

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.39
(ID # 21257)

MEETING DATE:
Tuesday, February 28, 2023

FROM : TLMA-PLANNING:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/PLANNING:
ADOPTION OF ORDINANCE NO. 664.96 APPROVING AMENDMENT NO. 1 TO
DEVELOPMENT AGREEMENT NO. 2000008 – Nothing Further Required under CEQA –
Applicant: Sean St. Peter – Third Supervisorial District – Hemet-San Jacinto Zoning District –
Harvest Valley/Winchester Area Plan – Community Development: Commercial Retail (CD:CR) –
Location: east of Cordoba Drive and south of Florida Ave/State Highway 74 – 4 acres – Zoning:
Scenic Highway Commercial (C-P-S) – APN: 465-020-025. District 3. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. **ADOPT** ORDINANCE NO. 664.96, an Ordinance of the County of Riverside Approving Amendment No. 1 to Development Agreement No. 2000008.

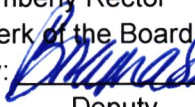
ACTION:Policy


John Hildebrand, Planning Director 2/16/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez and duly carried, IT WAS ORDERED that the above matter is approved as recommended and Ordinance 664.96 is adopted with waiver of the reading.

Ayes: Jeffries, Spiegel, Washington, and Gutierrez
Nays: None
Absent: Perez
Date: February 28, 2023
xc: Planning, COBAB/CF

Kimberly Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: Applicant Fees 100%			Budget Adjustment:	No
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Conditional Use Permit No. 200020 and Development Agreement No. 2000008 were presented to the Board of Supervisors at a public hearing on March 9, 2021. The Board approved the Conditional Use Permit at this hearing, and subsequently adopted Ordinance No. 664.73 on March 23, 2021, thus approving the Development Agreement.

With this current Project, the applicant requests an amendment to the approved Development Agreement – DA2000008 – regarding the Public Benefit Agreement. More specifically, Paragraph 4.2.1. of the adopted document entitled “Annual Public Benefit Base Payments” and Paragraph 4.3 entitled “Annual Additional Public Benefits.” These sections indicate that the entirety of the annual and additional annual public benefits be paid prior to the “first grading permit or the first building permit.” The applicant is requesting that this section be revised to instead state that the entirety of the annual Public Benefit be paid as a “final condition prior to occupancy.” The Development Agreement also includes a new provision that states the project applicant must make substantial progress towards obtaining a building permit within two years of the final approval of the conditional use permit, identified as Section 3.3.1 of the Development Agreement.

A public hearing on the Project was held with the Board of Supervisors on February 7, 2023, and was approved by a vote of 5-0, subject to the subsequent adoption of Ordinance No. 664.96 to approve the amendment to DA2000008.

Pursuant to State law, a development agreement is a legislative act that must be approved by ordinance. Adoption of Ordinance No. 664.96 will approve Amendment No. 1 to Development Agreement No. 2000008, consistent with the Board’s action on February 7, 2023, and Government Code section 65867.5.

Impact on Citizens and Businesses:

The proposed project was previously determined to be categorically exempt under CEQA, which means that it belongs to a class of projects that have been determined to not have a significant effect on the environment. As detailed in the Planning Commission Staff Report, the original project was deemed to be exempt under CEQA and no exceptions pursuant to State CEQA

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Guidelines section 15300.2 were found to apply. As these changes to the Development Agreement would not change any of those prior findings, no further findings under CEQA are required. Accordingly, there will be no impacts on residents or businesses.

ATTACHMENTS:

- A. Ordinance No. 664.96 Approving Amendment No. 1 to Development Agreement No. 2000008
- B. Amendment No. 1 to Development Agreement No. 2000008



Jason Farin, Principal Management Analyst 2/22/2023



Aaron Gettis, Deputy County Counsel 2/16/2023

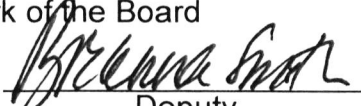
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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) ss

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said county held on February 28 , 2023, the foregoing ordinance consisting of 3 Sections was adopted by the following vote:

AYES: Jeffries, Spiegel, Washington, and Gutierrez
NAYS: None
ABSENT: Perez

DATE: February 28 , 2023

KIMBERLY A. RECTOR
Clerk of the Board
BY: 
Deputy

SEAL

2023-0094010

04/03/2023 09:18 AM Fee: \$ 0.00

Page 1 of 50

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



Recorded at request of
Clerk, Board of Supervisors
County of Riverside

460

When recorded return to
Assistant TLMA Director – Planning and Land Use
4080 Lemon Street, 12th Floor
Riverside, CA 92501

AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT NO. 2000008

A DEVELOPMENT AGREEMENT BETWEEN

COUNTY OF RIVERSIDE

AND

QUANTUM REAL ESTATE, LLC

SEAN ST. PETER

TARA ST. PETER

FEB 28 2023 3.39

TABLE OF CONTENTS

RECITALS	1
COVENANTS	2
1. DEFINITIONS AND EXHIBITS	3
1.1 Definitions	3
1.1.1 “Agreement”	3
1.1.2 “Base Rate”	3
1.1.3 “Commercial Cannabis Activity”	3
1.1.4 “Conditional Use Permit”	3
1.1.5 “COUNTY”	3
1.1.6 “Development”	3
1.1.7 “Development Approvals”	3
1.1.8 “Development Exaction”	4
1.1.9 “Development Plan”	4
1.1.10 “Effective Date”	4
1.1.11 “Existing Development Approvals”	4
1.1.12 “Existing Land Use Regulations”	4
1.1.13 “Land Use Regulations”	4
1.1.14 “Mortgagee”	4
1.1.15 “OWNER”	5
1.1.16 “Project”	5
1.1.17 “Property”	5

1.1.18	“Reservations of Authority”	5
1.1.19	“Subsequent Development Approvals”	5
1.1.20	“Subsequent Land Use Regulations”	5
1.1.21	“Transfer”	5
1.2	Exhibits	5
2.	GENERAL PROVISIONS	6
2.1	Binding Effect of Agreement	6
2.2	Ownership of Property	6
2.3	Term	6
2.4	Transfer	6
2.4.1	Right to Transfer	6
2.4.2	Release of Transferring Owner.....	7
2.4.3	Subsequent Transfer	7
2.5	Amendment or Cancellation of Agreement	7
2.6	Termination	7
2.7	Notices	8
3.	DEVELOPMENT OF THE PROPERTY	9
3.1	Rights to Develop	9
3.2	Effect of Agreement on Land Use Regulations	10
3.3	Timing of Development	10
3.3.1	Timing Related to Building Permit.....	10
3.4	Changes and Amendments	10
3.5	Reservations of Authority	11

3.5.1	Limitations, Reservations and Exceptions	11
3.5.2	Subsequent Development Approvals	12
3.5.3	Modification or Suspension by State or Federal Law	12
3.5.4	Intent	12
3.5.5	Application of State and Local Regulatory Laws Governing Commercial Cannabis Activities	12
3.6	Public Works	13
3.7	Provision of Real Property Interests by COUNTY	13
3.8	Regulation by Other Public Agencies	13
3.9	Tentative Tract Map Extension	13
3.10	Vesting Tentative Maps	13
4.	PUBLIC BENEFITS	14
4.1	Intent	14
4.2	Public Benefits for Commercial Cannabis Activities	14
4.2.1	Annual Public Benefit Base Payments	14
4.2.2	Subsequent Annual Base Payments	14
4.3	Annual Additional Public Benefits	14
4.3.1	Subsequent Annual Additional Public Benefits	14
4.4	Taxes	15
4.5	Assessments	15
4.6	New Taxes	15
4.7	Vote on Future Assessments and Fees	15
5.	FINANCING OF PUBLIC IMPROVEMENTS	15

6.	REVIEW FOR COMPLIANCE	16
6.1	Annual Review	16
6.2	Special Review	16
6.3	Property Inspection	16
6.4	Records Inspection	16
6.5	Procedure	16
6.6	Proceedings Upon Modification or Termination	17
6.7	Hearing on Modification or Termination	17
6.8	Certificate of Agreement Compliance	17
7.	INCORPORATION AND ANNEXATION	18
7.1	Intent	18
7.2	Incorporation	18
7.3	Annexation	18
8.	DEFAULT AND REMEDIES	18
8.1	Remedies in General	18
8.2	Specific Performance	19
8.3	General Release	19
8.4	Termination or Modification of Agreement for Default of OWNER	19
8.5	Termination of Agreement for Default of COUNTY	20
8.6	Attorneys' Fees	20
9.	THIRD PARTY LITIGATION	20
9.1	General Plan Litigation	20
9.2	Third Party Litigation Concerning Agreement	20

9.3	Indemnity	21
9.4	Environment Assurances	21
9.5	Reservation of Rights	21
9.6	Survival	21
10.	MORTGAGEE PROTECTION	21
11.	MISCELLANEOUS PROVISIONS	22
11.1	Recordation of Agreement	22
11.2	Entire Agreement	23
11.3	Severability	23
11.4	Interpretation and Governing Law	23
11.5	Section Headings	23
11.6	Gender and Number	23
11.7	Joint and Several Obligations	23
11.8	Time of Essence	23
11.9	Waiver	23
11.10	No Third Party Beneficiaries	23
11.11	Force Majeure	24
11.12	Mutual Covenants	24
11.13	Successors in Interest	24
11.14	Counterparts	24
11.15	Jurisdiction and Venue	24
11.16	Project as a Private Undertaking	24
11.17	Further Actions and Instruments	24

11.18	Eminent Domain	25
11.19	Agent for Service of Process	25
11.20	Designation of COUNTY Officials	25
11.21	Authority to Execute	25
SIGNATURES		26
Exhibits	28
	Exhibit "A" - Legal Description of the Property.	
	Exhibit "B" - Map of Property and Its Location.	
	Exhibit "C" - Existing Development Approvals.	
	Exhibit "D" - Existing Land Use Regulations.	
	Exhibit "E" – Commercial Cannabis Activity Site Plan and Description.	
	Exhibit "F" – Applicable Public Base Benefits Payments.	
	Exhibit "G" – Cannabis Area Calculation Exhibit.	
	Exhibit "H" – Commercial Cannabis Activity Public Benefit.	

AMENDMENT NO. 1

DEVELOPMENT AGREEMENT NO. 2000008

This Development Agreement (hereinafter "Agreement") is entered into effective on the date it is recorded with the Riverside County Recorder (hereinafter the "Effective Date") by and among the COUNTY OF RIVERSIDE (hereinafter "COUNTY"), and the persons and entities listed below (hereinafter "OWNER"):

Sean St. Peter
Tara St. Peter
Quantum Real Estate, LLC

RECITALS

WHEREAS, COUNTY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Article 11, Section 7 of the California Constitution and Section 65864, et seq. of the Government Code; and,

WHEREAS, COUNTY has adopted Procedures and Requirements of the County of Riverside for the Consideration of Development Agreements (hereinafter "Procedures and Requirements"), pursuant to Section 65865 of the Government Code; and,

WHEREAS, OWNER has requested COUNTY to enter into a development agreement and proceedings have been taken in accordance with the Procedures and Requirements of COUNTY; and,

WHEREAS, by electing to enter into this Agreement, COUNTY shall bind future Boards of Supervisors of COUNTY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of COUNTY; and,

WHEREAS, the terms and conditions of this Agreement have undergone extensive review by COUNTY and the Board of Supervisors and have been found to be fair, just and reasonable; and,

WHEREAS, the best interests of the citizens of Riverside County and the public health, safety and welfare will be served by entering into this Agreement; and,

WHEREAS, all of the procedures of the California Environmental Quality Act (Public Resources Code, Section 21000 et seq.) have been met with respect to the Project and the Agreement; and,

WHEREAS, this Agreement and the Project are consistent with the Riverside County General Plan and any specific plan applicable thereto; and,

WHEREAS, all actions taken and approvals given by COUNTY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and,

WHEREAS, this Agreement will confer substantial private benefits on OWNER by granting vested rights to develop the Property in accordance with the provisions of this Agreement; and,

WHEREAS, OWNER proposes to develop the Property to be used for the Commercial Cannabis Activity described in Exhibit E (“the Development Plan”); and,

WHEREAS, Riverside County Ordinance 348.4898 (hereafter “Ordinance 348.4898”) establishes a regulatory permitting process for Commercial Cannabis Activities and prohibits all Commercial Cannabis Activities in all land use zones without the benefit of a land use permit issued by the COUNTY; and,

WHEREAS, Board of Supervisors Policy No. B-9 further sets forth provisions to be included in development agreements in order to implement applicable General Plan provisions, to ensure that the County does not disproportionately bear the burden of commercial cannabis activities throughout the County, to ensure the County receives public benefits for the commercial cannabis activities, to ensure there are adequate resources available for enforcement of permitted and unpermitted commercial cannabis activities, and to give cannabis owners and property owners certainty as to the County’s requirements; and,

WHEREAS, this Agreement complies with the provisions of both Ordinance No. 348.4898 and Board Policy B-9; and,

WHEREAS, this Agreement will eliminate uncertainty in planning and provide for the orderly development of the Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Project, and generally serve the purposes for which development agreements under Sections 65864, et seq. of the Government Code are intended; and,

WHEREAS, OWNER has incurred and will in the future incur substantial costs in order to assure development of the Property in accordance with this Agreement; and,

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the Property in accordance with this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. The following terms when used in this Agreement shall be defined as follows:

1.1.1 "Agreement" means this Development Agreement.

1.1.2 "Base Rate" means the calculated amount set forth in Exhibit "F", and which is payable to COUNTY annually pursuant to Subsections 4.2. 1 and 4.2.2 of this Agreement and increased annually by 2% from and after the date of this agreement.

1.1.3 "Commercial Cannabis Activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and cannabis products as provided for in Ordinance No. 348, as amended through Ordinance No. 348.4898, and any other subsequently adopted zoning ordinance amendment or subsequently adopted zoning ordinance.

1.1.4 "Conditional Use Permit" means the land use permit required by COUNTY to conduct Commercial Cannabis Activities.

1.1.5 "COUNTY" means the County of Riverside, a political subdivision of the State of California.

1.1.6 "Development" means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction or reconstruction of buildings and structures; the tenant improvements of structures, and the installation of landscaping. When authorized by a Subsequent Development Approval as provided by this Agreement, "development" includes the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.7 "Development Approvals" means all permits and other entitlements for use subject to approval or issuance by COUNTY in connection with use of the Property and for development of the Property for Commercial Cannabis Activities including, but not limited to:

- (a) Conditional use permits, and site plans;
- (b) Zoning Amendments;
- (c) General Plan Amendments
- (d) Tentative and final subdivision and parcel maps;
- (e) Grading and building permits;
- (f) Any permits or entitlements necessary from the COUNTY;
- (g) Any easements necessary from COUNTY or any other land owner;

- (h) Specific plans and specific plan amendments;
- (i) Right of Entry agreements

1.1.8 "Development Exaction" means any requirement of the COUNTY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.9 "Development Plan" means the Existing or Proposed Development Approvals and the Existing Land Use Regulations applicable to development of the Property.

1.1.10 "Effective Date" means the date this Agreement is recorded with the County Recorder. Any subsequent amendment to the Agreement will not alter the original Effective Date.

1.1.11 "Existing Development Approvals" means all Development Approvals approved or issued prior to the Effective Date. Existing Development Approvals includes the Development Approvals incorporated herein as Exhibit "C" and all other Development Approvals which are a matter of public record on the Effective Date.

1.1.12 "Existing Land Use Regulations" means all Land Use Regulations in effect on the Effective Date. Existing Land Use Regulations includes the Land Use Regulations incorporated herein as Exhibit "D" and all other Land Use Regulations which are a matter of public record on the Effective Date.

1.1.13 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of COUNTY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings and structures, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the property. "Land Use Regulations" does not include any COUNTY ordinance, resolution, code, rule, regulation or official policy, governing:

- (a) The conduct of businesses, professions, and occupations;
- (b) Taxes and assessments;
- (c) The control and abatement of nuisances;
- (d) The granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;
- (e) The exercise of the power of eminent domain.

1.1.14 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.15 "OWNER" means the owner of the PROPERTY and the persons and entities listed as OWNER on the first page of this Agreement. OWNER shall also include any of the following:

1. A person with an aggregate ownership interest of 20 percent or more in the Commercial Cannabis Activity for which a license or permit is being sought, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity for the Commercial Cannabis Activity.
3. A member of the board of directors of a nonprofit for the Commercial Cannabis Activity.
4. An individual who will be participating in the direction, control, or management of the person applying for a Commercial Cannabis Activity Conditional Use Permit or State license."

1.1.16 "Project" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.1.17 "Property" means the real property described on Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.18 "Reservations of Authority" means the rights and authority excepted from the assurances and rights provided to OWNER under this Agreement and reserved to COUNTY under Section 3.5 of this Agreement.

1.1.19 "Subsequent Development Approvals" means all Development Approvals approved subsequent to the Effective Date in connection with development of the Property.

1.1.20 "Subsequent Land Use Regulations" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement.

1.1.21 "Transfer" means sale, assignment, lease, sublease or any other transfer of a legal or equitable interest in the Property.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Agreement:

- Exhibit "A" - Legal Description of the Property
- Exhibit "B" - Map Showing Property and Its Location
- Exhibit "C" - Existing Development Approvals
- Exhibit "D" - Existing Land Use Regulations

- Exhibit "E" - Commercial Cannabis Activity Site Plan & Description
- Exhibit "F" - Applicable Annual Public Benefits Base Payments
- Exhibit "G" - Commercial Cannabis Area calculation exhibit.
- Exhibit "H" - Additional Public Benefits Exhibit

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. Development of the Property is hereby authorized and shall be carried out only in accordance with the terms of this Agreement.

2.2 Ownership of Property. OWNER represents and covenants that it is the owner of a legal or equitable interest in the Property or a portion thereof.

2.3 Term. This Agreement shall commence on the Effective Date and shall continue for a period of ten years thereafter, unless this term is modified or extended for one additional five year term pursuant to the provisions of this Agreement and so long as the Project is in compliance with all applicable conditions of approval and County ordinances.

2.4 Transfer.

2.4.1 Right to Transfer. Right to Transfer. OWNER shall have the right to transfer the Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410, et seq., or Riverside County Ordinance No. 460) to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement; provided, however, that any such transfer shall include the assignment and assumption of the rights, duties and obligations arising under or from this Agreement and be made in strict compliance with the following conditions precedent:

(a) No transfer of any right or interest under this Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the Property.

(b) Concurrent with any such transfer or within fifteen (15) business days thereafter, OWNER shall notify COUNTY, in writing, of such transfer and shall provide COUNTY with an executed agreement by the transferee, in a form reasonably acceptable to COUNTY, providing therein that the transferee expressly and unconditionally assumes all the duties and obligations of OWNER under this Agreement.

Any transfer not made in strict compliance with the foregoing conditions shall constitute a default by OWNER under this Agreement. Notwithstanding the failure of any transferee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the burdens of this Agreement shall be binding upon such transferee, but the benefits of this Agreement shall not inure to such transferee until and unless such agreement is executed.

2.4.2 Release of Transferring Owner. Notwithstanding any transfer, a transferring OWNER shall continue to be obligated under this Agreement unless such transferring OWNER is given a release in writing by COUNTY, which release shall be provided by COUNTY upon the full satisfaction by such transferring OWNER of the following conditions:

- (a) OWNER no longer has a legal or equitable interest in all or any part of the Property.
- (b) OWNER is not then in default under this Agreement.
- (c) OWNER has provided COUNTY with the notice and executed agreement required under Paragraph (b) of Subsection 2.4.1 above.
- (d) The transferee provides COUNTY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.4.3 Subsequent Transfer. Any subsequent transfer after an initial transfer shall be made only in accordance with and subject to the terms and conditions of this Section.

2.5 Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868. This provision shall not limit any remedy of COUNTY or OWNER as provided by this Agreement.

2.6 Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

- (a) Expiration of the stated term of this Agreement as set forth in Section 2.3.
- (b) Entry of a final judgment by a court of competent jurisdiction setting aside, voiding or annulling the adoption of the ordinance approving this Agreement. For purposes of clarity this termination section excludes entry of a final judgment by a court of competent jurisdiction setting aside, voiding or annulling the adoption of Board of Supervisors' Policy No. B-9.
- (c) The adoption of a referendum measure overriding or repealing the ordinance approving this Agreement.
- (d) OWNER's election to terminate this Agreement. If OWNER elects not to develop all or a portion of the Property as a Commercial Cannabis Activity, OWNER shall provide notice of such election to the COUNTY, such notice by OWNER shall (i) seek to terminate this Agreement as to the portion of the Property that is the subject of such notice of termination; and (ii) shall acknowledge that the Conditional Use Permit (CUP No. 200020) shall be null and void as to the Property that is the subject of such notice of termination. Following receipt of OWNER's notice of election to terminate this Agreement, OWNER and COUNTY shall execute an appropriate instrument in recordable form evidencing such

termination, and shall cause such instrument to be an amendment to this Agreement to be processed in accordance with COUNTY's Procedures and Requirements for the Consideration of Development Agreements set forth in Resolution No. 2020-124.

(e) When OWNER no longer has a legal or equitable interest in the Property or has ceased operations on the Property for a period of ninety (90) consecutive days and no evidence demonstrating continuing and ongoing use of the Property consistent with the approved Conditional Use Permit No. 200020.

(f) Federal Enforcement of the Federal Controlled Substances Act against OWNER or the COUNTY. The parties understand that cannabis is still classified as a Schedule I Drug under the Federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq. In the event there is federal enforcement of the Federal Controlled Substances Act against the COUNTY for the COUNTY's enactment of a comprehensive, regulatory framework for commercial cannabis activities or against OWNER for OWNER's own commercial cannabis activities, this Agreement shall be deemed terminated and of no further effect.

(g) Revocation of a Commercial Cannabis Activity Conditional Use Permit or State License.

Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Agreement.

2.7 Notices.

(a) As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either:
(i) when delivered in person to the recipient named below; (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; (iii) on the next business day when delivered by overnight United States mail or courier service; or (iv) on the date of delivery shown in the facsimile records of the party sending the facsimile after transmission by facsimile to the recipient named below. All notices shall be addressed as follows:

If to COUNTY:

Clerk of the Board of Supervisors

Riverside County Administrative Center
4080 Lemon Street, First Floor
Riverside, CA 92502
Fax No. (951) 955-1071
with copies to:

County Executive Officer
Riverside County Administrative Center
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Fax No. (951) 955-1105

and

Assistant TLMA Director — Planning and Land Use
Transportation and Land Management Agency
Riverside County Administrative Center,
4080 Lemon Street, 12th Floor
Riverside, CA 92501
Fax No. (951) 955-1817

and

County Counsel
County of Riverside
3960 Orange Street, Suite 500
Riverside, CA 92501
Fax No. (951) 955-6363

If to OWNER:

Sean and Tara St. Peter
4321 Balboa Ave. #162
San Diego, CA 92117

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by any such change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Agreement including the Reservations of Authority, OWNER shall have a vested right to develop the Property in accordance with, and to the extent of, the Development Plan. The Existing Development Approvals shall not

expire and shall remain valid for the Term of this Agreement so long as the Project remains in compliance with all conditions of approval for the Existing Development Approvals and in compliance with this Agreement. The Project shall remain subject to all Subsequent Development Approvals required to complete the Project as contemplated by the Development Plan. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings and structures, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and structures, and the design, improvement and construction standards and specifications applicable to development of the Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, COUNTY shall exercise its discretion in accordance with the Development Plan, and as provided by this Agreement including, but not limited to, the Reservations of Authority. COUNTY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment.

3.3.1 Timing Related to Building Permit. OWNER shall show substantial progress towards obtaining a building permit, as determined by the Planning Director, within two (2) years of the final approval of the conditional use permit. Subject to the Planning Director's discretion, if substantial progress has not occurred, the Agreement must return to the Board of Supervisors at a noticed public hearing where the Board of Supervisors has the discretion to cancel, modify, or extend the Agreement and/or the approved conditional use permit at that time.

3.4 Changes and Amendments. The parties acknowledge that refinement and further development of the Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and COUNTY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Agreement including the Reservations

of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit "C", and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in COUNTY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Agreement provided such change does not:

- (a) Alter the permitted uses of the Property as a whole; or,
 - (b) Increase the density or intensity of use of the Property as a whole;
- or,
- (c) Increase the maximum height and size of permitted buildings or structures;
- or,
- (d) Delete a requirement for the reservation or dedication of land for public purposes within the Property as a whole; or,
 - (e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.5 Reservations of Authority.

3.5.1 Limitations. Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Property.

- (a) Processing fees and charges of every kind and nature imposed by COUNTY to cover the estimated actual costs to COUNTY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

- (b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

- (c) Regulations governing construction standards and specifications including, without limitation, the Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code applicable in the County.

- (d) Regulations imposing Development Exactions. Development Exactions shall be applicable to development of the Property if such Development Exaction is applied uniformly to development, either throughout the COUNTY or within a defined area of benefit which includes the Property. No such subsequently adopted Development Exaction shall apply if its application to the Property would physically prevent development of the Property for the uses and to the density or intensity of development set forth in the Development Plan.

- (e) Regulations which may be in conflict with the Development Plan but which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER

with the rights and assurances provided under this Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the Property.

(g) Regulations which are in conflict with the Development Plan provided OWNER has given written consent to the application of such regulations to development of the Property.

3.5.2 Subsequent Development Approvals. This Agreement shall not prevent COUNTY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Agreement prevent COUNTY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.5.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement or require changes in plans, maps or permits approved by the COUNTY, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.5.4 Intent. The parties acknowledge and agree that COUNTY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to COUNTY all of its police power which cannot be so limited. This Agreement shall be construed, contrary to its stated terms if necessary, to reserve to COUNTY all such power and authority which cannot be restricted by contract.

3.5.5. Application of State and Local Regulatory Laws Governing Commercial Cannabis Activities. The operation of Commercial Cannabis Activities is a highly regulated business activity, and it is subject to various state and local laws and regulations. This Agreement does not, and the County cannot and does not intend to, give OWNER the right to continue its operations without complying with applicable state and local laws governing its operations. OWNER shall be responsible for obtaining, and maintaining throughout the entire term of this Agreement, all applicable state licenses, permits, approvals, and consents, even if the applicable state laws and regulations are altered following the Effective Date.

3.6. Public Works. If OWNER is required by this Agreement to construct any public works facilities which will be dedicated to COUNTY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to COUNTY or such other public agency if it would have undertaken such construction.

3.7 Provision of Real Property Interests by COUNTY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs COUNTY may reasonably incur, COUNTY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This Section 3.7 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the Project, and then only in accordance with valid conditions imposed by the COUNTY upon the development of the Project under the Subdivision Map Act, Government Code Section 66410 et seq., or other legal authority.

3.8 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of COUNTY possess authority to regulate aspects of the development of the Property separately from or jointly with COUNTY and this Agreement does not limit the authority of such other public agencies. For example, pursuant to Government Code Section 66477 and Section 10.35 of Riverside County Ordinance No. 460, another local public agency may provide local park and recreation services and facilities and in that event, it is permitted, and therefore shall be permitted by the parties, to participate jointly with COUNTY to determine the location of land to be dedicated or in lieu fees to be paid for local park purposes, provided that COUNTY shall exercise its authority subject to the terms of this Agreement.

3.9 Tentative Tract Map Extension. Notwithstanding the provisions of Section 66452.6(a)(1) of the Government Code, regarding extensions of time for approved tentative maps subject to a development agreement, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the Property, shall be granted an extension of time except in accordance with the Subdivision Map Act and Existing Land Use Regulations.

3.10 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410, et seq.) and Riverside County Ordinance No. 460 and if this Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances

applicable to vesting maps shall supersede the provisions of this Agreement. Except as set forth immediately above, development of the Property shall occur only as provided in this Agreement, and the provisions in this Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the Property will detrimentally affect public interests which will not be fully addressed by the Development Plan and further acknowledge and agree that this Agreement confers substantial private benefits on OWNER which should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of public interests.

4.2 Public Benefits for Commercial Cannabis Activities.

4.2.1 Annual Public Benefit Base Payments. Prior to the issuance of the certificate of occupancy for any part of the Commercial Cannabis Activity, OWNER shall pay to COUNTY an amount equal to the base payment calculated per Section 1.1.2 of this Agreement (“Base Payment”); provided, however, that such initial annual base payment shall be prorated based on the number of whole months remaining between the date of payment and the first following June 30th.

4.2.2 Subsequent Annual Base Payments. The Annual Base Payment shall be subject to annual increases in an amount of 2% if payment is made after an anniversary of the Development Agreement’s Effective Date per Section 1.1.10. The OWNER shall pay to the COUNTY an amount equal to the Base Payment, plus the 2% annual increase, if applicable, for the 1st Subsequent Annual Base Payment prior to the effective date of the Certificate of Occupancy and succeeding Subsequent Annual Base Payments shall be made prior to the first July 1st following the 1st Subsequent Annual Base Payment and each July 1st thereafter during the term of the Agreement.

4.3 Annual Additional Public Benefits. OWNER shall perform Additional Public Benefits identified in Exhibit “H” that will benefit the community in which the Commercial Cannabis Activity is located. Prior to the issuance of the certificate of occupancy for any part of the Commercial Cannabis Activity, OWNER shall pay to COUNTY an amount equal to the additional annual public benefit set forth in Exhibit “H” of this Agreement (“Additional Public Benefit”); provided, however, that such initial annual payment shall be prorated based on the number of whole months remaining between the date of payment and the first following June 30th.

4.3.1 Subsequent Annual Additional Public Benefits. The Additional Public Benefit provided in Exhibit “H” shall be subject to annual increases in an amount of 2% if payment is made after an anniversary of the Development Agreement’s Effective Date per Section 1.1.10. The OWNER shall perform Additional Public Benefits identified in Exhibit “H” that will benefit the community in which the Commercial Cannabis Activity is located. The OWNER shall pay to the COUNTY an amount equal to the Additional Public Benefits,

plus the 2% annual increase, if applicable, for the 1st Subsequent Annual Base Payment prior to the effective date of the Certificate of Occupancy and succeeding Subsequent Annual Base Payments shall be made prior to the first July 1st following the 1st Subsequent Annual Base Payment and each July 1st thereafter during the term of the Agreement.

4.4 Taxes. Nothing herein shall be construed to relieve OWNER from paying and remitting all applicable federal, state and local taxes applicable to the Project, including but not limited to, income taxes, property taxes, local sales and use taxes, and any taxes imposed on cannabis activities and cannabis products pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

4.5 Assessments. Nothing herein shall be construed to relieve the Property from assessments levied against it by the County pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property.

4.6 New Taxes. Any subsequently enacted County taxes, including but not limited to any taxes on commercial cannabis activities, shall apply to the Project. In the event that County taxes are enacted specifically for commercial cannabis activities and cannabis products, the parties agree that this Agreement may be modified in accordance with Section 2.5 to reduce the OWNER's total public benefit payment (the sum total of the Base Rate plus the Additional Public Benefit) by an amount equal to the amount of the tax imposed on the OWNER for commercial cannabis activities and cannabis products. The parties acknowledge that the intent of being able to modify the Agreement in the event County taxes are enacted on the commercial cannabis activities and cannabis products is to enable the authority to adjust the total public benefit amount due and payable under this Agreement by the OWNER.

4.7 Vote on Future Assessments and Fees. In the event that any assessment, fee or charge which is applicable to the Property is subject to Article XIID of the California Constitution and OWNER does not return its ballot, OWNER agrees, on behalf of itself and its successors that the County may count OWNER's ballot as affirmatively voting in favor of such assessment, fee or charge.

5. FINANCING OF PUBLIC IMPROVEMENTS. If deemed appropriate, COUNTY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. OWNER also agrees that it will not initiate and/or cooperate in the formation of any such special assessment district, community facilities district or alternate financing mechanism involving any other public agency without the prior written consent of the COUNTY.

Should the Property be included within such a special assessment district, community facilities district or other financing entity, the following provisions shall be applicable:

(a) In the event OWNER conveys any portion of the Property and/or public facilities constructed on any portion of the Property to COUNTY or any other public entity

and said Property is subject to payment of taxes and/or assessments, such taxes and/or assessments shall be paid in full by OWNER prior to completion of any such conveyance.

(b) If OWNER is in default in the payment of any taxes and/or assessments, OWNER shall be considered to be in default of this Agreement and COUNTY may, in its sole discretion, initiate proceedings pursuant to Section 8.4 of this Agreement. Notwithstanding the foregoing, it is acknowledged and agreed by the parties that nothing contained in this Agreement shall be construed as requiring COUNTY or the COUNTY Board of Supervisors to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Annual Review. The TLMA Director, in consultation with the County Executive Officer and County Counsel, shall review this Agreement annually, on or before the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Agreement. In order to facilitate this review, OWNER shall submit an annual monitoring report, in a form specified by the TLMA Director providing all information necessary to evaluate such good faith compliance as determined by the TLMA Director. OWNER shall pay the annual review and administration fee set forth in Ordinance No. 671 prior to submission of each annual monitoring report. Prior to the issuance of any grading permit or building permit for any part of the Project, OWNER shall prepay a fee deposit and administration fee as set forth in Ordinance No. 671 (the "Monitoring Fee Prepayment"). The Monitoring Fee Prepayment shall be retained by the COUNTY until termination of this Agreement, may be used by the COUNTY at any time if there is a failure to pay any part of the annual monitoring and administration fees required under Ordinance No. 671, and shall be promptly replenished by OWNER up to the original required amount after notice by COUNTY to OWNER. Failure by OWNER to submit an annual monitoring report, on or before the Effective Date of each year in the form specified by the TLMA Director, to pay any part of the annual monitoring and administration fee required under Ordinance No. 671, to make the Monitoring Fee Prepayment or to replenish the Monitoring Fee Prepayment shall constitute a default by OWNER under this Agreement.

6.2 Special Review. The Board of Supervisors may order a special review of compliance with this Agreement at any time. The TLMA Director, in consultation with the County Executive Officer and County Counsel, shall conduct such special reviews.

6.3 Property Inspection. In accordance with applicable regulations set forth in the Medicinal and Adult Use Cannabis Regulation and Safety Act and upon twenty-four (24) hour written notice, OWNER shall allow COUNTY representatives access to the Property and all buildings and structures located on the Property to determine compliance with CUP No. 200020 and this Agreement.

6.4 Records Inspection. Upon written request by the COUNTY, OWNER shall provide records to the COUNTY demonstrating local hiring efforts, and compliance with this Agreement and CUP No. 200020.

6.5 Procedure.

(a) During either an annual review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of the Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of an annual review or a special review, the TLMA Director shall submit a report to the Board of Supervisors setting forth the evidence concerning good faith compliance by OWNER with the terms of this Agreement and his recommended finding on that issue.

(c) If the Board finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Agreement, the review shall be concluded.

(d) If the Board makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Agreement, the Board may modify or terminate this Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 8.4 of this Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.6 Proceedings Upon Modification or Termination. If, upon a preliminary finding under Section 6.3, COUNTY determines to proceed with modification or termination of this Agreement, COUNTY shall give written notice to OWNER of its intention so to do. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether or not COUNTY proposes to terminate or to modify the Agreement; and,

(c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.7 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard and shall be entitled to present written and oral evidence. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. The burden of proof on this issue shall be on OWNER. If the Board of Supervisors finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of the Agreement, the Board may terminate this Agreement or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of the County. The decision of the Board of Supervisors shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.8 Certificate of Agreement Compliance. If, at the conclusion of an annual or special review, OWNER is found to be in compliance with this Agreement, COUNTY shall, upon request by OWNER, issue a Certificate of Agreement Compliance ("Certificate") to OWNER stating that after the most recent annual or special review and based upon the information known or

made known to the TLMA Director and Board of Supervisors that (1) this Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after an annual or a special review and shall state the anticipated date of commencement of the next annual review. OWNER may record the Certificate with the County Recorder. Whether or not the Certificate is relied upon by transferees or OWNER, COUNTY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review, but was concealed from or otherwise not known to the TLMA Director or Board of Supervisors.

7. INCORPORATION AND ANNEXATION.

7.1 Intent. If all or any portion of the Property is annexed to or otherwise becomes a part of a city or another county, it is the intent of the parties that this Agreement shall survive and be binding upon such other jurisdiction.

7.2 Incorporation. If at any time during the term of this Agreement, a city is incorporated comprising all or any portion of the Property, the validity and effect of this Agreement shall be governed by Section 65865.3 of the Government Code.

7.3 Annexation. OWNER and COUNTY shall oppose, in accordance with the procedures provided by law, the annexation to any city of all or any portion of the Property unless both OWNER and COUNTY give written consent to such annexation.

8. DEFAULT AND REMEDIES.

8.1 Remedies in General. It is acknowledged by the parties that COUNTY would not have entered into this Agreement if it were to be liable in damages under this Agreement, or with respect to this Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that COUNTY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or claim any damages:

(a) For any breach of this Agreement or for any cause of action which arises out of this Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application, validity, interpretation or effect of the provisions of this Agreement.

Notwithstanding anything in this Article 8 to the contrary, OWNER's liability to COUNTY in connection with this Agreement shall be limited to direct damages and shall exclude any other liability, including without limitation liability for special, indirect, punitive or consequential damages in contract, tort, warranty, strict liability or otherwise.


8.2 Specific Performance. The parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against COUNTY as provided in Section 8.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

8.3 General Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for in Section 8, OWNER, for itself, its successors and assignees, hereby releases the COUNTY, its officers, agents, employees, and independent contractors from any and all claims, demands, actions, or suits of any kind or nature whatsoever arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other monetary liability or damages, whatsoever, upon the COUNTY because it entered into this Agreement or because of the terms of this Agreement. OWNER hereby waives the provisions of Section 1542 of the Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.


OWNER Initials


OWNER Initials

8.4 Termination or Modification of Agreement for Default of OWNER. Subject to the provisions contained in Subsection 2.5 herein, COUNTY may terminate or modify this Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Agreement, or to comply in good faith with the terms of this Agreement (hereinafter referred to as

“default”); provided, however, COUNTY may terminate or modify this Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8.5 Termination of Agreement for Default of COUNTY. OWNER may terminate this Agreement only in the event of a default by COUNTY in the performance of a material term of this Agreement and only after providing written notice to COUNTY of default setting forth the nature of the default and the actions, if any, required by COUNTY to cure such default and, where the default can be cured, COUNTY has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8.6 Attorneys’ Fees. In any action at law or in equity to enforce or interpret this Agreement, or otherwise arising out of this Agreement, including without limitation any action for declaratory relief or petition for writ of mandate, the parties shall bear their own attorneys’ fees.

9. THIRD PARTY LITIGATION.

9.1 General Plan Litigation. COUNTY has determined that this Agreement is consistent with its General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with COUNTY’s determination. The parties acknowledge that:

(a) Litigation may be filed challenging the legality, validity and adequacy of the General Plan; and,

(b) If successful, such challenges could delay or prevent the performance of this Agreement and the development of the Property.

COUNTY shall have no liability in damages under this Agreement for any failure of COUNTY to perform under this Agreement or the inability of OWNER to develop the Property as contemplated by the Development Plan of this Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

9.2 Third Party Litigation Concerning Agreement. OWNER shall defend, at its expense, including attorneys’ fees, indemnify, and hold harmless COUNTY, its officers, agents, employees and independent contractors from any claim, action or proceeding against COUNTY, its officers, agents, employees or independent contractors to attack, set aside, void, or annul the

approval of this Agreement or the approval of any permit granted pursuant to this Agreement. COUNTY shall promptly notify OWNER of any such claim, action or proceeding, and COUNTY shall cooperate in the defense. If COUNTY fails to promptly notify OWNER of any such claim, action or proceeding, or if COUNTY fails to cooperate in the defense, OWNER shall not thereafter be responsible to defend, indemnify, or hold harmless COUNTY. COUNTY may in its discretion participate in the defense of any such claim, action or proceeding.

9.3 Indemnity. In addition to the provisions of 9.2 above, OWNER shall indemnify and hold COUNTY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of COUNTY. OWNER shall defend, at its expense, including attorneys' fees, COUNTY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. COUNTY may in its discretion participate in the defense of any such legal action.

9.4 Environment Assurances. OWNER shall indemnify and hold COUNTY, its officers, agents, employees and independent contractors free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, predecessors in interest, successors, assigns and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including attorneys' fees, COUNTY, its officers, agents, employees and independent contractors in any action based or asserted upon any such alleged act or omission. COUNTY may in its discretion participate in the defense of any such action.

9.5 Reservation of Rights. With respect to Sections 9.2, 9.3 and 9.4 herein, COUNTY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend COUNTY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse COUNTY forthwith for any and all reasonable expenses incurred for such defense, including attorneys' fees, upon billing and accounting therefor.

9.6 Survival. The provisions of Sections 8.1 through 8.3, inclusive, Section 8.6 and Sections 9.1 through 9.6, inclusive, shall survive the termination of this Agreement.

10. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing

financing with respect to the Property. COUNTY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. COUNTY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the COUNTY in the manner specified herein for giving notices, shall be entitled to receive written notification from COUNTY of any default by OWNER in the performance of OWNER's obligations under this Agreement.

(c) If COUNTY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Agreement, COUNTY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. No Mortgagee (including one who acquires title or possession to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination, eviction or otherwise) shall have any obligation to construct or complete construction of improvements, or to guarantee such construction or completion; provided, however, that a Mortgagee shall not be entitled to devote the Property to solar power plant use except in full compliance with this Agreement. A Mortgagee in possession shall not have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by COUNTY, the performance thereof shall continue to be a condition precedent to COUNTY's performance hereunder. All payments called for under Section 4 of this Agreement shall be a condition precedent to COUNTY's performance under this Agreement. Any transfer by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Agreement.

11. MISCELLANEOUS PROVISIONS.

11.1 Recordation of Agreement. This Agreement and any amendment, modification, termination or cancellation thereof shall be recorded with the County Recorder by the Clerk of the Board of Supervisors within the period required by Section 65868.5 of the Government Code.

11.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

11.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Sections 4.2 and 4.3 of this Agreement, including the payments set forth therein, are essential elements of this Agreement and COUNTY would not have entered into this Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Agreement shall be null and void and of no force and effect whatsoever.

11.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

11.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

11.6 Gender and Number. As used herein, the neuter gender includes the masculine and feminine, the feminine gender includes the masculine, and the masculine gender includes the feminine. As used herein, the singular of any word includes the plural.

11.7 Joint and Several Obligations. If this Agreement is signed by more than one OWNER, all obligations of such OWNERS under this Agreement shall be joint and several, and the default of any such OWNER shall be the default of all such OWNERS.

11.8 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

11.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party; shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

11.10 No Third Party Beneficiaries. Unless expressly stated herein, this Agreement is made and entered into for the sole protection and benefit of the parties and their successors and

assigns. No other person shall have any right of action based upon any provision of this Agreement.

11.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force). If any such events shall occur, the term of this Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

11.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

11.13 Successors in Interest. 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. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the Property or any portion thereof.

11.14 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

11.15 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Riverside Historic Courthouse of the Superior Court of the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

11.16 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between COUNTY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

11.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement.

Upon the request of either party at any time, the other party shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

11.18 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by COUNTY of its power of eminent domain. As used herein, "Material Condemnation" means a condemnation of all or a portion of the Property that will have the effect of preventing development of the Project in accordance with this Agreement. In the event of a Material Condemnation, OWNER may (i) request the COUNTY to amend this Agreement and/or to amend the Development Plan, which amendment shall not be unreasonably withheld, (ii) decide, in its sole discretion, to challenge the condemnation, or (iii) request that COUNTY agree to terminate this Agreement by mutual agreement, which agreement shall not be unreasonably withheld, by giving a written request for termination to the COUNTY.

11.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, OWNER shall file with the TLMA Director, upon its execution of this Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).


11.20 Designation of COUNTY Officials. Except for functions to be performed by the Board of Supervisors, COUNTY may, at any time and in its sole discretion, substitute any COUNTY official to perform any function identified in this Agreement as the designated responsibility of any other official. COUNTY shall provide notice of such substitution pursuant to Section 2.7; provided, however, the failure to give such notice shall not affect the authority of the substitute official in any way.

11.21 Authority to Execute. The person executing this Agreement on behalf of OWNER warrants and represents that he has the authority to execute this Agreement on behalf of his corporation, partnership or business entity and warrants and represents that he has the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

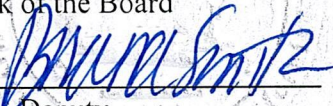
COUNTY OF RIVERSIDE, a political subdivision of the State of California

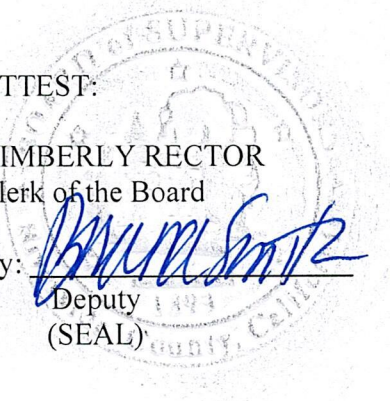
Dated: 3/30/23

By: 
Kevin Jeffries
Chair, Board of Supervisors

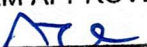
ATTEST:

KIMBERLY RECTOR
Clerk of the Board

By: 
Deputy
(SEAL)



FORM APPROVED COUNTY COUNSEL

BY:  1-12-23
AARON C. GETTIS DATE

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 RIVERSIDE

} §

On March 30 2023, before me, Breanna Smith, Board Assistant, personally appeared Kevin Jeffries, Chair of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the 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

Kimberly A. Rector
Clerk of the Board of Supervisors

By:


Deputy Clerk

(SEAL)

PETER ALDANA
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

www.riversideacr.com

CERTIFICATION

Pursuant to the provisions of Government Code 27361.7, I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

CLARIFICATION FOR SEAL for the Riverside County Board of Supervisors
(EMBOSSSED ON DOCUMENT)



Date: 03/30/2023

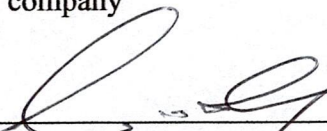
Signature: *Breanna Smith*

Print Name: Breanna Smith, Clerk of the Board Assistant


OWNERS:

Quantum Real Estate, LLC, a California limited liability company

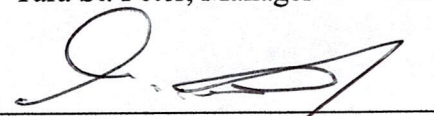
Dated: 11/7/22

By: 
Sean St. Peter, Manager


Dated: 11/7/22

By: 
Tara St. Peter, Manager

Dated: 11/7/22

By: 
Sean St. Peter

Dated: 11/7/22

By: 
Tara St. Peter

(ALL SIGNATURES SHALL BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.
EXECUTION ON BEHALF OF ANY CORPORATION SHALL BE BY TWO
CORPORATE OFFICERS.)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)

County of San Diego)

On 11/7/22 before me, Lori J. Leib, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared SEAN ST. PETER and TARA ST. PETER FOR QUANTUM
Name(s) of Signer(s)

REAL ESTATE LLC

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 Lori J. Leib
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of California)

County of San Diego)

On 11/7/22 before me, Lori J. Leib, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared SEAN ST. PETER and TARA ST. PETER
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Lori J. Leib
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

EXHIBIT "A"

Development Agreement No. 2000008

LEGAL DESCRIPTION OF PROPERTY

Parcel 2, as shown by Parcel Map 13309, on file in Book 118 Page 3, of Parcel Maps, Records of Riverside County, California.

APN: 465-020-025

EXHIBIT "B"

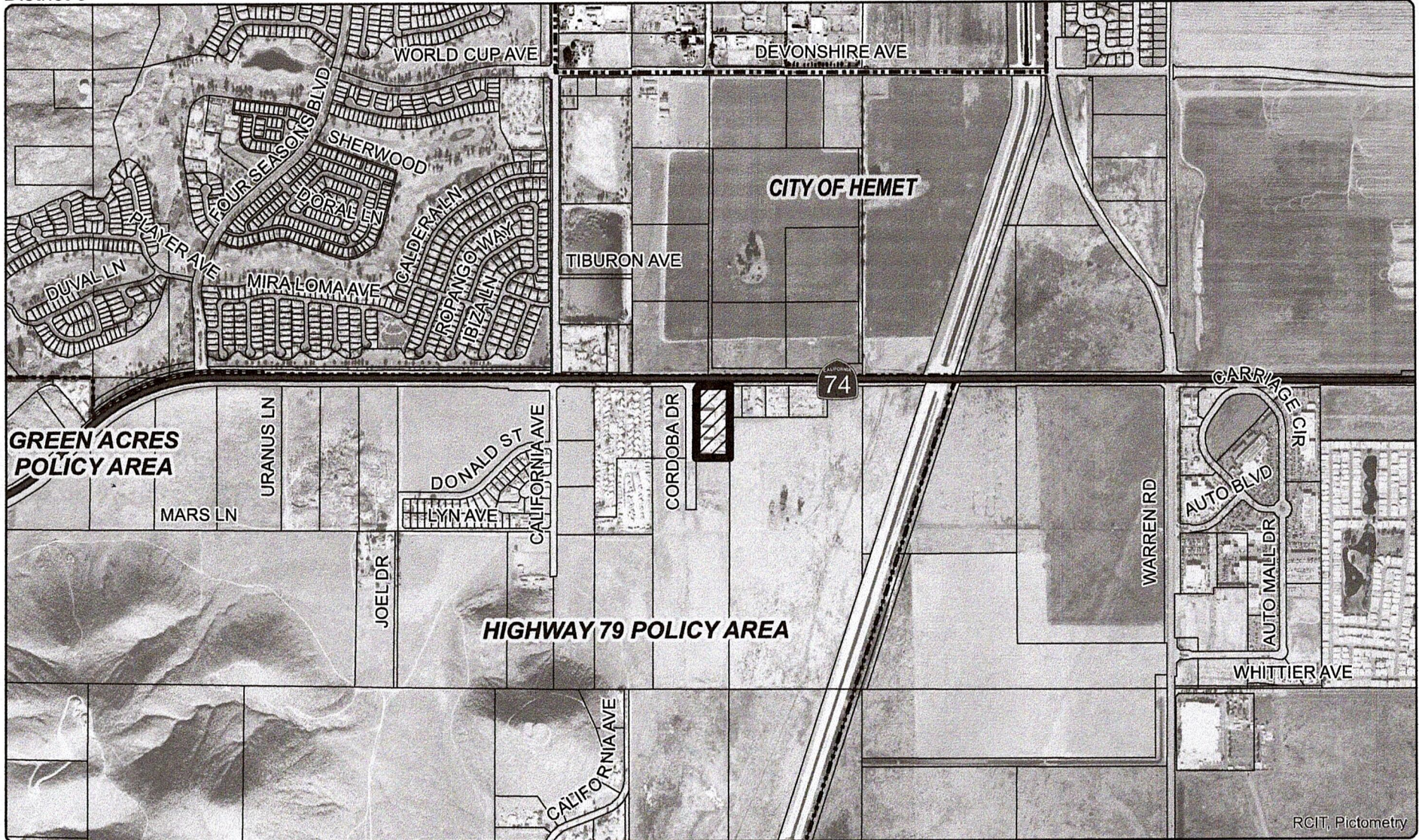
Development Agreement No. 2000008

MAP OF PROPERTY AND ITS LOCATION

RIVERSIDE COUNTY PLANNING DEPARTMENT
CUP200020 DA2000008
VICINITY/POLICY AREAS

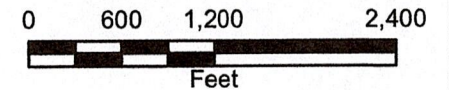
Supervisor: Washington
 District 3

Date Drawn: 12/03/2020
 Vicinity Map



Zoning Dist: Hemet-San Jacinto

Author: Vinnie Nguyen



DISCLAIMER: On October 7, 2003, the County of Riverside adopted a new General Plan providing new land use designations for unincorporated Riverside County parcels. The new General Plan may contain different type of land use than is provided for under existing zoning. For further information, please contact the Riverside County Planning Department offices in Riverside at (951)955-3200 (Western County) or in Palm Desert at (760)863-8277 (Eastern County) or Website <http://planning.rcplma.org>

RCIT, Pictometry

EXHIBIT "C"

Development Agreement No. 2000008

EXISTING DEVELOPMENT APPROVALS

OTHER DEVELOPMENT APPROVALS

Plot Plan No. 14248

Plot Plan No. 14248S1

Plot Plan No. 14529

Plot Plan No. 16250

Conditional Use Permit No. 200020

The development approvals listed above include the approved maps and all conditions of approval.

COPIES OF THE EXISTING DEVELOPMENT APPROVALS LISTED ABOVE ARE ON FILE IN THE RIVERSIDE COUNTY PLANNING DEPARTMENT AND ARE INCORPORATED HEREIN BY REFERENCE.

EXHIBIT "D"

Development Agreement No. 2000008

EXISTING LAND USE REGULATIONS

1. Riverside County Comprehensive General Plan as amended through Resolution No. 2021-108

2. Ordinance No. 348 as amended through Ordinance No. 348.4978
3. Ordinance No. 448 as amended through Ordinance No. 448.A
4. Ordinance No. 457 as amended through Ordinance No. 457.105
5. Ordinance No. 458 as amended through Ordinance No. 458.17
6. Ordinance No. 460 as amended through Ordinance No. 460.154
7. Ordinance No. 461 as amended through Ordinance No. 461.10
8. Ordinance No. 509 as amended through Ordinance No. 509.2
9. Ordinance No. 547 as amended through Ordinance No. 547.7
10. Ordinance No. 555 as amended through Ordinance No. 555.20
11. Ordinance No. 617 as amended through Ordinance No. 617.4
12. Ordinance No. 650 as amended through Ordinance No. 650.6
13. Ordinance No. 659 as amended through Ordinance No. 659.13
14. Ordinance No. 663 as amended through Ordinance No. 663.10
15. Ordinance No. 671 as amended through Ordinance No. 671.22
16. Ordinance No. 673 as amended through Ordinance No. 673.5
17. Ordinance No. 679 as amended through Ordinance No. 679.4
18. Ordinance No. 682 as amended through Ordinance No. 682.6
19. Ordinance No. 726 as amended through Ordinance No. 726
20. Ordinance No. 743 as amended through Ordinance No. 743.3

21. Ordinance No. 748 as amended through Ordinance No. 748.1
22. Ordinance No. 749 as amended through Ordinance No. 749.1
23. Ordinance No. 752 as amended through Ordinance No. 752.2
24. Ordinance No. 754 as amended through Ordinance No. 754.3
25. Ordinance No. 787 as amended through Ordinance No. 787.9
26. Ordinance No. 806 as amended through Ordinance No. 806
27. Ordinance No. 810 as amended through Ordinance No. 810.3
28. Ordinance No. 817 as amended through Ordinance No. 817.1
29. Ordinance No. 824 as amended through Ordinance No. 824.17
30. Ordinance No. 847 as amended through Ordinance No. 847.1
31. Ordinance No. 859 as amended through Ordinance No. 859.3
32. Ordinance No. 875 as amended through Ordinance No. 875.1
33. Ordinance No. 915 as amended through Ordinance No. 915
34. Ordinance No. 925 as amended through Ordinance No. 925.1
35. Ordinance No. 926 as amended through Ordinance No. 926
36. Ordinance No. 927 as amended through Ordinance No. 927.1
37. Ordinance No. 931 as amended through Ordinance No. 931
38. Resolution No. 2020-124 Amending Procedures and Requirements of the
County of Riverside for the Consideration of Development Agreements
39. Board of Supervisors Policy No. B-9 Commercial Cannabis Activities

COPIES OF THE EXISTING LAND USE REGULATIONS LISTED ABOVE ARE ON FILE IN THE RIVERSIDE COUNTY PLANNING DEPARTMENT AND ARE INCORPORATED HEREIN BY REFERENCE.

EXHIBIT "E"

Development Agreement No. 2000008

COMMERCIAL CANNABIS ACTIVITY SITE PLAN & DESCRIPTION

As shown on the attached site plan, CUP No. 200020 permits a Cannabis Retailer and distribution facility within an existing 8,400 square foot building. The Cannabis Retailer will include 5,889 square feet of retail and 2,511 square feet of distribution along with supporting storage, office, employee break area, and reception areas.

EXHIBIT "F"

Development Agreement No. 2000008

APPLICABLE PUBLIC BASE BENEFITS PAYMENTS

The Cannabis Retailer operating at the Property pursuant to CUP No. 200020 includes an existing 8,400 square foot building, which will include retail and distribution along with supporting storage, office, employee break area, and reception areas as more specifically shown on Exhibit "G". In accordance with Board Policy B-9, the base public benefit is the following: \$18.00 per square foot for the retail and \$3.00 per square foot for the distribution. Therefore, the public base benefit payment will be \$113,535.00 and will increase annually at a rate of 2%.

EXHIBIT "G"

Development Agreement No. 2000008

CANNABIS AREA CALCULATION EXHIBIT

The Cannabis Area calculation includes the following: 5,889 square feet for the retail and 2,511 square feet for the distribution totaling an 8,400 square foot building. The 8,400 building will be used for the Cannabis Retailer with distribution as shown in this Exhibit "G".

EXHIBIT "H"

Development Agreement No. 2000008

COMMERCIAL CANNABIS ACTIVITY PUBLIC BENEFIT

The additional annual public benefit provided by the OWNER shall be \$141,919.00 with an annual increase of 2%. The COUNTY will utilize this additional annual public benefit within the surrounding community for additional public benefits including, but not limited to, code enforcement, public safety services, infrastructure improvements, community enhancement programs and other similar public benefits as solely determined by the COUNTY's Board of Supervisors. Additionally, OWNER will make efforts to hire locally and participate in community events, career opportunity events, as well as educational and wellness seminars within the surrounding community.

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 21.3
(ID # 20933)

MEETING DATE:

Tuesday, February 07, 2023

FROM : TLMA-PLANNING:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/PLANNING: Public Hearing - ADOPTION OF ORDINANCE NO. 664.96 APPROVING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT NO. 2000008 – Nothing Further Required under CEQA – Applicant: Sean St. Peter – Third Supervisorial District – Hemet-San Jacinto Zoning District – Harvest Valley/Winchester Area Plan – Community Development: Commercial Retail (CD:CR) – Location: east of Cordoba Drive and south of Florida Ave/State Highway 74 – 4 acres – Zoning: Scenic Highway Commercial (C-P-S) – REQUEST: The applicant is requesting an amendment to the Public Benefit Agreement associated with adopted Development Agreement No. 2000008 (DA2000008). More specifically, Paragraph 4.2.1. of the adopted document entitled “Annual Public Benefit Base Payments” and Paragraph 4.3 entitled “Annual Additional Public Benefits.” These sections indicate that the entirety of the annual and additional annual public benefits be paid prior to the “first grading permit or the first building permit.” The applicant is requesting that this section be revised to instead state that the entirety of the annual Public Benefit be paid as a “final condition prior to occupancy.” The DA also includes a new provision that states the project applicant must make substantial progress towards obtaining a building permit within two years of the final approval of the conditional use permit, identified as Section 3.3.1 of the Development Agreement – APN: 465-020-025. District 3. [Applicant Fees 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. **APPROVE AMENDED DEVELOPMENT AGREEMENT NO. 2000008** based upon the findings and conclusions incorporated in this agenda item; and

Continued on page 2

ACTION:Policy


John Hildebrand, Planning Director 2/7/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended and that the above Ordinance is approved as introduced with a waiver of reading.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: February 7, 2023
xc: Planning, COB

Kimberly Rector
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

2. **INTRODUCE, READ TITLE, and WAIVE FURTHER READING OF, and ADOPT** on successive weeks **ORDINANCE NO. 664.96**, an Ordinance of the County of Riverside Approving **AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT NO. 2000008**, based upon the findings and conclusions incorporated in this agenda item.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: Applicant Fees 100%			Budget Adjustment:	No
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Conditional Use Permit No. 200020 and Development Agreement No. 2000008 were presented to the Board of Supervisors at a public hearing on March 9, 2021. The Board approved the Conditional Use Permit at this hearing, and subsequently adopted Ordinance No. 664.73 on March 23, 2021, thus approving the Development Agreement.

The Conditional Use Permit is for the redevelopment of an existing 8,400 square foot commercial building for the purposes of a Cannabis Retail storefront, that also includes mobile deliveries and a cannabis distribution facility. The retail portion of the building is 5,889 square feet and the distribution portion is to occupy the remaining 2,511 square feet of the structure. The specific square footage specifications for the Project were included as part of the approved Conditional Use Permit exhibits, and they were also used for the calculation of the public benefit payments in the approved Development Agreement.

The applicant is requesting an amendment to the approved Development Agreement – DA2000008 – regarding the Public Benefit Agreement. More specifically, Paragraph 4.2.1. of the adopted document entitled “Annual Public Benefit Base Payments” and Paragraph 4.3 entitled “Annual Additional Public Benefits.” These sections indicate that the entirety of the annual and additional annual public benefits be paid prior to the “first grading permit or the first building permit.” The applicant is requesting that this section be revised to instead state that the entirety of the annual Public Benefit be paid as a “final condition prior to occupancy.”

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

The Development Agreement also includes a new provision that states the project applicant must make substantial progress towards obtaining a building permit within two years of the final approval of the conditional use permit, identified as Section 3.3.1 of the Development Agreement.

Development Agreement

The applicant has proposed entering into the attached amended development agreement (DA) with the County for the Project. The DA is consistent with the General Plan and with Board Policy B-9. Additionally, the Advisory Notification Document, Conditions of Approval, and entitlement approvals are incorporated in the exhibits of the DA and will ensure that the Project is developed in a way that would not conflict with the public's health, safety, or general welfare. The DA has a term of 10 years (with the option for a 5-year extension subject to mutual approval) and will grant the applicant vesting rights to develop the Project in accordance with the terms of the DA. In exchange, the DA provides certain public benefits that go beyond the basic requirements of the County including annual public benefit payments, which will be used for additional public safety services, infrastructure improvements or community enhancement programs.

The Amendment to the Development Agreement does not impact the floor plan of the approved CUP, thus no square footage calculations have been changed as a result of this request. Therefore, the fees adopted initially through DA2000008 would remain the same, with the amendment being the point at which these fees are to be paid. Those fees are as follows:

- 1) An initial deposit-based fee of \$5,000 for annual inspections and the administration of the development agreement program.
- 2) A baseline Public Benefits payment of \$113,535, which will be increased 2% per year. The baseline payment amount shall be allocated 45% to the Code Enforcement Department, and the remaining 55% will be transferred to the Executive Office for deposit into the General Fund, to be allocated as part of the annual budget process and generally spent on cannabis regulatory activity performed by the District Attorney's Cannabis Regulation Task Force, the Sheriff's Office, Public Health, County Counsel, and the Agricultural Commissioner's office. The percentages above are based on the expected regulatory costs that were used to establish the baseline Public Benefits fee, as approved by the Board on January 29, 2019. The Code Enforcement Department will serve as the main regulatory arm of the County in monitoring that the businesses will comply with their conditions of approval and respond to public concerns.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

- 3) An annual Additional Public Benefit payment of \$141,919 which will increase 2% per year remains the same. This payment shall be held by TLMA in an account specifically for the Harvest Valley/Winchester Area, to be allocated by the Board of Supervisors to projects and services that benefit the community.

Per state law, a development agreement is a legislative act that must be approved by ordinance. Proposed Ordinance No. 664.96 incorporates by reference and adopts Amendment No. 1 to Development Agreement No. 2000008 consistent with Government Code sections 65867.5 and 65868. Amendment No. 1 to Development Agreement No. 2000008 and Ordinance No. 664.96 do not change the prior development approvals or overall project footprint of CUP200020.

Amendment No. 1 to Development Agreement No. 2000008 is consistent with the General Plan, and with public health, safety, and general welfare. The express terms of the development agreement grant the applicants a vested right to develop the project in accordance with existing land use regulations including in accordance with the General Plan. The conditions of approval and mitigation measures for the Project, the approvals of which are incorporated in the exhibits to the Amendment to the Development Agreement, ensure that the project is developed in a way that is consistent with public health safety and general welfare. Moreover, the Amendment to the Development Agreement will provide significant benefits. Specifically, the development agreement contains terms consistent with Board of Supervisors Policy No. B-9 including terms regarding annual public benefits payments and increases and the submittal of an additional community benefit fee. These development agreement provisions ensure that the Amendment to the Development Agreement will provide significant benefits.

CEQA

The County of Riverside previously found that the project was exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common Sense) and Section 15301 (Existing Facilities). There are no new, different, or greater impacts that will result from this amendment as it only revises the point at which the Development Agreement fees are paid. The Project scope, intensity, or proposed use are neither changing nor expanding. Therefore, nothing further is required pursuant to CEQA.

Impact on Citizens and Businesses:

The proposed project is categorically exempt under CEQA, which means that it belongs to a class of projects that have been determined to not have a significant effect on the environment. As detailed in the Planning Commission Staff Report, the original project was deemed to be exempt under CEQA and no exceptions pursuant to State CEQA Guidelines section 15300.2 were found to apply. As these changes to the Development Agreement would not change any

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

of those prior findings, no further findings under CEQA are required. Accordingly, there will be no impacts on residents or businesses.

SUPPLEMENTAL:

Additional Fiscal Information

As stated above, the applicants and County staff have reached an agreement on the provisions of the Amendment to the Development Agreement. The applicant will submit public benefit payments as detailed in the Amendment to the Development Agreement.

Staff labor and expenses to process this project have been paid directly through deposit-based fees.

ATTACHMENTS:

- A. Ordinance No. 664.96 Approving Amendment No. 1 to Development Agreement No. 2000008
- B. Amendment No. 1 to Development Agreement No. 2000008



Jason Farin, Principal Management Analyst 1/31/2023



Aaron Gettis, Deputy County Counsel 1/20/2023

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3512 14 Street
Riverside, California 92501
(951) 368-9229
neller@scng.com

County of Riverside - Clerk of the Board
PO Box 1147
Riverside, California 92502

<i>Account Number:</i>	5209148
<i>Ad Order Number:</i>	0011589846
<i>Customer's Reference/PO Number:</i>	
<i>Publication:</i>	The Press-Enterprise
<i>Publication Dates:</i>	03/07/2023
<i>Total Amount:</i>	\$320.26
<i>Payment Amount:</i>	\$0.00
<i>Amount Due:</i>	\$320.26
<i>Notice ID:</i>	phuFc7bXM09TQtUuHIBL
<i>Invoice Text:</i>	BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA ORDINANCE NO. 664.96 AN ORDINANCE OF THE COUNTY OF RIVERSIDE APPROVING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT NO. 2000008 The Board of Supervisors of the County of Riverside ordains as follows: Section 1. Pursuant to Government Code Section 65867.5, Amendment No. 1 to Development Agreement No. 2000008, a copy of which is on file with the Clerk of the Board of Supervisors and incorporated herein by reference, is hereby approved. Section 2. The Chairman of the Board of Supervisors is hereby authorized to execute said Development Agreement on behalf of the County of Riverside within ten (10) days after the Effective Date of this ordinance, provided that all owners listed in Amendment No. 1 to Development Agreement No. 2000008 have executed said Development Agreement within thirty (30) days after adoption of this ordinance. Section 3. Effective Date. This ordinance shall take effect thirty (30) days after its adoption. K. Jeffries, Chair of the Board I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on February 28, 2023, the foregoing Ordinance was adopted by said Board by the following vote: AYES:Jeffries, Spiegel, Washington, and GutierrezNAYS:NoneABSENT:Perez Kimberly Rector, Clerk of the Board By: Cindy Fernandez, Board Assistant

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PO Box 1147
Riverside, California 92502

Publication: The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc: 0011589846

FILE NO. 0011589846

PROOF OF PUBLICATION

I am a citizen of the United States. I am over the age of eighteen years and not party to or interested in the above-entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

03/07/2023

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Date: March 7, 2023.
At: Riverside, California



Signature

**BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

**ORDINANCE NO. 664.96
AN ORDINANCE OF THE COUNTY OF RIVERSIDE
APPROVING AMENDMENT NO. 1 TO DEVELOPMENT
AGREEMENT NO. 2000008**

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. Pursuant to Government Code Section 65867.5, Amendment No. 1 to Development Agreement No. 2000008, a copy of which is on file with the Clerk of the Board of Supervisors and incorporated herein by reference, is hereby approved.

Section 2. The Chairman of the Board of Supervisors is hereby authorized to execute said Development Agreement on behalf of the County of Riverside within ten (10) days after the Effective Date of this ordinance, provided that all owners listed in Amendment No. 1 to Development Agreement No. 2000008 have executed said Development Agreement within thirty (30) days after adoption of this ordinance.

Section 3. Effective Date. This ordinance shall take effect thirty (30) days after its adoption.

K. Jeffries, Chair of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on **February 28, 2023**, the foregoing Ordinance was adopted by said Board by the following vote:

AYES: Jeffries, Spiegel, Washington, and Gutierrez
NAYS: None
ABSENT: Perez

Kimberly Rector, Clerk of the Board
By: Cindy Fernandez, Board Assistant
The Press-Enterprise
Published: 3/7/23