on the lot.
- 2. **Assignment.** The rights and obligations of Owner under the Agreement may be assigned by Owner as part of an assignment of the Property, only after receiving written approval from the City. Owner shall provide (thirty) 30 days advance written notice to the City of any requested assignment. The City shall have the right to ensure that the proposed assignee has the financial

capability to complete and fulfill any uncompleted requirements relating to the Public Benefits and Public Improvements. Any assignment agreement must be in writing and expressly provide that (a) the assignment shall be subject to this Agreement; and (b) the Assignee assumes all of Owner's rights and obligations with respect to the Property, or portion thereof, assigned.

3. **Amendment of Agreement.** The Agreement may be amended in writing by the mutual consent of the Parties in accordance with Article 58, Chapter 33 of the Escondido Zoning Code as well as any applicable state or federal law. The Agreement shall include any amendment properly approved and executed. Minor Modifications in the manner of performance shall not constitute an Amendment to the Agreement and may be accomplished through an Operating Memorandum.

4. **Enforcement.** Unless amended or terminated as provided herein, this Agreement is enforceable by either Party or its successors and assigns, notwithstanding any Future Laws, which alter or amend the Existing Laws.

5. **Defense and Indemnification.**

a. Owner agrees to defend, indemnify, and hold harmless, City, and provide and pay all costs for a defense of and judgment against the City, including any award for attorney's fees and litigation costs, in any legal action filed in a court of competent jurisdiction by a third party challenging the Project, or any component thereof, or this Agreement.

b. Owner shall further indemnify, defend and hold harmless the City and its officers, employees and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2015-0001) of the California Regional Water Quality Control Board Region 9, San Diego, as amended or extended, which the City might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project.

c. The City shall have no liability to the Owner or any other person for, and Owner shall indemnify, defend, protect and hold harmless the City from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, which the City may suffer or incur or to which the City may become subject as a result of or allegedly caused by the payment of prevailing wages for construction of any of the Public Benefits or Public Improvements.

d. If any action or proceeding is brought against the City by reason of any of the matters against which Owner has agreed to indemnify the City as provided above, Owner, upon notice from the City, shall defend the City at Owner's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. The City need not have first paid for any of

the matters to which the City is entitled to indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

6. **Third Party Challenges.** In the event the validity, applicability, or implementation of the Agreement is challenged by means of legal proceedings by any party other than the City and Owner, it shall be the City's option, at its sole and absolute discretion, whether to undertake the defense of such challenge. If the City determines not to defend such challenge, it shall be the option of Owner, to defend the validity, applicability, or implementation of this Agreement in the proceeding at Owner's sole expense. The City and Owner agree to cooperate in the defense of any such challenges.

7. **Notices.** All notices or communication between the City and Owner pursuant to the Agreement shall be in writing and shall be given by personal delivery, overnight delivery service, certified or registered mail, facsimile or telecopy to the addresses set forth below. The addresses may be changed by giving (ten) 10 days written notice.

A. City

City of Escondido
Attention: Director of Community Development
201 N. Broadway
Escondido, CA 92025

with a copy to:

City Attorney
201 N. Broadway
Escondido, CA 92025

B. Owner

Spieth & Wohlford
Attention: Elizabeth B. Wohlford
P.O. Box 5005 #17
Rancho Santa Fe, CA 92067

with a copy to:

Jack Henthorn
Henthorn & Associates
P.O. Box 237
Carlsbad, CA 92008

8. **Conflict of State or Federal Laws.** If state or federal laws or regulations enacted after the Effective Date prevent compliance with any provision of this Agreement or require changes in any Entitlements, those laws or regulations shall be controlling and the Parties shall make a good faith, reasonable attempt to modify this Agreement to comply both with the intent of the Agreement and with the new laws or regulations.

The City shall timely assist Owner in securing any permits, including permits from other public agencies, which may be required as a result of the modifications, suspensions, or alternate courses of action.

ARTICLE III Development of the Property

1. **Applicable Rules, Regulations, and Policies.** Owner shall have the vested right, to the fullest extent allowed by law, to develop the Property in accordance with the Entitlements, Existing Laws and this Agreement. During the Term, the Entitlements, Existing Laws and this Agreement shall control the overall design, development and construction of the Project. Notwithstanding the foregoing, nothing in this Agreement shall preclude the City from applying changes occurring from time to time in the uniform codes published in Title 24 of the California Code of Regulations and adopted by the City, including local amendments, in effect when the building permits are issued.

2. **Future Laws.** Future Laws shall not apply to the Project except as expressly provided in this Agreement. Future Laws may be applied to the Project if they are not in conflict with the Existing Laws. Owner may give the City written notice of its election to have any Future Law applied to the Property, in which case such Future Law will be considered an Existing Law for purposes of this Agreement.

3. **Future Discretionary Reviews.** Except as set forth in this Agreement, the City shall retain its discretionary rights in reviewing applications for Entitlements. Owner's applications for Entitlements and the City's review thereof, must comply with the Existing Laws and with the terms and conditions of this Agreement. The City shall not impose any conditions upon Entitlements that are more restrictive than or inconsistent with the terms of this Agreement or the Existing Laws, except as required by state or federal law. The City may conduct, in accordance with CEQA and the Existing Laws, an environmental review for Entitlements. The City may impose, if required by CEQA, additional mitigation measures to mitigate significant adverse environmental effects that were not previously considered, or were found to be infeasible to mitigate at the time of approval of this Agreement. Nothing herein is intended to require or authorize additional CEQA environmental review or mitigation measures beyond that otherwise required by CEQA.

4. **Permitted Uses and Density.** The Agreement shall vest the right to develop the Property to the fullest extent allowed by law with respect to the permitted uses of land, density and intensity of uses, and the rate or timing and phasing of development as described in the Entitlements which are hereby incorporated as if fully set forth in this Agreement. The permitted uses, density, and intensity of use of the Project, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes, shall substantially conform to those specified in the Entitlements, Existing Laws and this Agreement. All other aspects of the Project that are not specified in the Entitlements shall be determined by the Existing Laws, except as expressly provided herein.

5. **Time for Construction and Completion of the Project.** Owner cannot predict when or the rate or the order in which the Property or the parcels will be developed, if at all. Such decisions depend upon numerous factors that are not within the control of the Owner, such as market orientation and demand, interest rates, absorption, completion, and other similar factors. Therefore, Owner shall have the right to develop the Property in phases, in such order, at such rate, and at such times as Owner deems appropriate in Owner's business judgment, subject only to the provisions of this Agreement and the Entitlements. Owner shall be entitled to apply for and receive approval of permits, building permits, and other Entitlements for use at any time and for any or all portions or phases of the Project, provided that application is made in a manner consistent with this Agreement and the Entitlements.

The City may require, and will process, all customary plans and agreements generally applicable to developers in the City for similar works of onsite or offsite improvements.

6. **Moratorium.** No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Property, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within the City, or portions of the City, shall apply to the Property to the extent such moratorium or other limitation is in conflict with this Agreement; provided, however, the provisions of this Section shall not affect the City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria, as established by the initiative process, or as otherwise established by law.

7. **Operating Memoranda.** The Parties acknowledge that the provisions of this Agreement require cooperation between the City and Owner, and that the refinements and further development of the Project hereunder may demonstrate that changes are appropriate with respect to the details of performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. If and when, from time to time during the Term, the Parties find that such Minor Modifications are necessary or appropriate, they may effectuate such Minor Modifications through Operating Memoranda approved by the Parties, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary with further approval by the City and Owner. No such Operating Memorandum shall require prior notice or hearing, or constitute an amendment or modification to this Agreement; and in the case of the City, such Operating Memorandum may be acted upon by the City Manager or his designee. Failure of the Parties to enter into any such Operating Memorandum shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of this Agreement. An Operating Memorandum may be recorded as an addendum to this Agreement.

8. **Term of Map(s) and Other Project Approvals.** Pursuant to California Government Code Section 66452.6(a), the term of the subdivision map that is processed on all or any portion of the Property and the term of each of the Entitlements shall be extended for a period of time

through the Term of the Agreement. The extension pursuant to Government Code Section 66452.6(a) shall be in addition to any other available extensions pursuant to applicable law. Should this Agreement be terminated, the Owner shall have thirty (30) days to submit an application for the extension of any portion of an approved tentative map.

9. **Infrastructure Capacity.** Subject to Owner's proportionate contribution to infrastructure and the Public Benefits provided by Owner, in accordance with the requirements of the Entitlements, the City hereby acknowledges that it will have sufficient capacity in its infrastructure services and utility systems, including, without limitation, traffic circulation, flood control, sanitation service and, except for reasons beyond the City's control, sewer collection, sewer treatment, water supply, treatment, distribution and service, to accommodate the Project. To the extent that the City renders such services or provides such utilities, the City hereby agrees that it will serve the Project and that there shall be no restriction on connections or service for the Project except for reasons beyond the City's control.

10. **Easements.** Easements dedicated for pedestrian use shall be permitted to include public easements for underground improvements, including but not limited to, drainage, water, sewer, gas, electricity, telephone, cable and other utilities and facilities, so long as they do not unreasonably interfere with pedestrian use.

11. **Public Improvements.** Owner agrees to design and construct the improvements as provided in Exhibit B to this Agreement. The Owner's requirement to design and construct the improvements and the City's obligation to reimburse Owner, in Exhibit B, shall survive the termination of this Agreement, provided that notwithstanding any other provision in this Agreement, the Parties' obligations under this Section 11 shall terminate upon the expiration of the tentative subdivision map.

12. **Fees.** The Owner shall pay the Development Fees and General Fees in the amounts in effect at the time Owner submits payment of the fees unless otherwise explicitly provided in this Agreement.

ARTICLE IV Provision of Public Benefits

1. **Description of Public Benefits.** Owner shall provide the City with the Public Benefits, as further described in Exhibit B, as consideration for the City's good faith performance of all applicable terms and conditions in this Agreement.

2. **Occupancy Contingent on Construction of Public Improvements.** Owner acknowledges that the City shall not grant a certificate of occupancy for any building constructed on the Property prior to the construction of all improvements described in Exhibit B. This contingency for occupancy shall survive the termination of this Agreement, provided that the contingency for occupancy shall terminate upon expiration of the tentative subdivision map.

3. **Recordation of Final Map Contingent on Security for Public Benefits.** Prior to recordation of the Final Map, Owner must enter into an improvement agreement or agreements

which will detail Owner's construction obligations for Public Improvements and the Public Benefits, and will require Owner to provide financial security for completion of construction, in a form or forms as approved by the City Attorney.

4. **Processing During Third Party Litigation.** The filing of any third party lawsuit(s) against the City or Owner relating to this Agreement, any Entitlements, or to other development issues affecting the Property shall not delay or stop the development, processing or construction of the Project or approval of Entitlements, unless the third party obtains a court order preventing the activity.

ARTICLE V Annual Review

1. **Owner Responsibilities.** At least every (twelve) 12 months during the Term, Owner shall demonstrate good faith substantial compliance with the major provisions of the Agreement and provide, to the best extent possible, the status and timing of development of the Project and related public improvements to the City for an Annual Review. If requested by the City, Owner shall provide any additional detail or information necessary to demonstrate good faith compliance with any particular provision of this Agreement identified by the City.

2. **Opportunity to be Heard.** Owner shall be permitted an opportunity to be heard orally and in writing at any noticed public hearing regarding its performance under this Agreement. Owner shall be heard before each appropriate board agency or commission and the City Council at any required public hearing concerning a review of performance under this Agreement.

3. **Information to be Provided to Owner.** The City shall mail to Owner a copy of staff reports and related exhibits concerning Agreement performance, a minimum of (ten) 10 calendar days prior to consideration and review by the City Council.

4. **Annual Review Letter.** If Owner is found to be in substantial compliance with this Agreement after the Annual Review, the City shall issue, upon written request by Owner, a Review Letter to Owner stating that, based upon information known or made known to the City Council, the City Planning Commission, and/or the City Manager, this Agreement remains in effect and Owner is in compliance. Owner may record the Review Letter in the Official Records of the County of San Diego.

5. **Failure of Annual Review.** The City's failure to perform an Annual Review of Owner's substantial compliance with the terms and conditions of the Agreement shall not constitute or be asserted as a default by Owner.

ARTICLE VI Delay, Default, Remedies, and Termination

1. **Notice and Cure of Default.** In the event of a material default, the Party alleging a default shall give the defaulting Party a notice of default in writing. The notice of default shall specify the nature of the alleged material default. During the Cure Period, the Party charged

shall not be considered in breach. If the default is cured within the Cure Period, then no breach shall be deemed to exist. Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which such alleged failure satisfactorily may be cured.

2. **Waiver.** Failure or delay in giving notice of default shall not constitute a waiver of any other material default. Except as otherwise expressly provided in this Agreement, a failure or delay in asserting any rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies otherwise available to a Party or deprive a Party of the right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any rights or remedies it may have.

3. **Default by Owner.** The Director may recommend the review and termination of this Agreement to the City Council upon an occurrence of a material default that is not cured within the Cure Period. The foregoing does not limit any of the City's other remedies upon a material breach of this Agreement by the Owner.

4. **Default by the City.** Upon a material default by the City, that is not cured within the Cure Period, Owner, without limiting any of its other remedies, shall not be obligated to complete any of its obligations under this Agreement.

5. **Termination or Modification.** Any termination or modification of this Agreement shall be done in accordance with Article 58, Chapter 33 of the Escondido Zoning Code as well as any applicable state or federal law. Owner shall have sixty (60) days from the Effective Date to sign the Agreement or the Agreement shall automatically expire.

**ARTICLE VII
Encumbrances and Releases on Property**

1. **Discretion to Encumber.** This Agreement shall not prevent or limit Owner, in any manner, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage. The City acknowledges that lenders providing financing may require modifications to this Agreement and the City agrees, upon request, from time to time, to meet with Owner and/or representatives of lenders to negotiate in good faith any lender request for modification provided any modification does not will not affect the timely completion or fulfillment of any requirements in the Entitlements or this Agreement relating to the Public Benefits.

**ARTICLE VIII
Miscellaneous Provisions**

1. **Rules of Construction.** The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.

2. **Severability.** If any non-material provision of this Agreement shall be adjudged by a court of competent jurisdiction to be invalid, void, or illegal, it shall in no way affect, impair, or

invalidate any other provision of this Agreement. If any material part of the Agreement is adjudged by a court of competent jurisdiction to be invalid, void, or illegal, the Parties shall take all steps necessary to modify the Agreement to implement the original intent of the Parties in a valid and binding manner. These steps may include the waiver by either of the Parties of their right under the unenforceable provision. If, however, this Agreement objectively cannot be modified to implement the original intent of the Parties and the Party substantially benefited by the material provision does not waive its rights under the unenforceable provision, the executory portions of the Agreement shall become void.

3. **Entire Agreement.** Except as expressly referred to herein, this Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all other negotiations and previous agreements between the Parties with respect to that subject matter.

4. **Waivers.** All waivers of the provisions of this Agreement must be in writing and signed by the appropriate agents of the City or of Owner.

5. **Recording.** The City Clerk shall cause a copy of this Agreement to be recorded with the Office of the County Recorder of San Diego County, California within (ten) 10 days following the Effective Date. Upon the completion of performance of this Agreement or its revocation or termination, a statement evidencing completion, revocation, or termination signed by the appropriate agents of Owner and the City shall be recorded in the Official Records of San Diego County, California.

6. **Project as a Private Undertaking.** It is specifically understood by the Parties that the Project is a private development and that Owner shall have the full power and exclusive control of the Property subject to the provisions of this Agreement. Any improvements completed remain the property of the Owner unless the City has explicitly accepted any improvement.

7. **Captions.** The captions of the Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of the Agreement.

8. **Consent.** Where the consent or approval of a Party is required or necessary under this Agreement, the consent or approval shall not be withheld unreasonably.

9. **The City's Ongoing Statutory Authority.** Except as expressly stated, nothing in this Agreement shall limit the City's authority and responsibility under the California Constitution and applicable California statutes to act in the best interests of the public health, safety, and welfare, and nothing in this Agreement is intended to limit in any way the legislative discretion otherwise afforded the Escondido City Council under state or federal law.

10. **Covenant of Cooperation.** The Parties shall cooperate with and assist each other in the performance of the provisions of the Agreement including assistance in obtaining permits for the development of the Property which may be required from public agencies other than the City. The covenant of cooperation shall include, to the maximum extent permitted by law, that the

City shall use its best efforts to prevent any ordinance, measure, moratorium or other limitation from invalidating, prevailing over or making impossible any provision of the Agreement, and the City shall cooperate with Owner to keep this Agreement in full force and effect. Owner reserves the right to challenge any such ordinance, measure, moratorium, or other limitation in a court of law if it becomes necessary to protect the development rights vested in the Property pursuant to this Agreement.


11. **Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other in the performance of all obligations under this Agreement and the satisfaction of the conditions. Upon the request of either Party, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of the Agreement or to evidence or consummate the transactions contemplated herein.
12. **Successors and Assigns.** Subject to Article II Section 2 above, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement inure to, all successors-in-interest and assigns of the Parties.
13. **Time of the Essence.** Time is of the essence of this Agreement and of each and every term and condition hereof.
14. **Applicable Laws.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. All statutory references are to California statutes.
15. **No Waiver of Existing Rights or Applicable Laws.** This Agreement shall not constitute a waiver of any of Owner's existing rights or applicable laws, nor shall it limit or expand Owner's right to challenge any General Fee as being contrary to applicable law or to challenge any existing or Future Exaction as being in excess of Exactions permitted by applicable law.
16. **Authorization.** Each person executing this Agreement hereby warrants and represents that he/she has the authority to enter into this Agreement and to bind his/her respective entity to the provisions hereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original.
17. **No Third Party Beneficiaries.** This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.


SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Agreement:

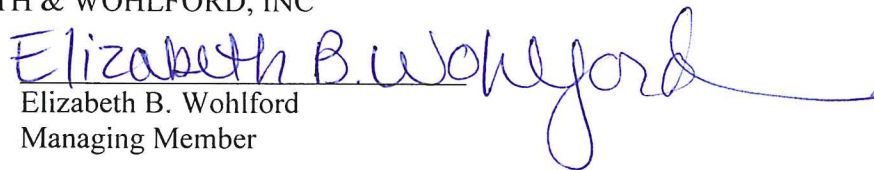
CITY OF ESCONDIDO

CITY OF ESCONDIDO

By: 
Sam Abed
Its: Mayor

By: 
Diane Halverson
Its: Clerk

SPIETH & WOHLFORD, INC

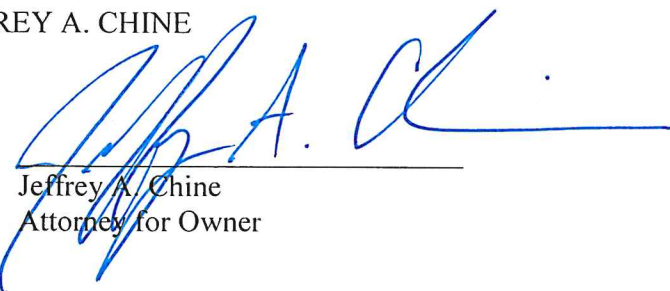
By: 
Elizabeth B. Wohlford
Its: Managing Member

APPROVED AS TO FORM:

CITY OF ESCONDIDO

By: 
for Michael R. McGuiness
City Attorney

JEFFREY A. CHINE

By: 
Jeffrey A. Chine
Attorney for Owner

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

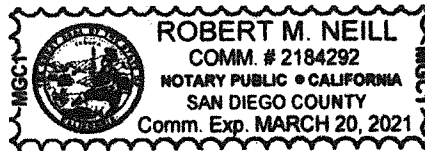
State of California
County of San Diego

On October 25, 2018 before me, Robert M Neill, Notary Public
(insert name and title of the officer)

personally appeared Elizabeth B. Wahlford,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature R M Neill

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

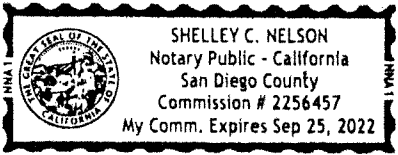
On October 22, 2018 before me, Shelley C. Nelson, Notary Public
(insert name and title of the officer)

personally appeared Jeffrey A. Chime
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Shelley Nelson (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On November 1, 2018 before me, Jennifer Ekblad, notary,
Date Here Insert Name and Title of the Officer
personally appeared Sam Abed, and Sean Halverson
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Jennifer Ekblad
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____