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Tommy Gong
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FIRST ADMINISTRATIVE AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST ADMINISTRATIVE AMENDMENT TO DEVELOPMENT AGREEMENT (the "First Administrative Amendment") is made in San Luis Obispo County, California as of February 17, 2021, by and between the City of San Luis Obispo, a California general law city ("City"), and MI San Luis Ranch LLC ("SLR"). The City and SLR may be referred to herein as a "Party" or, collectively, as the "Parties."

RECITALS

A. The City and SLR entered into that certain Development Agreement dated on or about September 18, 2018 (the "Development Agreement"), which was recorded against certain real property located within the City as described in the Development Agreement (the "Property") as Instrument No. 2018039139 in the San Luis Obispo Recorder's Office. All terms not specifically defined in this First Administrative Amendment shall have the meanings ascribed to them in the Development Agreement.

B. Section 9.04 of the Development Agreement provides that minor modifications to any Project Approval may be approved by the Planning Director through an Administrative Amendment where such amendments or modifications are both minor and substantially conform to the material terms of the Development Agreement.

C. In addition, Section 9.03 of the Development Agreement provides that because the implementation of the Project requires a close degree of cooperation between the Parties certain refinements and clarifications may be appropriate to facilitate the proposed development and that when the Parties agree that such clarifications are necessary or appropriate, the Parties may effect such clarifications through operating memoranda approved by the Parties. The Parties entered into two prior Operating Memoranda setting forth clarifications to the Project Approvals.

D. The Parties desire to enter into this Administrative Amendment to set forth the Parties' understanding and agreement with regard to changes in the location and quantity of affordable housing units within the Project, as approved by the Planning Commission (Resolution #PC-1006-20) and City Council (Resolution #11192), which changes the Planning Director has determined are minor and substantially conform to the material terms of the

Development Agreement and the Applicable Law and are appropriate to be memorialized in an Administrative Amendment.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into the operative provisions of this First Administrative Amendment by this reference and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the City and the SLR agree as follows:

Section 1. Affordable Housing Development:

(a) As of the date of this First Administrative Amendment, SLR has caused the Final Map for Tract 3150 (NG-30) to be recorded as Instrument No. 2020064761 in the San Luis Obispo Recorder's Office, and the City has approved a re-subdivision of VTTM Lot 7 as Tentative Tract Map 3142 ("TTM 3142").

(b) Tract 3150 Obligations. As described in the prior Operating Memoranda, with the approval of TTM 3142, the obligation to develop 26 very-low income units within Tract 3150 has been transferred to TTM 3142. The 26 units within Tract 3150 previously contemplated as affordable units may now be offered as market rate units. Tract 3150 shall continue to include 10 workforce housing units, as follows: (1) 6 efficiency units, of which two shall be ready for occupancy prior to the completion of the 60th unit (in building #3), one shall be included in each of building #4, building #5, and building #6; (2) 2 units in the stacked flat units, of which one will be ready for occupancy prior to the completion of the 48th unit (in building #4) and the second in the last building; and (3) 2 units in the townhome units, of which one will be ready for occupancy prior to completion of the 60th unit and the last by completion of the 75th unit.

(c) Tract 3142 Obligations. Tract 3142 shall contain a minimum of 64 affordable housing units with a mix of affordability at both the low- and very low-income levels. The timing and other development requirements shall be as set forth in an Affordable Housing Regulatory Agreement, which the Parties shall negotiate in good faith prior to recordation of the Final Map for Tract 3142. As set forth in Operating Memorandum Number 2, SLR agrees that it will transfer the Affordable Lot to the Affordable Developer subject to a deed restriction consistent with Operating Memorandum Number 2 and the Project Approvals. The Affordable Housing Regulatory Agreement will include a performance schedule for the Affordable Developer and limitations on the amount of commercial square footage that can be occupied within Tract 3142 prior to securing of financing for such affordable housing units.

Section 2. Miscellaneous Provisions.

(a) Entire Agreement. Except for the Development Agreement which this First Administrative Amendment amends, and the prior Operating Memoranda, this First Administrative Amendment represents the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties with respect to the matters contained in this First Administrative Amendment.

(b) Section Headings. The section headings contained in this First Administrative Amendment are for convenience and identification only and may not be deemed to limit or define the contents to which they relate.

(c) Counterparts. This First Administrative Amendment may be executed in any number of counterparts, each of which will have the same force and effect as if executed in the form of an original single document.

(d) Waiver. No waiver of any provision of this First Administrative Amendment will be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought.

(e) Severability. If any term, covenant, condition or provision of this First Administrative Amendment, or the application thereof to any person or circumstance, is held by a court of competent jurisdiction or rendered by the adoption of a statute by the State of California or the United States invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this First Administrative Amendment, or the application thereof to any person or circumstance, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby; provided that the invalidity or unenforceability of such provision does not adversely affect the benefits accruing to, or the obligations imposed upon, any Party to this First Administrative Amendment of the Development Agreement.

(f) No Reliance on Other Parties. All Parties to this First Administrative Amendment declare that, prior to the execution of this First Administrative Amendment, they have informed themselves of sufficient relevant data, either through experts or other sources of their own selection, and have sought and obtained legal counsel, in order that they might intelligently exercise their own judgment in evaluating the contents of this First Administrative Amendment and making the decision to execute it. The Parties each represent and acknowledge that in executing this First Administrative Amendment, they do not rely and have not relied upon any representation or statement not set forth herein made by any other Party to this First Administrative Amendment or their respective legal counsel with regard to the subject matter, basis or effect of this First Administrative Amendment.

(g) Construction. The provisions of this First Administrative Amendment will be liberally construed to effectuate its purpose. The language of this First Administrative Amendment will be construed according to its plain meaning and may not be construed for or against any Party, as each Party has participated in the drafting of this First Administrative Amendment and has had its legal counsel review it. Whenever the context and construction so require, all words used in the singular will be deemed to be used in the plural and vice versa.

(h) Successors and Assigns. This First Administrative Amendment and the Development Agreement that it amends are binding on and inure to the benefit of the Parties and their respective legal representatives, successors and assigns.

(i) Governing Law. The validity and interpretation of this First Administrative Amendment is governed by the laws of the State of California without giving effect to the principles of conflict of laws.

(j) Authorizations. Each Party certifies and warrants that all individuals executing this First Administrative Amendment and other related documents on its behalf have the capacity and have been duly authorized to do so.

(m) Impact of First Administrative Amendment on Development Agreement. Unless otherwise specifically amended by this First Administrative Amendment, all provisions of the Development Agreement and the Operating Memoranda are hereby ratified and remain in full force.

IN WITNESS WHEREOF, the Parties to this First Administrative Amendment have each executed this First Administrative Amendment as of the date first written above.

CITY:

CITY OF SAN LUIS OBISPO,
a municipal corporation of the State of California

By:



Michael Codron
Community Development Director

DEVELOPER:

MI SAN LUIS RANCH LLC
a Delaware limited liability company

By: MI ENTITLEMENT IV, LLC
a Delaware limited liability company
Its: Sole Member and Manager

By:



Donald R. Faye
Its: Authorized Agent

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

STATE OF CALIFORNIA)

COUNTY OF San Diego)

ss:

On February 17, 2021 before me, Janine Frei
Notary Public (insert name and title of the officer),

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

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

WITNESS my hand and official seal.

Signature: Janine Frei

[Seal]



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

STATE OF CALIFORNIA)

COUNTY OF San Luis Obispo) ss:

On 2/22/21, 2021 before me, R. L. COX
Notary Public (insert name and title of the officer),

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

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

WITNESS my hand and official seal.

Signature: _____

[Seal]

