

## **ORDINANCE 2025-0034**

Adopted by the Sacramento City Council

December 2, 2025

**An Ordinance Relating to the Approval of a Development Agreement for the Airport South Industrial Annexation Project (P21-017) on Property Located in Natomas, Between Power Line Rd, Interstate 5, Existing City Limits, and RD1000 Drainage Canal**

**BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

### **SECTION 1.**

This Ordinance incorporates, and by this reference makes part hereof, that certain Development Agreement, by and between the City of Sacramento and *JTS Engineering Consultants Inc. Profit Sharing PLA*, a copy of which is attached.

### **SECTION 2.**

The City Council enacts this ordinance against the following background:

- A. The agreement is consistent with the City General Plan and the goals, policies, standards and objectives of the North Natomas Community Plan (NNCP).
- B. The project should be encouraged in order to meet important economic, social, environmental or planning goals of the NNCP.
- C. The project would be unlikely to proceed in the manner proposed in the absence of a Development Agreement.
- D. The landowner will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit.
- E. The landowner will participate in all programs established and/or required under the General Plan and the NNCP and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public.
- F. The form of the development agreement is as specified in Ordinance No. 95-012, updated to reflect the 2040 General Plan and site-specific needs because the project has its own associated financing plan.

- G. The landowner has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations.
- H. The local flood management agency has made adequate progress (as defined in California [Government Code](#) section 65007) on the construction of a flood protection system that will result in flood protection equal to or greater than the urban level of flood protection in urban or urbanizing areas or the national Federal Emergency Management Agency standard of flood protection in nonurbanized areas for property located within a flood hazard zone, intended to be protected by the system.

### **SECTION 3.**

The attached Development Agreement is hereby approved, and the Mayor is authorized to execute the Development Agreement on behalf of the City of Sacramento after the effective date of this Ordinance. This approval and authorization is based upon the California Environmental Quality Act Environmental Impact Report which is the subject of a separate resolution adopted by City Council prior to or concurrent with the adoption of this Ordinance.

### **SECTION 4.**

Consistent with City Council Resolution 94-494, the Exhibits to the Development Agreement as they appear in Exhibit A to this Ordinance may be modified by City, in cooperation with Landowner, after City Council approval and execution by the Parties, and prior to recordation, of the Development Agreement, in order to conform to the final City Council approval of the Project.

### **TABLE OF CONTENTS:**

Exhibit A – Development Agreement

Adopted by the City of Sacramento City Council on December 2, 2025, by the following vote:


Ayes: Members Dickinson, Guerra, Jennings, Pluckebaum, and Mayor McCarty

Noes: None

Abstain: Members Talamantes and Vang

Absent: None

Recused: Members Kaplan and Maple

Attest:  12/17/2025  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

*Passed for Publication: October 21, 2025*

*Published: October 24, 2025*

*Effective: January 1, 2026*

**No Fee Required:** Recording benefits the City of Sacramento, a government entity.

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

City Clerk  
City of Sacramento  
915 I Street  
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**DEVELOPMENT AGREEMENT**

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**Airport South Industrial Annexation  
P21-017**

**JTS ENGINEERING CONSULTANTS INC PROFIT SHARING PLAN  
3990 Bayou Way  
Sacramento, CA 95835**

**FOR CITY CLERK USE ONLY**

City Agreement No. \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Date Adopted: \_\_\_\_\_

# DEVELOPMENT AGREEMENT

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Exhibit "A"	Legal Description of Property
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**DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF SACRAMENTO  
AND**

**JTS ENGINEERING CONSULTANTS INC PROFIT SHARING PLAN**

This Development Agreement (hereinafter "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and JTS ENGINEERING CONSULTANTS INC PROFIT SHARING PLAN (hereinafter the "LANDOWNER").

**RECITALS**

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, in order to establish certain rights and obligations of the parties relative to the Property.
- B. LANDOWNER owns a legal or equitable interest in those certain parcels of real property (hereinafter the "Property"), described in Exhibit "A" attached hereto and incorporated herein by this reference, which are located within the CITY. The Property consists of lands designated as Assessor Parcels No. 225-0030-023-0000. LANDOWNER seeks to develop the Property consistent with CITY's General Plan, the 1994 North Natomas Community Plan, and the Planning and Development Code (Sacramento City Code title 17) as they exist on the Effective Date.
- C. On May 3, 1994, after making specific findings and adopting a Statement of Overriding Considerations, the City Council approved the 1994 North Natomas Community Plan by adopting Resolution No. 94-259 (hereinafter the "NNCP").
- D. On February 27, 2024, after a duly noticed public hearing, the City Council (1) certified the Master Environmental Impact Report for the Sacramento 2040 General Plan by adopting Resolution No. 2024-0065; and (2) approved the 2040 General Plan, which includes the North Natomas Community Plan Area, by adopting Resolution No. 2024-0066 (hereinafter the "General Plan"). The uses allowed under the General Plan, the NNCP, and the applicable ordinances provide for a balanced mix of residential housing and employment opportunities as well as for the protection of major open-space and recreational resources.

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- E. CITY and LANDOWNER desire to enter into a development agreement pursuant to the provisions of Government Code section 65865 et seq. in order to provide for the orderly development of the Property, in accordance with the goals set forth in Government Code section 65865, the General Plan and the NNCP.
- F. The coordinated and orderly development of the Property, and LANDOWNER's commitment to the implementation of the ASI Finance Plan in order to assure the timely and properly-phased construction of all required Infrastructure and facilities, are essential to the proper implementation of the General Plan and the NNCP.
- G. LANDOWNER desires to facilitate implementation of the General Plan, the NNCP and the ASI Finance Plan, and LANDOWNER therefore agrees to develop the Property in a manner consistent with the policies of the General Plan, the NNCP, the ASI Finance Plan and the Special Conditions, provided that LANDOWNER is assured that no subsequent changes in the General Plan, the NNCP, the ASI Finance Plan, the Zoning Ordinance or the Special Conditions shall apply to the Property during the term of this Agreement.
- H. The City Council, on March 7, 1995, adopted the Procedural Ordinance, by which CITY will, inter alia, consider, adopt, amend and subsequently review the development agreements by and between CITY and a given landowner.
- I. Development of the Property, in accordance with the conditions of this Development Agreement, will provide orderly growth and development of the Property in accordance with the requirements, policies, goals, standards, and objectives of the General Plan and the NNCP. At the same time, it will assure that LANDOWNER is committed to funding its appropriate share of the cost of Infrastructure and other facilities which are the subject of the ASI Finance Plan, and that the funding for acquisition and construction of those facilities will be available to CITY as and when required under the Infrastructure phasing program.
- J. This Agreement is voluntarily entered into by LANDOWNER in order to assure the implementation of the General Plan, the NNCP and the ASI Finance Plan, and is made in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by CITY in the exercise of its legislative discretion in order to assure the implementation of the General Plan, the NNCP, and the ASI Finance Plan and in consideration of the agreements and undertakings of LANDOWNER hereunder. But for LANDOWNER's contribution to and participation in programs to mitigate the impacts of the development of the Property and the cumulative impacts of development in the NNCP area, and to the implementation of the ASI Financing Plan, the CITY would not approve development of the Property.

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- K. The authority for this Agreement is contained in the City Charter of CITY, the Procedural Ordinance, other applicable CITY ordinances, resolutions and procedures and Government Code section 65864 et seq.
- L. CITY and LANDOWNER have taken all actions mandated by and have fulfilled all requirements set forth in the Procedural Ordinance for the adoption of this Agreement by the City Council.
- M. The City Council has reviewed and approved this Agreement. It finds that this Agreement is consistent with the General Plan, the NNCP, the ASI Finance Plan, and all other applicable CITY ordinances, rules and regulations. The implementation of this Agreement is in the best interest of CITY and the health, safety and welfare of its residents. The environmental impacts of the development contemplated herein were adequately considered in the environmental documentation prepared by CITY and adoption of the ordinance and approval of this Agreement complies in all respects with the California Environmental Quality Act.

## AGREEMENT

NOW, THEREFORE, in further consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### I. DEFINITIONS

The terms set forth below, unless the context otherwise requires, shall have the meanings prescribed, for purposes of this Agreement.

- **Adopting Ordinance:** the ordinance pursuant to which the City Council approves this Agreement.
- **Allocation Procedures:** those procedures set forth in section 5.H. of this Agreement, whereunder the various uses and densities are distributed to and among the various parcels, or portions of them, comprising the Property.
- **Annual Review:** the process, and procedures therefor, whereby CITY reviews, pursuant to Government Code section 65865.1, the nature and extent of compliance by LANDOWNER with all of the terms and conditions of this Agreement, which process and procedures are as specified in the Procedural Ordinance, and in section 17 of this Agreement.
- **Assessment:** a special assessment levied on real property within the North Natomas Community Plan area, for the purpose of financing Infrastructure and/or public facilities, or maintenance

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thereof, in accordance with the California Streets and Highways Code, the California Government Code, and/or the Sacramento City Code.

- **Assessment District Policy Manual:** the document entitled “City of Sacramento Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities,” as adopted by the City Council on June 29, 1993 (Resolution 93-381), as said document may be amended from time to time.
- **Assignee:** a third Person executing an Assumption Agreement prepared in accordance with the format prescribed in Exhibit D.
- **Assignment:** the sale or other transfer by LANDOWNER of all or part of its right, title and interest in the Property and in this Agreement to another Person, in accordance with the terms and conditions of this Agreement.
- **Assumption Agreement:** the agreement prescribed in Exhibit D, whereby an Assignee undertakes to perform all obligations, and other terms and conditions of this Agreement, as a condition of release of the Assignee’s predecessor in interest from the responsibility for performance of such obligations and other terms and conditions, with respect to the portion of the Property assigned to the Assignee.
- **CEQA:** the California Environmental Quality Act, set forth at California Public Resources Code section 21000 et seq., as amended from time to time.
- **CITY:** the City of Sacramento.
- **City Agency:** the Redevelopment Agency of the City of Sacramento, and the Housing Agency of the City of Sacramento.
- **City Council:** the Council of the City of Sacramento.
- **Comprehensive Flood Management Plan:** that plan required to be prepared, and to be adopted by the City Council, pursuant to the CITY’s floodplain policy adopted by Resolution No. 93-696.
- **Dedication:** the transfer of real property, or a defined interest therein, to CITY or another public agency, free of all encumbrances and other matters affecting the title except as may otherwise be agreed to by CITY or such other public agency, and at no cost to CITY or such other public agency.
- **Deed of Trust:** a real property security device whereby the debtor (trustor) conveys title to real property to a trustee as security for a debt owed to the creditor (beneficiary).

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- **Default:** a failure of performance, or unreasonable delay in performance, by either party to this Agreement, of any of its terms, conditions, obligations or covenants. Default shall include, but not be limited to failure to comply with all provisions of the ASI Finance Plan and/or failure to pay any fee, tax or assessment enacted pursuant to that Plan.
- **Development:** the use(s) to which the Property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.
- **Development Agreement:** this Agreement.
- **Development Plan:** LANDOWNER's plan for development of the Property, as set forth in Exhibit B. Where LANDOWNER, at the time of execution of this Agreement, does not propose a specific development project, the Development Plan shall be deemed to be development consistent with the Land Use and Development Regulations.
- **Effective Date:** the date on which this Agreement has been approved by the City Council.
- **General Plan:** the General Plan of the City of Sacramento, as adopted by the City Council on February 27, 2024, as said plan may be amended from time to time.
- **Habitat Conservation Plan:** that plan, which must be adopted and implemented by the City Council, pursuant to which measures are taken to implement the provisions of the federal and state Endangered Species Acts, and pursuant to which incidental take permits will be issued to the City of Sacramento, to Landowner, or to others under said Acts.
- **Infrastructure:** all public facilities and improvements needed to serve urban development, as identified in the NNCP and the ASI Finance Plan, or in subdivision maps, parcel maps, or as may otherwise be constructed and conveyed to CITY or another public agency, including but not limited to street and freeway improvements, drainage improvements, sanitary sewer improvements and water storage and transmission facilities.
- **Irrevocable Offer of Dedication:** an unconditional and irrevocable offer by LANDOWNER to transfer real property to CITY in accordance with any condition of any land use entitlement applicable to the Property, in the form specified in Exhibit G.
- **Land Use and Development Regulations:** the General Plan, the North Natomas Community Plan, the CITY's Subdivision Map Act Ordinance, and Zoning Ordinances, together with any other CITY ordinance, or resolutions, rules, regulations and official policies as they exist on the Effective Date, which govern or regulate land use and/or development in the North Natomas Community Plan area.

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- **Lender:** a Person (or a successor in interest to such person) who has advanced funds to, or who is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such note or other evidence of indebtedness is secured by a Mortgage or Deed of Trust.
- **Mortgage:** a contract by which the mortgagor (debtor) as owner hypothecates or pledges real property, or otherwise grants a security interest therein to a Lender (mortgagee), to secure performance under a promissory note or other evidence of indebtedness, and where the holder of the mortgage is granted a power of sale.
- **North Natomas Community Plan (NNCP):** the Community Plan for development of the North Natomas area, as adopted by the City Council on May 3, 1994, as said plan exists on the Effective Date. The NNCP includes, without limitation, a Land Use Diagram and Policy Statements.
- **ASI Finance Plan:** the plan, as it may be amended from time to time, which establishes methods for financing required Infrastructure and public facilities through a combination of land transfers, dedications, contributions, fees, assessment districts, community facilities districts, and other measures, and as more particularly described in Exhibit E.
- **ASI Finance Plan Area:** the lands within the area covered by the ASI Finance Plan, and which are obligated thereby, as that area may exist from time to time.
- **Parties:** the City of Sacramento and LANDOWNER.
- **Person:** any person, firm, association, organization, partnership, business trust, corporation or company.
- **Planning and Development Code:** the Planning and Development Code of the City of Sacramento, as that Code exists on the Effective Date.
- **Procedural Ordinance:** Ordinance No. 95-012, adopted by the City Council on March 7, 1995, and which sets forth procedures for execution, approval, implementation, amendment, and related matters, with respect to development agreements for lands within the NNCP area.
- **Project:** part or all of the elements set forth in LANDOWNER's Development Plan.
- **Project Review:** CITY's actions in reviewing any project proposed by LANDOWNER with respect to the Property, including but not limited to review of all required land use entitlement applications.
- **Property:** the real property owned by LANDOWNER, as set forth in Exhibit A.

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- **Protest Waiver:** the agreement set forth in Exhibit F, executed by LANDOWNER pursuant to this Agreement, or in connection with the conditions of any required entitlement.
- **Purchaser:** an assignee.
- **Reconfiguration:** the reconfiguration, adjustment or alteration of property lines through parcel or subdivision mapping, or lot line adjustment.
- **Reimbursement:** the reimbursement of monies to a Person who has advanced funds for Infrastructure required for development of the Property, the ASI Finance Plan, or other document, and which have benefit to land beyond the Property, in accordance with a reimbursement agreement approved by CITY. Any such agreement will be limited to the portion of the funding advanced which is in excess of the allocable share of the cost of the Infrastructure or improvement attributable to the Property.
- **Reimbursable Infrastructure Costs:** those costs paid by LANDOWNER, and which are identified as reimbursable pursuant to CITY's Assessment District Policy Manual (as defined in section 8.D.(1) of this Agreement).
- **Special Conditions:** those conditions, terms and requirements specified in Exhibit C.
- **Special Permit:** any discretionary permit required pursuant to the Land Use and Development Regulations, and issued by CITY for development of the Property, upon proper application therefor by LANDOWNER.
- **Term:** the length of this Agreement in terms of time, as specified in section 3, or as that time may be extended pursuant to any applicable provision of this Agreement.
- **Transfer:** an assignment.
- **Transferee:** an assignee.
- **Zoning:** the division of the City of Sacramento into districts, and the application of zoning regulations thereto, which include (without limitation) regulation of the height or bulk of buildings (structural and architectural design) and the use to which the land and buildings within prescribed districts may be put, all as specified in the Zoning Ordinance.

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## II. TERMS AND CONDITIONS OF AGREEMENT

1. **Property Description and Binding Covenants.** The Property is that certain real property owned by LANDOWNER and described in Exhibit "A." The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the benefit of, the parties and, subject to section 4 below, to their successors-in-interest.
2. **Interests of Landowner.** LANDOWNER represents that LANDOWNER owns a legal or equitable interest in the Property and that all other Persons holding legal or equitable interests in the Property, including (the Lender), have executed and are bound by this Agreement. There is no lender on the property.
3. **Term.**
  - A. **Initial Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of fifteen (15) years thereafter, unless it is sooner terminated or modified by the mutual consent of the parties.
  - B. **Renewal Options.** Subject to the provisions of this subsection, LANDOWNER shall have the right to renew this Agreement on its same terms and conditions, taking into account any amendments hereto mutually agreed upon after the Effective Date. The term of this Agreement shall mean and include the initial term, plus any renewal periods. The specific conditions for exercise of the renewal options are as follows:
    - (1) On the Exercise Date, LANDOWNER shall not be in default in any material respect under this Agreement, including any amendments hereto. For purposes of this subsection, "Exercise Date" shall mean the date that LANDOWNER or LANDOWNER's successor in interest gives written notice of intention to exercise the option to renew this Agreement, in accordance with the provisions of section 20 hereof.
    - (2) The option to renew shall be exercisable by giving CITY written notice of LANDOWNER's intention to exercise the option on or before the Exercise Date, which notice shall be given not later than thirty (30) days prior to expiration of the initial term or any renewal term.
    - (3) LANDOWNER shall be limited to three (3) renewal periods of five (5) years each; the parties specifically intend that under no circumstances shall the term of this Agreement extend beyond thirty (30) years, unless this Agreement is amended in accordance with the procedures set forth herein for Agreement amendments.

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4. **Assignment.** LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser, assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

5. **Development of the Property.**

- A. **Permitted Uses and Development Standards.** Subject to the Special Conditions set forth in Exhibit C, attached hereto and incorporated herein by this reference (herein the "Special Conditions"), any reserved discretionary approvals specified in this Agreement, and all other terms and conditions of this Agreement, LANDOWNER may develop the Property in accordance with and subject to the terms and conditions specified in the Land Use and Development Regulations in effect on the Effective Date, or, where applicable, the Development Plan, as set forth in Exhibit B, attached hereto and incorporated herein by this reference. Specifically, the permitted uses, density or intensity of use, height or size of buildings and provisions for reservation and dedication of land for public purposes shall be as set forth in the Development Plan.

B. **Discretionary Approvals.**

(1) Development of the Property is subject to all required discretionary approvals. In reviewing and approving applications for special permits and other discretionary approvals, CITY may exercise Project Review and may attach such conditions and requirements as are consistent with the policies, goals, standards and objectives of the General Plan, the NNCP and the ASI Finance Plan, and as may be necessary to comply with all applicable legal requirements and policies of CITY pertaining to such reserved discretionary approvals.

C. **Development Timing.** This Agreement contains no requirement that LANDOWNER must initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by CITY. It is the intention of this provision that LANDOWNER be able to develop the Property in accordance with LANDOWNER's own schedule; provided, however, that to the extent that phasing is required by the Special Conditions, such provisions shall govern. No future modification of the Sacramento City Code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, nothing herein shall be construed to relieve LANDOWNER from any time conditions in any permit or subdivision map approval or to excuse the timely completion of any act which is required to be completed within a time period set by any applicable code or permit provisions.

D. **Special Conditions.** Development of the Property shall be subject to the Special Conditions, as specified in Exhibit C.

E. **Land Use and Development Regulations.**

(1) Subject to the Special Conditions specified in Exhibit C, development of the Property shall be subject to the Land Use and Development Regulations applicable to such development on the Effective Date.

(2) Except as otherwise provided in this Agreement, to the extent any future changes in Land Use and Development Regulations adopted by CITY purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, including subsection 5E(1) above, the terms and conditions of this Agreement shall prevail, unless the parties or their successors in interest mutually agree to amend or modify this Agreement in accordance with the provisions for modification hereinafter set forth.

(3) To the extent that any future changes in the Land Use and Development Regulations adopted by CITY are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable

by other provisions of this Agreement, such future changes shall be applicable to the Property.

- (4) Nothing in this Agreement shall preclude the application to development of the Property of changes in the Land Use and Development Regulations, the terms of which are specifically mandated by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the effective date of this Agreement or action by any governmental jurisdiction other than CITY prevent or preclude compliance with one or more provisions of this Agreement or require changes in permits, maps or plans approved hereunder by CITY, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction.
- (5) To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including CITY, required by federal or state agencies or actions of CITY taken in good faith in order to prevent adverse impacts upon CITY by state or federal actions) have the effect of preventing, delaying or modifying development of the NNCP area or any area therein, CITY shall not in any manner be liable for such prevention, delay or modification of said development. Such actions may include, but are not limited to, flood plain or wetlands designations and actions of CITY or regional agencies as a result thereof and the imposition of air quality measures or sanctions and actions of CITY or regional and local agencies as a result thereof. In such a situation, CITY's actions shall not be arbitrary or capricious, and the parties shall meet and endeavor to achieve solutions which preserve the integrity of the NNCP, while to the extent feasible allow development of the Property in the manner contemplated by this Agreement.
- (6) Nothing herein shall be construed to limit the authority of CITY to enact amendments to the Land Use and Development Regulations, or enact other ordinances or resolutions, which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.
- (7) Building codes, ordinances and regulations relating to construction standards or permits shall apply as of the time of grant of each applicable construction permit.
- (8) No modification of CITY's ordinances, resolutions, policies, rules or regulations adopted after the Effective Date, which purport to limit the rate of development over time or to govern the sequence of development of land within the NNCP area, shall apply to the Property. The provisions of this subsection apply to modifications adopted or imposed by the City Council, or through the initiative or referendum process; provided, however, nothing in this subsection shall limit the ability of CITY

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to act in accordance with the provisions of subsections 5E(4), 5E(5) and 5E(6) of this Agreement.

- F. CITY Review of Applications.** Consistent with the standards set forth in section 15 of this Agreement, nothing contained in this Agreement shall preclude CITY from its right and responsibility to review applications for entitlements submitted by LANDOWNER in accordance with its normal and usual procedures and practices, as they may exist at the time the application is accepted as complete, or is otherwise deemed complete by operation of law.
- G. Extension of Entitlements.** Pursuant to Government Code section 66452.6 all vesting tentative subdivision maps, master parcel tentative maps, parcel maps, subdivision tentative maps, planned unit development permits, special permits, or any other maps, rezonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved for the Property subject to this Development Agreement, shall be valid for a minimum term equal to the full term of this Agreement (including the initial term, and any renewal period resulting from exercise by LANDOWNER of the options provided for in section 3 hereof), or for a period of thirty-six (36) months, whichever is longer, but in no event for a shorter period than the maximum period of time permitted by the Subdivision Map Act or Government Code for such land use entitlements. The provisions of section 25 of this Agreement relating to estoppel certificates shall apply to any request made by LANDOWNER to CITY with respect to the life of any entitlement covered by this subsection. Nothing in this section shall be construed to, or operate to extend the term of this Agreement.
- H. Allocation Procedures for Building Square Footage.** Procedures for allocating the uses or densities approved for the Property among the various parcels and/or portions thereof, and for resolution of any disputes regarding such allocations, shall be as follows:
- (1) Allocation.** Unless otherwise identified in the Development Plan, which is attached as Exhibit B to this Agreement, the allocation of building square footage shall be as identified in subsequent entitlements for the Property, including but not limited to parcel maps, subdivision maps, PUD schematic plans and development guidelines. The appropriate entitlement to address the allocation of building square footage shall be determined by City. Allocations for residential development shall be determined in the subdivision mapping process, unless CITY determines that some other method is appropriate under the circumstances.
  - (2) Dispute Resolution.** Where a dispute exists between LANDOWNER, and/or any successor or successors in interest, with respect to any matter involving allocation of building square footage for or on the Property, such dispute shall be resolved by arbitration, utilizing the commercial arbitration procedures of the American Arbitration Association, or some other alternative dispute resolution procedure mutually agreed upon by the parties involved in the dispute. In no case shall CITY be a party to such dispute, or to the

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dispute resolution procedures. All of the provisions of this Agreement relating to indemnification and defense of CITY, and payment of CITY costs, shall apply to all disputes relating directly or indirectly to allocation.

**6. Fees, Charges, Assessments and Taxes.**

**A. City Fees.** All applications for CITY approvals, permits and entitlements shall be subject to the application fees, processing fees, mitigation fees and other development fees within the control of the CITY that are in force and effect as of the date that the application or other request for approval is filed.

**B. Levies Imposed by Other Jurisdictions.** LANDOWNER shall be responsible for:

- (1)** all fees, charges, assessments, special taxes or levies of any sort imposed by any other state or local agency, including but not limited to the Sacramento Area Flood Control Agency, in the future as a charge for mitigation measures imposed for the purpose of mitigation of environmental impacts associated with the provision of flood control improvements;
- (2)** all fees, charges, assessments, special taxes or levies of any sort associated with the financing of the construction and implementation of said flood control improvements and measures;
- (3)** all special benefit assessments, special taxes or levies of any sort associated with construction of or maintenance of public improvements, where the Property is located within a district formed for that purpose by any agency other than CITY;
- (4)** any fees or other charges required by RD-1000; and
- (5)** ad valorem real estate taxes, and utility fees.

In the event that any of the fees, charges, assessments, special taxes or levies covered by this subsection B are imposed by or with the assistance of CITY, LANDOWNER shall nevertheless be responsible therefor. Nothing in this Agreement shall be construed to limit LANDOWNER's right to protest, in accordance with applicable provisions of law: the formation of any district included within the provisions of this subsection or to protest the amount of any assessment levied by or on behalf of such district on the Property or any portion thereof; or to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subsection.

**C. Implementation of the ASI Finance Plan.** The ASI Finance Plan establishes a method for financing of required Infrastructure and public facilities through a combination of land



transfers, dedications and contributions, fees, assessment districts, community facilities districts and other sources, so that the land within the ASI Finance Plan Area pays for its share of the cost of such Infrastructure and facilities. The plan also recognizes that there are plan area costs associated with certain portions of Infrastructure and facilities, and that that share will ultimately have to be paid from other sources, even though developers within the area, including LANDOWNER, acknowledge that they may have to participate in funding costs on a fair share basis. LANDOWNER shall participate in the ASI Finance Plan, as made applicable to the development of the Property, and shall faithfully and timely comply with each and every provision thereof, including but not limited to assessments, special taxes, and other development fees and exactions set forth therein. Without limiting the foregoing, applications for special permits, subdivision maps, or other land use entitlements and building permits may be made subject to LANDOWNER's participation in and compliance with the plan. Failure to so participate shall be an event of default to which the default provisions of this Agreement and the Procedural Ordinance shall apply. For purposes of this Agreement "participate" and "participation" shall mean payment of all monies required by virtue of the ASI Finance Plan, and performance of all obligations imposed thereby.

**D. LANDOWNER's Waivers.** LANDOWNER hereby agrees to the provisions of Exhibit F, which (without limitation) contains a comprehensive waiver of protest rights with respect to CITY's establishment and implementation of development and impact fees; CITY's actions in forming assessment districts and community facilities districts, and in levying assessments and taxes pursuant thereto; and CITY's actions in implementing any provision of the ASI Finance Plan. As set forth in Exhibit F, LANDOWNER reserves the right to protest the actual amount of the fee, assessment or tax levy, or other CITY charge imposed on or allocated to the Property pursuant to the ASI Finance Plan.

**7. Reconfiguration of Parcels.** LANDOWNER shall have the right to file applications with CITY for subdivision, lot line adjustment, or for master parcelization of all or part of the Property, for the purpose of reconfiguration of the Property. Such applications shall be processed and determined in accordance with the provisions of section 5, and all other applicable provisions of this Agreement. Where reconfiguration requires a Special Permit, or a P.U.D. designation, or other entitlement applicable to the Property or portion thereof which is subject to the application, CITY reserves the right to require such entitlements as a condition of granting the application.

**8. Infrastructure.**

**A. Construction by CITY.** To the extent that funds are available to CITY pursuant to the ASI Finance Plan, and to the extent that any required real property has been transferred to CITY, or has been obtained by CITY through its power of eminent domain, which CITY

agrees to utilize, where required, and subject to LANDOWNER's compliance with the terms of this Agreement and all of the terms and conditions of any entitlement applicable to the Property, CITY agrees to use its best efforts to bring about the construction of the Infrastructure required to implement the Development Plan (Exhibit B). Provided, however, that CITY's obligations hereunder shall be limited to those items of Infrastructure which, under the ASI Finance Plan, are to be constructed by CITY or under CITY's direction and control; where Infrastructure is to be constructed by LANDOWNER, either pursuant to conditions of approval or otherwise, the provisions of this subsection shall not apply.

**B. Construction by LANDOWNER.** When required by conditions of approval, and in accordance with CITY specifications and standards in effect as of the date of construction, LANDOWNER shall diligently construct Infrastructure required for implementation of the Development Plan (Exhibit B). LANDOWNER shall further comply with all required funding requirements specified in the ASI Finance Plan.

**C. Infrastructure Financing Proceedings.**

**(1) LANDOWNER-Initiated Proceedings.** In the event that LANDOWNER desires to initiate proceedings for the formation of an assessment district, community facilities district, or other similar form of improvement financing mechanism to fund the construction of Infrastructure required by conditions of approval or otherwise, LANDOWNER shall file an application with CITY for that purpose in accordance with CITY's Assessment District Policy Manual, as same may be amended from time to time, or such other policy document as may after the Effective Date be adopted by the City Council as a substitute therefor. CITY agrees to diligently process any such application, provided that such application:

- (a)** is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application;
- (b)** otherwise complies with the Land Use and Development Regulations and applicable law, as it exists on the date of the application, including but not limited to the Assessment District Policy Manual;
- (c)** is consistent with CITY's policies and procedures;
- (d)** provides for a value to lien ratio and other financial terms that are reasonably acceptable to CITY;



- (e) provides for all funding requirements established by CITY for the purpose of payment of the costs of outside consultants needed, in CITY's sole discretion; and
- (f) provides that the specific consultants (e.g., bond counsel, financial advisors, underwriters, or other consultants as may be necessary under the circumstances) shall be selected by CITY in its sole discretion.

Notwithstanding any other provision of this Agreement, CITY agrees that upon request made by LANDOWNER, CITY will consider making exceptions to the Assessment District Policy Manual, to allow for alternative methods of financing in-tract improvements, including but not limited to formation of assessment districts or similar financing mechanisms, where such alternatives are contemplated by the ASI Finance Plan, including any amendments thereto. Provided, however, that CITY reserves its discretion to condition use of any such alternatives on satisfaction of performance preconditions (including but not limited to drainage capacity), and to consider underwriting considerations and criteria, together with the manner in which such alternatives further the overall implementation of the ASI Finance Plan. Further, CITY may in its reasonable discretion deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent.

- (2) **Proceedings Initiated by CITY.** In the event that pursuant to the ASI Finance Plan, CITY in its discretion determines that a particular financing mechanism, including but not limited to an assessment district, a community facilities district, a fee district, a development fees procedure, or any similar mechanism, is required in order to implement the ASI Finance Plan, LANDOWNER's participation obligations set forth hereunder (including but not limited to Exhibit C), in the ASI Finance Plan, or in any condition of approval, shall apply.
- (3) **Maintenance Districts.** LANDOWNER may, following the procedures specified in subsection 8D(1) above, request that CITY establish one or more maintenance districts for the purpose of financing the maintenance of landscaping or other public improvements, whereunder lands benefitting from the improvements and their maintenance are assessed for a proportionate share of the maintenance cost.

**E. Reimbursement to LANDOWNER.**

- (1) **From Financing Proceeds.** Subject to Chapter 4 of the ASI Finance Plan, where LANDOWNER has provided advance funding for public Infrastructure required by the ASI Finance Plan or has constructed such Infrastructure under the direction and

control of CITY, LANDOWNER shall be reimbursed for Reimbursable Infrastructure Costs at such time as CITY has established a permanent financing mechanism in the form of an assessment district, community facilities district, or other similar mechanism through which permanent public financing for such improvements is established. Those items qualifying as Reimbursable Infrastructure Costs shall be determined pursuant to CITY policies in existence at the time of establishment of the permanent financing mechanism. CITY agrees to entertain reasonable requests from LANDOWNER for exceptions to such policies; provided, however, that CITY may, in its reasonable discretion, deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. Nothing in this Agreement shall authorize reimbursement of any cost which, in the opinion of CITY's bond counsel, is not permissible for purposes of establishing or retaining tax free status of any bonds issued, or contemplated to be issued by CITY.

- (2) Reimbursement From Others Benefitted.** In any case where CITY requires or permits LANDOWNER to plan, design, construct, or fund the planning, design or construction of improvements required for development by the ASI Finance Plan, in excess of or beyond those required for development of the Property, or, where required by the ASI Finance Plan, to make dedications, provide mitigation or incur costs in connection with public improvements or the planning of the ASI area in excess of or beyond those required for development of the Property, and the provisions of the preceding subsection do not apply, CITY shall utilize its best efforts to require that all other Persons benefitted by the improvements shall reimburse (through fee districts, agreements, conditions of approval, or otherwise) LANDOWNER for such Person's proportionate share of such costs as determined in accordance with the ASI Finance Plan, or by CITY. For purposes of this Agreement, the term "in excess of or beyond those required for development of the Property" shall mean requirements which exceed LANDOWNER's fair proportionate share, as determined in accordance with the provisions of the ASI Finance Plan and any associated documents or studies.

Such reimbursement shall be subject to the limitations specified in the preceding paragraph (including those provisions relating to consideration by CITY of exceptions to its policies), relating to CITY policy and Reimbursable Infrastructure Costs. Reimbursement shall be limited to that amount which exceeds LANDOWNER's appropriate share of the cost, determined in accordance with principles established in the ASI Finance Plan, and any associated documents or studies.

- (3) **Reimbursement of Planning, Engineering and Staff Costs.** In accordance with the provisions of the ASI Finance Plan, and as soon as feasible following City Council adoption of the said Plan, CITY shall enact a fee ordinance which imposes a fee upon ASI Finance Plan Area landowners, including LANDOWNER, to pay the planning, engineering, staff and related costs (including but not limited to CITY staff and related costs), as specified in the ASI Finance Plan, and which relate to development of the ASI Finance Plan Area, the general form of the Development Agreement, and all related documents. The fee shall be spread across lands within the ASI Finance Plan Area in the same fashion as the public facilities fees. Credits shall be given to those landowners who have paid some or all of their share of the said costs, for the amounts so paid. The fee shall be payable prior to CITY's acceptance of an application for the first discretionary entitlement for the land as to which an application has been filed with CITY.

**9. LANDOWNER Obligations.**

- A. **Transfer of Land to CITY.** As set forth elsewhere in this Agreement, LANDOWNER has agreed to transfer lands needed for Infrastructure or public facilities to CITY, or to such other public agency as is appropriate. Set forth in Exhibit H, attached hereto and incorporated herein by this reference, is a map depicting the currently contemplated approximate location and amount of land which LANDOWNER will be required to transfer to CITY, together with a categorical listing of the types of Infrastructure and public facilities which are covered by the terms of this subsection. LANDOWNER shall transfer the said required lands to CITY, utilizing the Irrevocable Offer of Dedication form set forth in Exhibit G, attached hereto and incorporated herein by this reference, at such time as is:

- (1) required pursuant to a condition or term of any entitlement for use or development of the Property; or
- (2) requested by CITY, where LANDOWNER has not applied for an entitlement for use or development of the Property, but the land is needed, in CITY's sole discretion, for purposes of construction of Infrastructure or public facilities.

In the event that, at the time of the required transfer to CITY, the location of, or the quantity of land required for the Infrastructure or public facilities has changed from that depicted on Exhibit H, to such a significant degree or extent that the location or quantity is inconsistent with the ASI Finance Plan, the parties shall meet and negotiate, and in good faith endeavor to reach agreement on any amendments to this Agreement needed to allow development of the Property in a reasonable manner, taking into account the changes in Infrastructure and public facilities. If agreement is reached between the parties, the procedures specified herein and in the Procedural Ordinance shall apply to

amendments to this Agreement. If agreement is not reached, either party shall have the right to terminate this Agreement by providing the other party sixty (60) days notice.

- B. Development Timing.** LANDOWNER shall have no obligation to initiate or commence development of any particular phase of the Property within any period of time.
- C. Transportation Management Association.** Notwithstanding anything herein to the contrary, LANDOWNER shall form a transportation management association, or join an existing association, that encompasses all of the Property and imposes an annual fee assessment to fund the association's operations and services. Formation of the association and the initiation of proceedings to establish a community facilities district or similar benefit assessment district to fund the association operations and services shall occur prior to approval of the first final map or issuance of the first building permit, and the protest waiver set out in Exhibit F shall apply to the creation of that district. The transportation management association shall be charged with the obligation to implement transportation system management measures to achieve a reduction in vehicular trips by employees and residents within the Project. The transportation management association articles of incorporation, bylaws, fee assessment, annual budget and transportation system management measures shall be subject to CITY approval. The transportation system management measures funded by the association may include paying for a portion of the net operating costs for the light rail system and other transit services provided by the Sacramento Regional Transit District that serve the Property.

## **10. Litigation/Indemnification.**

### **A. Challenge to Agreement or Entitlements.**

(1) In the event of any action instituted by a third party challenging the validity of any portion of this Agreement, including but not limited to, the proceedings taken for its approval (including the requirements of the California Environmental Quality Act – "CEQA") or any other act undertaken by the parties hereto in furtherance of this Agreement or its terms, or any action instituted by a third party challenging the validity of any of the entitlements specified herein (including CEQA challenges), the parties agree to cooperate in the defense of the action. In all such litigation brought to contest the validity of this Agreement or such entitlements, the following shall apply:

- (a) City may, in its sole discretion, either defend such litigation or tender its defense to LANDOWNER.
- (b) In the event that CITY determines to defend the action itself, LANDOWNER shall be entitled, subject to court approval, to join in or intervene in the action

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on its own behalf, or to advocate in favor of validity of this Agreement or any challenged entitlement. In such a case, each party shall bear its own attorney fees and costs.

(c) In the event that CITY determines to tender the defense of the action to LANDOWNER, LANDOWNER shall defend the action on its behalf and on behalf of CITY, and shall bear all attorney fees and costs associated with such defense from and after the date of the tender. Provided, however, that CITY may at any time after the tender elect to assume representation of itself; in that event, from and after the date CITY gives notice of its election to do so, CITY shall be responsible for its own attorney fees and costs incurred thereafter.

(2) If, in such litigation, a final judgment or other final order is issued by the court which has the effect of invalidating or rendering ineffective, in whole or in part, any provision of this Agreement or the Agreement itself, or any entitlement issued during the term of this Agreement and pursuant to its terms, the following shall apply:

(a) if the judgment or order includes a provision for attorney fees and/or costs of the successful party or parties, LANDOWNER shall pay the entire cost thereof, without right of offset, contribution or indemnity from CITY, irrespective of anything to the contrary in the judgment or order.

(b) CITY and LANDOWNER shall meet and endeavor, in good faith, to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner, taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein, and in the Procedural Ordinance, shall apply. If agreement is not reached, either party shall have the right to terminate this Agreement by giving the other party sixty days' notice of termination.

(c) In the event that amendment is not required, and the court's judgment or order requires CITY to engage in other or further proceedings, CITY agrees to comply with the terms of the judgment or order expeditiously.

**B. Indemnification.** LANDOWNER agrees to defend and indemnify CITY, its elective and appointive boards, commissions, officers, agents and employees against any liability for damage or claims for damage for personal injury, including death, or property damage, arising out of or relating in any way to actions or activities to develop the Property,

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undertaken by LANDOWNER or LANDOWNER's contractors, subcontractors, agents or employees.

**11. Effect of Subsequent Laws.**

**A. Laws of Other Agencies.**

- (1)** If any public agency, other than CITY, adopts any new law, regulation, ordinance or imposes any new condition (herein referred to collectively as "the New Law") after the date of this Agreement, which prevents or precludes either the CITY or LANDOWNER, or both, from complying with one or more provisions of this Agreement, then immediately following the enactment of the New Law the parties shall meet and confer in good faith to determine whether the New Law applies to the Property, and whether suitable amendments to this Agreement can be made, in order to maintain LANDOWNER's right to develop the Property in a reasonable manner pursuant to Exhibit B.
- (2)** In the event that the parties, after having engaged in good faith negotiations, are unable to agree on such amendments, the parties shall consider whether suspension of the term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event that the parties, after having engaged in good faith negotiations are unable to agree on the suspension issues, either party shall have the right to terminate this Agreement by giving the other party sixty (60) days' written notice of termination.
- (3)** LANDOWNER or CITY shall have the right to institute litigation relating to the New Law, and raise any issues relating to its validity. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that CITY would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the New Law, CITY shall not be required to undertake such action until the litigation is resolved, or the New Law is otherwise determined invalid, inapplicable, or is repealed. In the event that such judgment invalidates the New Law, or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its term shall be extended by the amount of time between the effective date of the New Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the provisions of subsections 11.A(1) and 11.A(2) above shall apply.



- B. Laws Passed by CITY.** Subject to the provisions of section 5 of this Agreement, neither the CITY nor any CITY Agency shall enact any initiative, ordinance, policy, resolution, general plan amendment or other measure that relates to the density or intensity of development on the Property, or the rate, timing or sequencing of the development or the construction on the Property on all or any part thereof, or that is otherwise in conflict, either directly or indirectly, with this Agreement.

**12. Enforced Delay; Extension of Times of Performance.** In addition to other specific provisions of this Agreement, performance by either party hereunder shall not be deemed in default where delay or inability to perform is due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations, litigation instituted by third parties challenging the validity of this Agreement or any of the vested entitlements described in section 5 of this Agreement. Upon request of either party to the other, a written extension of time for such cause shall be granted for the period of the enforced delay, or longer as may be mutually agreed upon.

**13. Legal Actions; Applicable Law; Attorney Fees.**

- A. Legal Actions.** In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default by any other party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder. Notwithstanding any other provision of law, or of this Agreement, in no event shall LANDOWNER or CITY, its officers, agents or employees be liable in damages for any breach, default or violation of this Agreement, it being specifically understood and agreed that the parties' sole legal remedy for a breach, default or violation of this Agreement shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.
- B. Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. LANDOWNER agrees and acknowledges that CITY has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of CITY.
- C. Attorney Fees.** In any arbitration, quasi-judicial, administrative or judicial proceeding (including appeals), brought by either party hereto to enforce or interpret any covenant or any of such party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert

consultation, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party. For purposes of this section, and any other portion of this Agreement relating to attorney fees, reasonable attorneys fees of the City Attorney's Office shall be based on comparable fees of private attorneys practicing in Sacramento County.

- 14. Amendment of Agreement.** This Agreement may be amended from time to time only by the mutual written consent of the parties, in accordance with the provisions of Government Code sections 65867 and 65868. In addition, all of the provisions of the Procedural Ordinance relating to the need for amendment, and the manner thereof, shall apply. Upon request of a party, this Agreement shall be amended to include the terms and conditions of any discretionary entitlement granted with respect to the Property after the Effective Date.
- 15. CITY's Good Faith in Processing.** Subject to the provisions of section 5B hereof, and LANDOWNER's compliance with each and every term and condition of this Agreement and all of its exhibits, CITY agrees that it will accept in good faith for processing, review, and action, all complete applications for master parcel maps, zoning, planned unit development designation, planned unit development guidelines, schematic plans, special permits, building permits, parcel maps, subdivision maps, or other entitlements for use of the Property in accordance with the General Plan, the ASI Finance Plan and this Agreement.

CITY shall inform the LANDOWNER, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and shall schedule the application for expeditious review by the appropriate authority.

**16. Default, Remedies, Termination.**

- A. General Provisions.** Subject to any extensions of time by mutual consent of the parties, and subject to the cure provisions set forth herein, any failure or unreasonable delay by either party to perform any material term or provision of this Agreement shall constitute a default.
- (1) LANDOWNER Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by LANDOWNER is alleged, CITY shall not be obligated to issue any building permit, or grant any entitlement as to which an application has been filed.
- (2) CITY Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by CITY is alleged, any resulting delays in LANDOWNER's performance caused by



CITY's default shall not constitute a LANDOWNER default, or be grounds for termination or cancellation of this Agreement.

(3) **Successors in Interest.** Where the Property, following the Effective Date, has been lawfully conveyed in whole or in part to one or more successors in interest, in such a manner as to invoke the provisions of section 4 of this Agreement, and one or more of such successors in interest is in default with respect to the portion of the Property owned by it, neither LANDOWNER nor any other non-defaulting successor in interest shall be liable for the default, if the provisions of section 4 have been complied with, and in accordance with the terms and conditions of that section.

B. **Cure of Default.** In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days. During any such period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

C. **Remedies After Expiration of Cure Period.** After notice and expiration of the thirty (30) day period, if the alleged default has not been cured in the manner set forth in the notice, the other party may at its option:

- (1) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or
- (2) give the other party notice of intent to terminate this Agreement pursuant to Government Code section 65868 and the Procedural Ordinance. In the event that such notice is given, CITY shall schedule the matter for public hearing before the City Council to review the matter and make specific written findings regarding the alleged default. Where LANDOWNER is the party alleged to be in default, LANDOWNER shall be afforded a reasonable opportunity to respond to all allegations of default at such public hearing. CITY shall provide LANDOWNER at least thirty (30) days prior written notice of such public hearing, as well as provide LANDOWNER copies of all CITY staff reports prepared in connection therewith at least five (5) days prior to the hearing.

## 17. Annual Review.

- A. General Provisions.** In accordance with Government Code section 65865.1, and the Procedural Ordinance, CITY shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith compliance by LANDOWNER with the terms of this Agreement. Failure of CITY to conduct an annual review shall not constitute a waiver by CITY or LANDOWNER of the right to conduct future annual review or to otherwise enforce the provisions of this Agreement, nor shall a party have or assert any defense to such enforcement by reason of any such failure. The failure of CITY to undertake such review, shall not, in itself, invalidate the terms of this Agreement or excuse any party hereto from performing its obligations under this Agreement.
- B. Scope of Review.** The annual review shall be limited in scope to compliance with the terms and conditions of this Agreement.
- C. Proceedings.** The procedures specified in the Procedural Ordinance for conduct of the annual review by the City Manager, and by the City Council, shall apply to each annual review of this Agreement. At least ten (10) days prior to the commencement of any annual review, CITY shall deliver to LANDOWNER a copy of any public staff reports and other documents to be used or relied upon in conducting the review. LANDOWNER shall be permitted an opportunity to respond to CITY's evaluation of LANDOWNER's performance by written and oral testimony at the public hearing to be held before the City Council, if LANDOWNER so elects.

At the conclusion of the annual review, CITY shall make written findings and determinations on the basis of substantial evidence, as to whether or not LANDOWNER or its successors have complied in good faith with the terms and conditions of this Agreement.

- D. Failure of Compliance.** Any determination of failure of compliance shall be subject to the notice requirements and cure periods set forth in section 16 of this Agreement. If termination is proposed, it shall apply solely with respect to that portion of the Property (if less than all) affected by the failure to show good faith compliance. If modification of the Development Agreement is proposed, the modification shall pertain solely to the provisions hereof as applicable to that portion of the Property (if less than all) affected by the condition that has prompted the proposed modification.

**18. Termination upon Completion of Development.**

- A. General Provisions.** This Agreement shall terminate as to each parcel of property contained within the Property when that parcel of property has been fully developed and all of LANDOWNER'S obligations in connection therewith are satisfied, as reasonably determined by CITY. CITY shall, upon written request made by LANDOWNER to CITY's

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Department of Planning and Development, determine if the Agreement has terminated, with respect to any parcel, and shall not unreasonably withhold termination as to that parcel if LANDOWNER'S obligations therewith are satisfied. CITY shall be entitled to receive payment of a fee commensurate with the cost of processing the request and making such a determination, including but not limited to CITY's administrative and legal expenses. Upon termination of this Agreement, CITY shall upon LANDOWNER's request record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. The aforesaid notice may specify, and LANDOWNER agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement, by the ASI Financing Plan or any of the measures implementing said plan, and shall have the effect as set forth in section 18C.

**B. Effect of Termination On Landowner Obligations.** Termination of this Agreement as to the Property or any portion thereof shall not affect any of the LANDOWNER's obligations to comply with CITY's General Plan, and all entitlements issued for the Property, nor shall it affect any other covenants of this Agreement specified in this Agreement to continue after the termination of this Agreement, including but not limited to those specified in sections 6 and 10 and subsection 13C.

**19. No Joint Venture, Partnership, or Other Relationship.** Nothing contained in this Agreement or in any other document executed in connection with this Agreement shall be construed as creating a joint venture or partnership between CITY and LANDOWNER. No relationship exists as between LANDOWNER and CITY other than that of a governmental entity regulating the development of private property, and the owners of such private property.

**20. Notices.** All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and LANDOWNER or LANDOWNER's assigns and successors, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other party as indicated below:

Notice to the CITY:                      City of Sacramento  
   915 I Street  
   Sacramento, California, 95814  
   ATTN: City Manager

Notice to the LANDOWNER: JTS ENGINEERING CONSULTANTS INC PROFIT SHARING PLAN  
1808 J ST  
SACRAMENTO, CA 95811

with copies to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice to Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any party may change the address to which notices are to be mailed by giving written notice of such changed address to each other party in the manner provided herein.

- 21. Severability.** If any provision of this Agreement is held invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the parties, utilizing the procedures specified herein and the Procedural Ordinance. Provided, however, that if such holding affects a material provision of this Agreement, LANDOWNER shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to CITY; provided further, however, that in the event LANDOWNER so elects to terminate, such election shall not affect in any manner the terms and conditions of any entitlement theretofore granted by CITY with respect to the Property, or any portion thereof.
- 22. Recording.** The City Clerk shall cause a copy of this Agreement to be recorded with the Sacramento County Recorder no later than ten (10) days following execution of this Agreement by CITY, which execution will take place no sooner than the effective date of the ordinance approving this Agreement.
- 23. Reimbursement to CITY.** LANDOWNER agrees to reimburse the CITY for reasonable and actual expenses incurred by CITY that relate directly to CITY'S review, consideration and execution of this Agreement. Such expenses include but are not limited to recording fees, publishing fees and any special meeting costs, staff time (including review by the City Attorney), and notice costs. Such expenses shall be paid by LANDOWNER within thirty (30) days of receipt of a detailed written statement of such expenses.

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## 24. Provisions Relating to Lenders.

### A. Lender Rights and Obligations.

- (1) **Prior to Lender Possession.** No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of LANDOWNER or LANDOWNER's successors in interest, but shall otherwise be bound by all of the terms and conditions of this Agreement, which pertains to the Property or such portion thereof in which it holds an interest. Nothing in this section shall be construed to grant to a Lender rights beyond those of LANDOWNER hereunder, or to limit any remedy CITY has hereunder in the event of default by LANDOWNER, including but not limited to termination and/or refusal to grant entitlements with respect to the Property.
- (2) **Lender in Possession.** A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of LANDOWNER, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of LANDOWNER hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the LANDOWNER hereunder or entitled to enforce the provisions of this Agreement against CITY unless and until such Lender or successor thereof qualifies as a recognized assignee under the provisions of section 4 of this Agreement.

- B. **Notice of LANDOWNER's Default Hereunder.** If CITY receives notice from a Lender requesting a copy of any notice of default given LANDOWNER hereunder and specifying the address for service thereof, then CITY shall deliver to such Lender, concurrently with service thereon to LANDOWNER, any notice given to LANDOWNER with respect to any claim by CITY that LANDOWNER has committed a default, and if CITY makes a determination of non-compliance, CITY shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on LANDOWNER.

- C. **Lender's Right to Cure.** Each Lender shall have the right (but not the obligation) during the same period of time available to LANDOWNER to cure or remedy, on behalf of

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LANDOWNER, the default claimed or the areas of non-compliance set forth in CITY's notice. Such action shall not entitle a Lender to develop the property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of LANDOWNER hereunder.

**D. Other Notices Given By City.** A copy of all notices given by CITY pursuant to the terms of this Agreement shall be sent to Lender at the address provided in section 20 hereof.

- 25. Estoppel Certificate.** Either party may, at any time, and from time to time, deliver written notice to the other party requesting such other party to certify in writing that, to the knowledge of the certifying party, (i) this Development Agreement is in full force and effect and a binding obligation of the parties, (ii) this Development Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Development Agreement, or if in default, describing therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by CITY establishing the status of this Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording party.
- 26. Construction.** All parties have had the opportunity to be represented by legal counsel of their own choice in the preparation of this Development Agreement and no presumption or rule that "an ambiguity shall be construed against a drafting party" shall apply to the interpretation or enforcement of any provision hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.
- 27. Counterparts.** This Agreement may be executed in any number of counterparts and shall be deemed duly executed when each of the parties has executed such a counterpart.
- 28. Time.** Time is of the essence of each and every provision hereof.
- 29. Limitation of Actions.** No court action shall be filed by a party to this Agreement on the ground of default or breach of its terms unless such action is filed within one hundred eighty (180) days from the date of discovery by the aggrieved party of the facts underlying the claim of breach or default.
- 30. No Third Parties Benefitted.** No Person who is not a qualified successor or assign of a party hereto pursuant to section 4 of this Agreement, or who has not become a party by duly adopted amendment hereof may claim the benefit of any provision of this Agreement.

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- 31. Effect of Agreement upon Title to Property.** In accordance with the provisions of Government Code section 65868.5, from and after the time of recordation of this Agreement, the Agreement shall impart such notice thereof to all persons as is afforded by the recording laws of the State of California. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement.
- 32. Covenant of Good Faith.** CITY and LANDOWNER agree that each of them shall at all times act in good faith in order to carry out the terms of this Agreement.
- 33. Exhibits:** The following are the exhibits to this Agreement:
- A Legal Description of the Property
  - B Landowner's Development Plan
  - C Special Conditions
  - D Assignment and Assumption Agreement
  - E ASI Finance Plan
  - F Protest Waiver Form
  - G Irrevocable Offer of Dedication Form
  - H Map and Categorical Listing of Land and Infrastructure
- 34. Entire Agreement.** This Agreement, together with its Exhibits A to H, inclusive, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement is specifically intended by the parties hereto to supersede all prior development agreements, if any, for the Property which may exist between CITY and LANDOWNER. The provisions of subsection 10B of this Agreement, relating to indemnification and defense of CITY, its officers, employees and agents, shall be applicable to any claim whatsoever against CITY, its officers, employees and agents, arising out of or in any way relating to any prior development agreement relating to the Property.
- 35. City Attorney Costs.** Landowner shall pay to the City of Sacramento the sum of \$1,500.00 as and for reimbursement of the costs of the City Attorney in preparation and processing of this Agreement.

»» Signature Page Follows ««



**IN WITNESS WHEREOF**, the CITY and LANDOWNER have executed this Development Agreement as of the date first set forth above.

**CITY OF SACRAMENTO**

By: \_\_\_\_\_  
Kevin McCarty  
Mayor of City of Sacramento  
Date: \_\_\_\_\_, 2025

Attest  
Sacramento City Clerk

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

Approved as to Form  
Sacramento City Attorney

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

**JTS ENGINEERING CONSULTANTS INC PROFIT SHARING PLAN**

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Print Name  
\_\_\_\_\_  
Title  
Date: \_\_\_\_\_, 2025

Approved as to Form  
[Name]

By: \_\_\_\_\_  
[Name]  
Attorneys for [Name]

**(ATTACH APPROPRIATE ACKNOWLEDGMENT)**



**EXECUTION PAGE FOR LENDER**

[Name + nature of entity] (herein "LENDER") owns an equitable interest in the Property described in Exhibit "A" of this Agreement as the beneficiary of that certain deed of trust and assignment of rents dated [date] and recorded on [date], as Instrument [#], in Book [#], Page [#], Official Records, Sacramento County, California.

LENDER hereby executes this Agreement and agrees to be bound by the terms and condition hereof, subject to the limitations set forth in section 24 hereof.

LENDER requests that it be provided with copies of all notices mailed to LANDOWNER pursuant to the terms of this Agreement and that said copies be addressed as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Dated: \_\_\_\_\_, 20[ ]

LENDER: \_\_\_\_\_  
Signature

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

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

**(ATTACH APPROPRIATE ACKNOWLEDGMENT)**

## **EXHIBIT A**

### **DESCRIPTION OF LANDOWNER'S PROPERTY**

**SEE ATTACHED**

NOTE: UPON RECORDATION OF FINAL MASTER PARCEL MAP, THIS EXHIBIT A WILL BE REPLACED BY THE SAID MAP, WITHOUT NEED FOR AMENDMENT OF THIS AGREEMENT.

## Exhibit A: Description of Landowner's Property

All that real property situate in the County of Sacramento, State of California, described as follows:

LOT 92 AND THE NORTH ONE-HALF OF LOT 91, AS SHOWN ON THE "PLAT OF NATOMAS CENTRAL SUBDIVISION", RECORDED IN BOOK 16 OF MAPS, MAP NO.3, RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING AS DESCRIBED AS FOLLOWS:

BEGINNING AT THE BOLT SET IN A CONCRETE MONUMENT MARKING THE CORNER COMMON TO SECTIONS 32, 33, 5, AND 4, TOWNSHIP 9 AND 10 NORTH, RANGE 4 EAST, M.D.M., AND ALSO MARKING THE NORTHWEST CORNER OF SAID LOT 92 (FROM WHICH MONUMENT THE 2 1/2 INCH IRON PIPE IN A CONCRETE MONUMENT MARKING THE CORNER COMMON TO SECTIONS 33, 34, 4, AND 3, TOWNSHIP 9 AND 10 NORTH, RANGE 4 EAST, M.D.M., BEARS NORTH 89° 39' 26" EAST 5185.64 FEET); THENCE FROM SAID POINT OF BEGINNING ALONG THE WESTERLY LINE OF SAID LOTS 92 AND 91 SOUTH 00° 25' 08" EAST 953.18 FEET; THENCE LEAVING SAID WESTERLY LINE NORTH 89° 45' 00" EAST 16.75 FEET; THENCE NORTH 7° 44' 11" EAST 100.98 FEET; THENCE NORTH 67° 08' 44" EAST 52.00 FEET; THENCE NORTH 89° 46' 00" EAST 78.00 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIUS OF 230.00 FEET, THROUGH AN ANGLE OF 90° 00' 00" AN ARCH LENGTH OF 361.28 FEET (THE CHORD OF WHICH CURVE BEARS NORTH 44° 46' 00" EAST 325.27 FEET); THENCE NORTH 0° 14' 00" WEST 399.00 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 170.00 FEET, THROUGH AN ANGLE OF 90° 00' 00" AN ARCH LENGTH OF 267.04 FEET (THE CHORD OF WHICH CURVE BEARS NORTH 44° 46' 00" EAST 240.42 FEET TO A POINT DISTANT SOUTH 0° 14' 00" EAST 181.00 FEET FROM ENGINEER'S STATION "C" 334-00.00 OF THE DEPARTMENT OF PUBLIC WORKS' 1961 SURVEY FROM EL CENTRO BOULEVARD TO SACRAMENTO RIVER NEAR ELKHORN, STATE HIGHWAY III-SAC-236-C (NOW 03-SAC-5); THENCE NORTH 89° 46' 00" EAST 1,100.74 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 89° 40' 59" EAST ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 2,370.00 FEET, THROUGH AN ANGLE OF 13° 48' 12", AN ARCH LENGTH OF 570.97 FEET (THE CHORD OF WHICH CURVE BEARS SOUTH 83° 24' 55" EAST 569.59 FEET) TO A POINT IN THE EASTERLY LINE OF SAID LOT 92; THENCE ALONG SAID EASTERLY LINE NORTH 0° 32' 57" WEST 106.05 FEET TO THE NORTHEAST CORNER OF SAID LOT 92; THENCE ALONG THE NORTH LINE OF SAID LOT 92, SOUTH 89° 39' 26" WEST 2,225.56 FEET TO THE SAID POINT OF BEGINNING OF THE LANDS HEREIN DESCRIBED, AS CONVEYED TO THE STATE OF CALIFORNIA BY DEEDS RECORDED SEPTEMBER 20, 1965, IN BOOK 5331, PAGE 124 OF OFFICIAL RECORDS.

APN: 225-0030-023-0000

## **EXHIBIT B**

### **LANDOWNER'S DEVELOPMENT PLAN**

**SEE ATTACHED**

DRAFT

## EXHIBIT C

### SPECIAL CONDITIONS

#### I. PURPOSE AND INTENT

The definitions applicable to the body of the Agreement shall apply to this Exhibit C.

In order to achieve its objectives, and in order to obtain from each LANDOWNER and developer, all required contributions, fees, land transfers, agreements, and other mechanisms required to implement its terms, the NNCP provides that all rezoning and development shall occur through the planned unit development process. Development agreements should be entered into with LANDOWNERS whenever feasible under the circumstances.

Under no circumstances can development of the Property proceed without satisfaction of the conditions specified in this exhibit. These Special Conditions shall constitute binding and legally enforceable obligations of LANDOWNER and its successors and assigns, and binding and legally enforceable requirements and conditions for the development of the Property, in addition to other obligations, requirements and conditions imposed during the rezoning, special permit, subdivision map and other land use entitlement processes.

#### II. LANDOWNERS' OBLIGATIONS

##### A. Mitigation Monitoring; Habitat Conservation Plan.

1. **Mitigation Monitoring.** When required in order to obtain entitlements, LANDOWNER shall execute a mitigation monitoring agreement, and such other agreements as may be necessary in CITY's judgment in order to implement any mitigation measure relating to the Project and any mitigation monitoring plans applicable to the Property, and shall fully cooperate with CITY in implementing any mitigation monitoring plan adopted as part of the approval process for development of the Property.
2. **Habitat Conservation Plan.**
  - a. Consistent with the Habitat Conservation Plan adopted by CITY, where applicable, LANDOWNER shall be obligated to undertake and exercise one of the following options:
    - (i) participate in that Plan by payment of the fees applicable to LANDOWNER and/or the Property or provide required proportionate land dedications, at the time specified in the Plan for payment of fees or dedication of required proportionate lands; or

- (ii) obtain and present to CITY a duly issued, executed and effective incidental take permit issued by federal and state agencies charged with implementation of the provisions of federal and state Endangered Species Acts, which would allow development of the Property; or
- (iii) obtain and present to CITY a duly issued, executed, and effective form of document from said federal and state agencies that development of the Property may proceed without the need for an incidental take permit; or
- (iv) participate in such other plan or program which has been approved by said federal and state agencies; or
- (v) take any other action required by CITY in its sole discretion, relating to satisfaction of all applicable laws, including but not limited to CEQA and the federal and state Endangered Species Acts, where none of the provisions of subsections (i), (ii), (iii) or (iv) are applicable.

- b. The Natomas Basin Habitat Conservation Plan Fee is payable by Landowner at the time of and as a condition of issuance of a grading or building permit. This obligation may also be met by land dedication and payment of a reduced fee, as established under the NBHCP. The current fee without land dedication is, at the time of execution of this Agreement, the sum of **\$47,031 per acre** of the Property subject to the grading or building permit. In addition to the payment of that sum, Landowner shall be subject to the provisions of any "catch-up fee" ordinance, resolution, rule or regulation in effect at the time of issuance of the grading or building permit. The requirement specified in this subsection 2b shall be included in each entitlement issued with respect to the Property. Landowner understands and agrees that the provisions of Government Code sections 66000 through 66025, as those sections are amended, renumbered or reconstituted, shall not apply to the fees covered by this subsection 2b.

B. **Agreements with Other Agencies.** As required by CITY, LANDOWNER shall enter into agreements with other affected agencies, including but not limited to:

- 1. Appropriate sanitation districts, including but not limited to SacSewer, for provision of facilities, payment of fees and charges, and payment (if applicable) of any proportionate share of penalties imposed by the Environmental Protection Agency; and
- 2. Reclamation District 1000, if an agreement is in fact required.

- C. **Airport South Industrial North Natomas (ASINN) Fee** In addition to the Airport South Industrial (ASI) Fee, which funds backbone infrastructure, public land acquisition, and specific plan entitlement costs, the ASI Finance Plan will also include an “ASINN Fee.” This fee will contribute to various regional and city-wide funds, as detailed below. Per-acre contributions will be included in the adopted ASI Finance Plan, which will specify each component of the ASINN Fee. The fee components listed below correspond to specific fees in the North Natomas Finance Plan and will be adjusted on July 1 of each calendar year by the percentage change in the average of the Engineering-News Record’s San Francisco and 20-Cities Construction Cost Indices (CCIs) for the 12-month period ending in March of the current year unless this percentage change is negative, in which case the fees will be kept at the same level.

1. Fee Components

- a. **ASINN Transit Fee.** The ASINN Transit Fee, set at \$1,571 per net acre for the year ending June 30, 2026, shall contribute to transit facilities and programs in a manner determined at the discretion of the City of Sacramento.
- b. **ASINN Fire Facilities Fee.** The ASSINN Fire Facilities Fee, set at \$5,666 per net acre for the year ending June 30, 2026, shall contribute toward the fire facilities and equipment in a manner determined at the discretion of the City of Sacramento.

D. **Transportation Infrastructure Requirements and Phasing**

- 1. A Local Transportation Analysis dated January 30, 2024 and a Fair Share Memorandum dated June 19, 2024 was prepared by DKS Associates. The project’s traffic improvements phasing and fair share analysis memorandum was based on a conceptual buildout scenario that included 3-phases of buildout as identified below:
  - a. Phase 1
    - (i) Highway Commercial Parcels 6A, 6B, and 6C (west of Metro Air Parkway)
    - (ii) Industrial Parcel 1 (west of Metro Air Parkway, north of Airport South Industrial Drive)
  - b. Phase 2
    - (i) Highway Commercial Parcels 7A, 7B, and 7C (east of Metro Air Parkway)
    - (ii) Industrial Parcel 2 (west of Metro Air Parkway, south of Airport South Industrial Drive)
  - c. Phase 3

- (i) Remainder of development
- 2. Phase 1 Improvements – Prior to issuance of any building permits within Phase 1, the following improvements shall be designed and constructed by the Landowner:
  - a. Onsite Transportation System
    - (i) The landowner shall construct the extension of Metro Air Parkway from I-5 interchange to Airport South Industrial Drive to the satisfaction of Public Works
    - (ii) Prior to Improvement Plan submittal to the City, the landowner shall provide a Traffic Signal Design Concept Report (DCR) at the intersection of Metro Air Parkway and Highway Commercial Driveways for review and approval by the City of Sacramento. The DCR shall specifically address any needed signal and intersection phasing and transitions for Metro Air Parkway and other improvements to the satisfaction of the Department of Public Works.
    - (iii) Abandon South Bayou Way from Power Line Road to Metro Air Parkway.
    - (iv) Construct Airport South Industrial Drive from Power Line Road to Metro Air Parkway to the satisfaction of Public Works.
    - (v) Construct a traffic signal at the intersection of Metro Air Parkway and the Highway Commercial driveways in accordance with the approved DCR.
    - (vi) Realign South Bayou Way east of Metro Air Parkway as needed to intersect with Metro Air Parkway as the fourth leg of the newly constructed signalized intersection.
  - b. Offsite Improvements
    - (i) Off-site Improvements shall include construction of a SB left turn lane on Power Line Road at the intersection of Airport South Industrial Drive.
- 3. Future Phased Improvements -Prior to issuance of any building permits within Phase 2 or 3, the Landowner shall:
  - a. Provide an executed agreement with Landowner, City of Sacramento, County of Sacramento, and Caltrans that outlines funding responsibilities and construction commitments for the final stage configuration of the Metro Air Parkway / I-5 Interchange, including improvements directly attributable to the ASI Project per the traffic analysis prepared by DKS Associates dated January 30, 2024.
  - b. Demonstrate that traffic safety and operational conditions at the Metro Air Parkway/I-5 Interchange remain acceptable, based on ongoing monitoring of queuing lengths and intersection Level of Service in accordance with Caltrans requirements.



- c. Demonstrate that the required on-site transportation improvements are designed and constructed to the satisfaction of Public Works, and in accordance with the City of Sacramento Design and Procedures Manual.
- 4. If the Landowner cannot satisfy the City with all of the said requirements within Item 3 of these Special Conditions, the Landowner shall provide the following prior to issuance of any building permits within Phase 2 or 3:
  - a. The Landowner shall coordinate with the City, County and Caltrans to modify the ultimate geometric plans for the Metro Air Parkway and I-5 interchange to add the additional westbound left turn at the northbound offramp of the interchange. This shall include updates to all interchange documentation and construction of the additional westbound left turn lane at the northbound offramp of the interchange depending on the timing and construction of the ultimate Metro Air Parkway interchange.
  - b. Contribute fair share funding per intersection towards signal retiming of the intersections listed below:
    - (i) Metro Air Parkway and I-5 northbound ramps
    - (ii) Metro Air Parkway and I-5 southbound ramps
    - (iii) Del Paso Road and El Centro Road
    - (iv) Del Paso Road and East Commerce Way
    - (v) West Elkhorn Blvd and Metro Air Parkway
  - c. Extend the southbound right turn pocket at Metro Air Parkway and I-5 Southbound Ramps. (interim design).
  - d. Construct a northbound left turn lane at the intersection of Metro Air Parkway and I-5 Southbound Ramps. (interim design).
  - e. Extend the northbound left turn lane at Metro Air Parkway and I-5 Northbound ramps intersection. (interim design).
- 5. In the event that future overall site development is proposed in a different phasing order than the Landowner has proposed above, a new traffic improvements phasing and fair share analysis shall be prepared at the landowner's expense to determine needed improvements for subsequent phases to the satisfaction of the City of Sacramento.
- 6. Prior to the issuance of any building permits in Phase 2 or 3, the Landowner may request that the City initiate and prepare a new focused Phasing and Fair Share Local Transportation Analysis, at Landowner's expense utilizing the City's On-Call traffic consultants, to examine the timing of the design and construction of the ultimate geometry of interchange construction, taking into consideration any new development and changes from the original traffic baseline assumptions. As an alternative, the Landowner may retain a Professional Traffic Engineering Consultant to prepare the focused Phasing and Fair Share Local Transportation Analysis for review by the City Public Works Department in consultation with the City's On-Call traffic consultants at the Landowners' expense. The Landowner is advised to start

early and consider the timelines needed to complete this task. Any recommended improvements as a result of such analysis shall be required from the Landowner and reflected in an Amendment to this Development Agreement.

7. Once the project location is annexed into the city limits, the City of Sacramento will include the proposed development and required citywide-serving transportation improvements in the Airport South Industrial (ASI) project in a future update to the Transportation Development Impact Fee (TDIF) Nexus Study for the TDIF program. Until a new TDIF Nexus Study is completed and approved, the City will reserve any TDIF fees collected from development in the ASI and will not allocate the fees to any improvement identified in the existing TDIF program. When an updated TDIF Nexus Study is adopted, the City will provide reimbursements and/or credits for transportation development impact fees in the ASI development as identified in an updated TDIF Nexus Study.

### **III. CONDITIONS OF DEVELOPMENT; SPECIAL FINDINGS REQUIRED**

- A. In addition to other findings and conditions as may be deemed applicable, no special permit, subdivision map or other land use entitlement for the Property shall be approved unless the approving body either: (1) makes the following findings; or (2) expressly waives such findings, in whole or in part, as not applicable to the Property and stating the reasons therefor with such waiver and the reasons therefor appear in the record or document of approval. These findings are:
  1. The approval of the proposed project is consistent with the policies, goals, standards and objectives of the NNCP and other relevant factors and circumstances, including but not limited to:
    - a. The adequacy of the required Infrastructure needed to support the project planned for the Property;
    - b. The extent of participation required of LANDOWNER under the ASI Finance Plan has been secured;
    - c. The extent to which LANDOWNER has complied with the provisions of the Policy.
  2. The ASI Finance Plan has been adopted by the City Council.
  3. All transfers of land, owned by or under the control of LANDOWNER, which are necessary for public purposes, have been transferred to CITY or to the appropriate public agency. For this purpose, a transfer will be deemed to occur upon delivery to CITY of an Irrevocable Offer of Dedication in form and manner approved by the City

Department of Public Works and the City Attorney. These dedications include, but are not limited to streets, utilities, drainage facilities and public transit.

5. LANDOWNER has entered into all agreements required pursuant to sections IIA, IIB, and II.C above.
  6. Appropriate environmental review of the proposed project has been completed, and any suggested mitigation measures resulting therefrom have been included in the approval of the project to the extent feasible.
- B. In the event that any of the special findings required herein cannot be made and are not waived, approval may nevertheless be given to the proposed project if all of the following conditions can be satisfied with respect to each such special finding not made:
1. Practicable and feasible requirements or mitigation measures can be imposed upon the project, the implementation of which would allow such special finding to be made;
  2. The applicant has agreed to be bound (through written agreement satisfactory to the City Attorney) by and to implement such requirements or mitigation measures, and has posted such security for compliance therewith as may be required by the City Manager; and
  3. It is in the public interest and consistent with the policies, goals, standards and objectives of the Community Plan for the project to be approved with such requirements and mitigation measures.

## EXHIBIT D

### ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein “this Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20[ ], by and between \_\_\_\_\_ (herein “LANDOWNER”) and \_\_\_\_\_ (herein “ASSIGNEE”).

#### RECITALS

- A. LANDOWNER has entered into a Development Agreement (herein “the Development Agreement”) dated \_\_\_\_\_, with the City of Sacramento, pursuant to which LANDOWNER agreed to develop certain property more particularly described in the Development Agreement (herein “the Property”) in the North Natomas Community Plan Area subject to certain conditions and obligations set forth in the Development Agreement.
- B. LANDOWNER has assigned its interests under the Development Agreement to ASSIGNEE under a written agreement dated \_\_\_\_\_, as to that portion of the Property identified and incorporated herein by this reference (herein the “Assigned Parcel(s)”).
- C. ASSIGNEE desires to assume all of LANDOWNER’s rights and obligations and other terms and conditions under the Development Agreement with respect to the Assigned Parcel(s).

#### AGREEMENTS

NOW, THEREFORE, LANDOWNER AND ASSIGNEE HEREBY AGREE AS FOLLOWS:

- 1. ASSIGNEE hereby assumes all of the burdens and obligations of LANDOWNER under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both LANDOWNER and ASSIGNEE that, upon the execution of this Agreement, ASSIGNEE shall become substituted for LANDOWNER as the “LANDOWNER” under the Development Agreement with respect to the Assigned Parcel(s).
- 2. ASSIGNEE understands and agrees that this Agreement is subject to section 4 of the Development Agreement. Section 4 reads as follows:

**Assignment.** LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser, assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

4. At the request of the City, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcel(s).
5. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns.
6. ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the Development Agreement, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of the North Natomas Community Plan, the Comprehensive Drainage Plan, the ASI Finance Plan, the RD-1000 Agreement (where applicable), the Habitat Conservation Plan, and all other documents and materials containing or relating to terms and conditions of development in the NNCP area; (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other financial

mechanisms and obligations inherent in such documents and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of obligations and requirements, and be bound by all of the provisions of such documents and materials.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

By: \_\_\_\_\_  
"ASSIGNEE"

## **EXHIBIT E**

### **AIRPORT SOUTH INDUSTRIAL FINANCE PLAN**

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## EXHIBIT F

### Protest Waiver Provisions Agreed to by LANDOWNER

LANDOWNER understands and agrees that financing of the Infrastructure, public improvements and facilities and other programs required under the NNCP will be accomplished through a variety of financing mechanisms, including but not limited to a combination of special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts) and developer fees, all of which mechanisms are designed to spread the cost of those items in accordance with benefit and other methodologies. LANDOWNER further understands and agrees that an important component of this Agreement is LANDOWNER's advance consent to the formation of, or implementation of any such district or imposition of any such fee, and LANDOWNER's agreement not to protest or contest such formation, implementation or fee imposition.

Accordingly, LANDOWNER agrees for itself, its constituents, successors and assigns that it fully, finally and forever waives and relinquishes any right it may have to protest or contest the formation or implementation of any special assessment or tax district or any similar form of financing mechanism, or any combination thereof, together with any rights it may have to contest the imposition of any developer fee established or imposed pursuant to the ASI Finance Plan. Nothing in this Agreement, however, shall prevent LANDOWNER from presenting CITY any information or opinions regarding any financing mechanism CITY may from time to time consider establishing or imposing, which information or opinions relate to the dollar amount of any fees, assessments, taxes or other charges imposed by CITY pursuant to the ASI Finance Plan, or which information or opinions relate to the question of consistency of the financing mechanism with the ASI Finance Plan. If a financing mechanism is proposed for adoption by CITY, which mechanism both: (i) directly and significantly conflicts with the language and the intent of the ASI Finance Plan, as amended; and (ii) directly and significantly conflicts with the ASI Nexus Study adopted by the City Council in connection with establishment of development fees for the ASI Finance Plan Area, LANDOWNER shall have the right to protest only the actual amount of the directly and significantly conflicting proposed fee, charge, special tax, or assessment proposed to be levied, charged, assessed or taxed against the Property by virtue of the proposed financing mechanism. Provided, however, that LANDOWNER's said right to protest, together with any right to object, shall be waived unless LANDOWNER's protest of objection is made at or before the time of the public hearing wherein the proposed financing mechanism, together with the fee, charge, special tax or assessment is established by the City Council. LANDOWNER's right to judicial challenge of any such mechanism, and the fees, charges, assessments or special taxes imposed or to be imposed in connection therewith, shall be limited to review of the decision of the City Council establishing the said mechanism and the said fees, charges, assessments or special taxes; LANDOWNER shall not have the right, in connection with any land use entitlement proceeding with respect to the Property, to judicially challenge the financing mechanism or the fees, charges, assessments or special taxes as applied to the Property, and waives any statutory or common law right to pay such fees, charges, assessment or special taxes under protest. For purposes of this Agreement, "fees, charges, assessments or special taxes" shall include any monetary exaction or payment required to be paid by LANDOWNER by virtue of or relating to development of the Property.



Without limiting the generality of the foregoing, LANDOWNER for itself, its constituents, successors and assignees specifically, as to the Property, agrees to the following which are adopted by the City Council pursuant to the ASI Finance Plan:

- (1) Waives, and hereby grants advance consent to the formation and implementation of any and all special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts), fee districts or other financing mechanisms of a similar nature recommended or established by CITY for the purpose of financing Infrastructure, public improvements and facilities. Without limiting the generality of the foregoing, LANDOWNER specifically waives:
  - (i) the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (division 4 of the Streets and Highways Code, beginning at section 2800), together with associated provisions of the California Constitution;
  - (ii) the provisions of any other statute designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism; and
  - (iii) the provisions of any procedure embodied in the Sacramento City Code designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism.
- (2) Waives, and hereby grants advance consent to the formation and implementation of any and all special fees, exactions, development fees, assessments, taxes or other charges established by CITY for the purpose of financing Infrastructure, public improvements and facilities. Without limiting the generality of the foregoing, LANDOWNER specifically waives:
  - (i) to the extent applicable, those statutory and constitutional provisions specified in paragraph (1) above; and
  - (ii) the provisions of Government Code section 66000 et seq. or any other provision of law providing a procedure for contest or protest of establishment or imposition of special fees, exactions, development fees, assessments, taxes or other charges of a similar nature.
- (3) Agrees to:
  - (i) affirmatively petition CITY, where applicable, for the formation of all special districts and other financing mechanisms that have been or will be in the future selected or recommended by CITY in order to implement the ASI Finance Plan;
  - (ii) execute an irrevocable proxy or proxies when necessary (such as in the formation of, or imposition of taxes relative to, a Mello-Roos Community Facilities District)

authorizing a representative designated by CITY, who will vote in favor of establishing the specific financing mechanism in question; and

- (iii) execute immediately upon presentation any document which is required or convenient for the formation of the district or facilitation of the particular financing mechanism.

LANDOWNER agrees and specifically represents to CITY that it is fully aware of all of its legal rights relative to the waivers, advance consents and other agreements set forth herein, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, LANDOWNER has nevertheless voluntarily entered into this Agreement, of which this Exhibit is a material part. LANDOWNER is aware that CITY is relying on the representations contained in this Exhibit in entering into this Agreement.

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## EXHIBIT G

### IRREVOCABLE OFFER OF DEDICATION FORM

**Recorded for the benefit of the  
City of Sacramento (exempt from  
fees under Gov. Code, § 6103)**

*When recorded return to—*

Development Services Department  
Attn: Jerry Lovato  
300 Richards Blvd., 3<sup>rd</sup> Floor  
Sacramento, CA 95811

### IRREVOCABLE OFFER TO DEDICATE

The undersigned hereby certifies that we are the legal owners of, or are parties having an interest in, the hereinafter-described real property; and the undersigned, for themselves and their heirs, successors, and assigns, do hereby irrevocably offer to dedicate to the City of Sacramento, a municipal corporation, [in fee title] [an easement for public road and public utilities on, under, over, and across] the hereinafter-described real property located in the City of Sacramento, County of Sacramento, State of California, described as follows:

**SEE EXHIBIT “A,” LEGAL DESCRIPTION, AND EXHIBIT “B,” PLAT, ATTACHED HERETO AND MADE A PART HEREOF.**

Reserving, however, unto the undersigned and their heirs, successors, and assigns any and all present lawful uses of the above-described real property until such time as the City Engineer of the City of Sacramento gives written notice that the above-described real property will be improved for public purposes; and it is also hereby understood and agreed by the undersigned and their heirs, successors, and assigns that any improvements hereinafter placed by them in or upon the above-described real property shall be removed without cost or expense to the City of Sacramento. Until such notice is given by the City Engineer, the undersigned and their heirs, successors, and assigns agree to assume full responsibility or liability for any injury or damage to any person or property on the above-described real property or arising out of its use or occupancy by them. It is also hereby understood that all work to be done in or upon the above-described real property shall be done under permit and done in accordance with plans to be furnished by the principal and approved by the City Engineer of the City of Sacramento, and in accordance with the specifications of the City Engineer of the City of Sacramento.

The dedication offered hereunder shall be complete upon its acceptance by the City Engineer of the City of Sacramento.

Witness \_\_\_\_\_ hand this \_\_\_\_\_ day of \_\_\_\_\_, 20[ ]

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

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

(ATTACH NOTARY ACKNOWLEDGMENT)

## **EXHIBIT H**

### **MAP AND CATEGORICAL LISTING OF LAND AND INFRASTRUCTURE**

**SEE ATTACHED**

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