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Conduct a Public Hearing to consider a Consistency Determination (ALUC-20-11) for the City of Suisun City's proposed adoption of a Cannabis Business Zone Overlay with the Travis Air Force Base Land Use Compatibility Plan. (Sponsor: City of Suisun City)

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### **RECOMMENDATION:**

Determine that application ALUC-20-11 (City of Suisun City's Cannabis Business Zone Overlay District) is consistent with the Travis Air Force Base Land Use Compatibility Plan.

### **DISCUSSION:**

#### **Introduction**

On February 6, 2020, the Solano County Airport Land Use Commission considered an application from the City of Suisun City (ALUC-20-02) for a consistency determination for a series of amendments to the City's Cannabis Regulations. The Commission found the regulations consistent with the Travis Plan. As a part of the regulations, the City established a procedure whereby up to three cannabis retail storefronts could be approved within the city limits. The sites would be established by virtue of a zoning overlay district applied to a specific parcel which would add the Cannabis Business Zone use and regulations for the conduct of the use.

The City has recently received an application to establish one of the three Cannabis Business Zones, as described below.

#### **Summary of the Cannabis Business Zone Overlay District**

The project will be located at 521 Railroad Avenue. It is described as follows in the City's staff report to their Planning Commission:

"The project proposes a retail storefront of 3,661 square feet fronting onto Railroad Avenue and a warehouse building of 5,000 square feet for distribution toward the rear of the property. The site is proposed to include 28 vehicular parking spaces. Ingress onto the property would be taken from Railroad Avenue with egress out onto Worley Road. This will allow a consistent flow of customers and a simple internal circulation pattern. Significant care has been taken to make only necessary changes which enhance the site layout."

The project site is zoned for, and has been used for, various retail uses over the years. It is improved with two single-story buildings and paved parking areas. The cannabis retail storefront will be located in the retail building fronting on Railroad Avenue and the cannabis distribution operation will be located in the warehouse building toward the rear of the property. (See Attachment A ALUC Application and Attachment B Development Agreement).

The City of Suisun City's Cannabis Business Zone Overlay District is statutorily required to come before the ALUC for a consistency determination. The ordinance affects only the buildings at 521 Railroad Avenue, which is located in Compatibility Zone D of the Travis AFB Land Use Compatibility Plan (Travis Plan).

## **REQUIRED TESTS FOR CONSISTENCY**

### **ALUC Review Requirements**

The ALUC is concerned with those aspects of the proposed zoning changes which have the potential to be incompatible with the Travis Plan.

### **California Airport Land Use Planning Handbook**

The State Department of Aeronautics has published the California Airport Land Use Planning Handbook as a guide for Airport Land Use Commissions in the preparation and implementation of Land Use Compatibility Plans and Procedure Documents. Section 6.4.2 sets forth procedures for the review of local zoning ordinances and directs agencies to consider the topics listed in Table 5A, as follows:

#### ***Zoning or Other Policy Documents*** (from Table 5A, CalTRANS Airport Land Use Planning Handbook)

*The Handbook lists the following topics for consideration when reviewing zoning or other policy documents.*

- *Intensity Limitations on Nonresidential Uses*
- *Identification of Prohibited Uses*
- *Open Land Requirements*
- *Infill Development*
- *Height Limitations and Other Hazards to Flight*
- *Buyer Awareness Measures*
- *Non-conforming Uses and Reconstruction*

### **Compatibility Criteria for Zone D**

There are no residential density standards or non-residential intensity standards in Compatibility Zone D of the Travis Plan.

Compatibility Zone D does require review for structures in excess of 200' above ground level. Height review is based on the part 77 Surfaces for Travis AFB. The proposed project does not penetrate any of the Part 77 Surfaces for Travis AFB. In addition, Compatibility Zone D provides for review of the following special circumstances:

- All proposed wind turbines must meet line-of-sight criteria in Policy 5.6.1 (b)
- All new or expanded commercial-scale solar facilities must conduct an SGHAT glint and glare study for ALUC review
- All new or expanded meteorological towers > 200 feet AGL, whether temporary or permanent, require ALUC review
- For areas within the Bird Strike Hazard Zone, reviewing agencies shall prepare a WHA for discretionary projects that have the potential to attract wildlife that could cause bird

strikes. Based on the findings of the WHA, all reasonably feasible mitigation measures must be incorporated into the planned land use.

- For areas outside of the Bird Strike Hazard Zone but within the Outer Perimeter, any new or expanded land use involving discretionary review that has the potential to attract the movement of wildlife that could cause bird strikes are required to prepare a WHA.

## **INITIAL CONSISTENCY ANALYSIS**

Staff has reviewed the proposed Cannabis Business Zone Overlay District for consistency with the applicable land use compatibility considerations discussed above and our analysis is presented below.

### Intensity Limitations on Nonresidential Uses

Compatibility Zone D does not contain any non-residential intensity restrictions. The proposed regulations will not alter the intensity parameters for non-residential land uses. Nor will they alter any residential density limitations. The proposed regulations also do not create or change the zoning designations on any properties within the area of influence of the Travis Plan. As a result, the Cannabis Business Zone Overlay District is consistent with this review provision.

### Identification of Prohibited Uses

The proposed Cannabis Business Zone Overlay District does not add any new land uses to any City zoning districts and thus do not create any circumstances where proposed new uses might be in conflict with identified prohibited uses within Compatibility Zone D of the Travis Plan. Therefore, the Cannabis Business Zone Overlay District is consistent with this review provision.

### Open Land Requirements

The proposed Cannabis Business Zone Overlay District does not make any changes to the existing City zoning regulations pertaining to open land requirements. As a result, the Cannabis Business Zone Overlay District is consistent with this criterion.

### Infill Development

The proposed Cannabis Business Zone Overlay District applies to a single parcel of land. The regulations do not provide any increased density or intensity parameters to infill areas and thus the infill issue is mute. No further consideration is required for this criterion and the regulations would be consistent with these criteria.

### Height Limitations and Other Hazards to Flight

#### Height Review for Objects Greater than 200 Feet in Height

The Cannabis Business Zone Overlay District does not alter any maximum height requirements and so no further review of this factor is required.

#### Commercial Scale Solar Projects

The Cannabis Business Zone Overlay District does not alter any Commercial Solar regulations and as such no further consideration is required for this criterion.

Projects within the Bird Strike Hazard Zone or the Outer Perimeter Area

The project lies within the Outer Perimeter Area. The Cannabis Business Zone Overlay District does not propose new land uses which might attract birds or other wildlife to an area within Travis Plan. As a result, the Cannabis Business Zone Overlay District does not conflict with these criteria and is consistent with the requirements of the Travis Plan.

Buyer Awareness Measures

The proposed regulations do not designate any new residential uses. As a result, Buyer Awareness Measures are not required due to the Cannabis Business Zone Overlay District are thereby consistent with the Travis Plan.

Non-conforming Uses and Reconstruction

The project is not modifying the non-conforming use provisions of the City's zoning regulations. As a result, non-conforming uses and reconstruction issues do not arise with the proposed Cannabis Business Zone Overlay District. As a result, the proposed project does not conflict with the Travis Plan.

Since this is a zoning ordinance amendment to establish a zoning overlay, it is required to come before the Airport Land Use Commission for a consistency determination. It can be clearly seen that this ordinance does not impact any of the compatibility factors found in the Travis Plan

**RECOMMENDATION**

Based on the analysis and discussions above, staff recommends that the Solano County Airport Land Use Commission find as follows:

**Determination:** Determine that application ALUC-20-11 (City of Suisun City's Cannabis Business Zone Overlay District) is consistent with the Travis Air Force Base Land Use Compatibility Plan.

**Attachments:**

- Attachment A: Application
- Attachment B: Development Agreement
- Attachment C: Resolution to be distributed at the meeting

## Solano County Airport Land Use Commission

675 Texas Street Suite 5500  
Fairfield, CA 94533  
Tel 707.784.6765  
Fax 707.784.4805

### LAND USE COMPATIBILITY DETERMINATION: APPLICATION FORM

TO BE COMPLETED BY STAFF		
APPLICATION NUMBER:	FILING FEE:	
DATE FILED:	RECEIPT NUMBER:	
JURISDICTION:	RECEIVED BY:	
PROJECT APN(S):		
TO BE COMPLETED BY THE APPLICANT		
I. GENERAL INFORMATION		
NAME OF AGENCY: City of Suisun City	DATE: Nov. 19, 2020	
ADDRESS: 701 Civic Center Boulevard, Suisun City, CA		
E-MAIL ADDRESS: jkearns@suisun.com	DAYTIME PHONE: (707) 421-7300	FAX: (707) 429-3758
NAME OF PROPERTY OWNER: SGI Suisun LLC		DATE:
ADDRESS: 728 E Commercial St., 2nd Floor Los Angeles, CA 90014		DAYTIME PHONE:
NAME OF DOCUMENT PREPARER: John Kearns		DATE:
ADDRESS: 701 Civic Center Boulevard Suisun City, CA	DAYTIME PHONE: (707) 421-7335	FAX: (707) 429-3758
NAME OF PROJECT: SGI Suisun dba Authentic 707		
PROJECT LOCATION: 521 Railroad Avenue Suisun City, CA		
STREET ADDRESS: 521 Railroad Avenue Suisun City, CA		

**PLEASE CALL THE APPOINTMENT DESK AT (707) 784-6765 FOR AN APPLICATION APPOINTMENT.**

**TO BE COMPLETED BY THE APPLICANT**

**II. DESCRIPTION OF PROJECT**

SGI Suisun LLC dba Authentic 707 intends to operate a Type 10 Storefront Retailer License with delivery services in addition to a Type 11 Distributor license. Both licenses are to be operated out of the same property located at 521 Railroad Ave, Suisun City, CA 94585. The Retailer license will be operated out of the main building with frontage along Railroad Avenue. The Distributor license and the Delivery portion will be operated out of the back warehouse that does not have frontage along any road. The Retailer license is a direct-to-consumer operation while the Distributor license is a business-to-business operation. The Distributor license permits the retrieval of goods from a licensed cultivator, manufacturer, or other distributor and also authorizes the testing of products by a licensed third-party laboratory. Upon a completed passing inspection, products may then be transported to another licensed distributor for resale or direct to licensed retailers for final sale to consumers.

The proposed Cannabis Business Zone is 1.41 acres in size is located at 521 Railroad Avenue. It is being created in compliance with 18.49.060 of Ordinance No. 768 (attached).

**PLEASE CALL THE APPOINTMENT DESK AT (707) 784-6765 FOR AN APPLICATION APPOINTMENT.**

TO BE COMPLETED BY THE APPLICANT	
<b>II. DESCRIPTION OF PROJECT (CONT'D)</b>	
POTENTIAL PROJECT EMISSIONS: (i.e. smoke, steam, glare, radio, signals):  N/A	
PROJECT AIRPORT LAND USE COMPATIBILITY PLAN: <p style="text-align: center;">Travis</p>	COMPATIBILITY ZONE: <p style="text-align: center;">D</p>
PERCENTAGE OF LAND COVERAGE: 14% (Existing square footage, no additions proposed.	MAXIMUM PERSONS PER ACRE: <p style="text-align: center;">N/A</p>
THE FOLLOWING INFORMATION MUST BE SUBMITTED AS A MINIMUM REQUIREMENT:	
<input checked="" type="checkbox"/> JURISDICTION REFERRAL LETTER: <input checked="" type="checkbox"/> ENVIRONMENTAL DOCUMENTATION: <input checked="" type="checkbox"/> LOCATION MAP: <input checked="" type="checkbox"/> ASSESSOR'S PARCEL MAP, with subject property marked in red: <input checked="" type="checkbox"/> SITE PLAN, drawn to scale and fully dimensioned including topographical information, and 8 1/2 x 11 inch reduction(s): <input type="checkbox"/> ELEVATIONS, if located in APZ, clear zones and A,B,C compatibility zones or over 200' in height, plus 8 1/2 x 11 inch reduction(s) : <input type="checkbox"/> WIND TURBINE STUDY, including cumulative impact studies. Such studies shall include an analysis of (1) the individual effects of the proposed project, and (2) as required by law, an analysis of the cumulative effects of the proposed project considered in connection with the effects of past projects, the effects of other current projects and proposed projects, and the effects of probable future projects, including (i) the probable build out for wind energy development of the remaining vacant parcels within the wind resource areas described in the Solano County General Plan and (ii) any probable replacement of existing turbines or meteorological towers with structures having different dimensions.  <input checked="" type="checkbox"/> SUPPLEMENTAL INFORMATION: <input checked="" type="checkbox"/> FEES: <input checked="" type="checkbox"/> ELECTRONIC COPIES OF ALL APPLICATION MATERIALS ON A CD:	
APPLICANT SIGNATURE: X 	DATE: <p style="text-align: center;">November 19, 2020</p>
DOES THE PROJECT PROPOSE THE DEMOLITION OR ALTERATION OF ANY EXISTING STRUCTURES ON THE PROJECT SITE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO    If yes, describe below:	

**PLEASE CALL THE APPOINTMENT DESK AT (707) 784-6765 FOR AN APPLICATION APPOINTMENT.**

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

City of Suisun City  
Attn: City Clerk  
City Hall  
701 Civic Center Blvd  
Suisun City, CA 94585

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**DEVELOPMENT AGREEMENT**

**by and between**

**THE CITY OF SUISUN CITY  
a municipal corporation**

**and**

**SGI SUISUN LLC dba AUTHENTIC 707  
a California Corporation**

## DEVELOPMENT AGREEMENT

This Development Agreement (the “**Agreement**”) is made on \_\_\_\_\_, 2020, by and between the CITY OF SUISUN CITY, a municipal corporation, organized and existing pursuant to the laws of the State of California (the “**City**”) and \_SGI Suisun LLC dba Authentic 707, a limited liability company (the “**Developer**”). City and Developer may be referred to, individually or collectively, as “**Party**” or “**Parties**.”

### RECITALS

A. Pursuant to Section 65864 through 65869.5 of the California Government Code (the “**Development Agreement Laws**”), the City is authorized to enter into binding development agreements with Persons (as defined) having legal or equitable interests in real property for the development of such real property.

B. Developer is the owner of that certain property located at 521 Railroad Ave, Suisun City, CA 94585, APN 0037-080-060 (the “**Property**”), and intends to operate a Type 10 Storefront Retailer License with Delivery Services, and a Type 11 Distributor License at the Property.

C. Pursuant to Section 18.49.060 the Suisun City Municipal Code, “[n]o commercial cannabis operation or activity, other than a storefront retailer pursuant to Section 18.49.160, shall be permitted to operate anywhere in the City other than in a Cannabis Business Zone [(CBZ)].”

D. Pursuant to Section 18.49.070 of the Suisun City Municipal Code, “[e]ach applicant for establishment of a Cannabis Business Zone pursuant to Section 18.49.060, concurrently with CBZ application review, shall apply for and negotiate, in good faith, terms of a development agreement to guide subsequent development and operation of cannabis-related uses within the CBZ.”

E. The following applications have been filed by the Developer for a cannabis business to be located at the “**Property**”) for the development of cannabis uses Type 10 Storefront Retailer License with Delivery Services, and an optional Type 11 Distributor License (the “**Project**”):

1. An application for this Development Agreement (the “**DA Application**”).
2. An application for a Site Plan/Architectural Review Permit filed by the Developer (the “**Site Plan Application**”) for architectural treatment, drainage, site aesthetics, and similar development within the Property (as more particularly described in the Site Plan Application).
3. A Commercial Business Zone overlay application (the “**CBZ Application**”).
4. An application filed by the Developer (the “**Commercial Cannabis Permit Application**”) for a Commercial Cannabis Permit, as required by Chapter 18.49 of the Suisun City Municipal Code, for cannabis uses in the Property (as more particularly described in the Commercial Cannabis Permit application), which would allow the use of a cannabis retail and distribution center at the Property.

The Site Plan Application, the CBZ Application, and the Commercial Cannabis Permit Application may be referred to collectively as the “**Project Applications**.” Approval of the Project

Applications may be collectively referred to as the “**Project Approvals.**” The Property is depicted on Exhibit “A” to this Agreement, and the legal description is set forth on Exhibit “B”.

F. All required fees and costs have been paid for the filing, and the City’s processing of, the Project Applications except for the payment of the City Preparation Costs which will be paid within 30 (thirty) days of the Effective Date of this Agreement.

G. Subsequent to the filing of the Project Applications, the City performed a preliminary environmental assessment pursuant to the requirements of the California Environmental Quality Act (California Public Resources Code section 21000, *et seq.*) and the Guidelines thereunder (14 California Code of Regulations section 15000, *et seq.*) (collectively, “CEQA”), and determined the Project Approvals were subject to exemptions pursuant to CEQA Guidelines Section 15061(b)(3) and 15301 (Existing Facilities).

H. Developer filed the DA Application for approval of this Agreement in order to: (1) vest the land use and zoning policies established in the Existing City Requirements as of the Adoption Date of this Agreement for the duration of the Term with respect to the Property and the Project; and (2) memorialize certain other agreements made between the City and Developer with respect to the Property and the Project.

I. The City has determined that this Agreement will eliminate uncertainty regarding Project Approvals and certain subsequent development approvals, thereby encouraging planning for, investment in and commitment to use and develop the Property. Continued use and development of the Property is anticipated to, in turn, provide the following substantial benefits and contribute to the provision of needed infrastructure for area growth, thereby achieving the goals and purposes for which the Development Agreement Laws were enacted: (1) Provide for the development of unused land; (2) Provide increased tax revenues for the City; (3) Provide for jobs and economic development in the City; and (4) Provide infrastructure improvements that can be utilized by regional users and future users. It is based upon these benefits to the City that the City is agreeable to proceeding with the proposed Project Applications and Project Approvals.

J. The City has further determined that it is appropriate to enter into this Agreement to: (1) provide certainty to encourage investment in the comprehensive development and planning of the Project; (2) secure orderly development and progressive fiscal benefits for public services, improvements and facilities planning for the Property and neighboring areas, as appropriate; and (3) fulfill and implement applicable adopted City plans, goals, policies and objectives.

K. In accordance with Section 18.49.070(D), the City Council of Suisun City makes the following findings:

1. This Agreement furthers the public health, safety and general welfare, and that the provisions of this Agreement are consistent with the goals and policies of the 2035 Suisun City General Plan and any applicable Specific Plan. For the reasons recited herein, the City and Developer have determined that the Project is a development for which this Agreement is appropriate.
2. The provisions of this Agreement, including the uses and activities authorized herein, are compatible with the uses authorized in, and the regulations prescribed for, the zoning district and area in which the Property is located, and will not adversely affect

the orderly development of property or the preservation of property values in the City.

3. This Agreement will be beneficial to the residents of the City so as to promote the health, safety and welfare of City residents. Such benefits may arise from, without limitation, direct creation of new jobs, creation of ancillary and related jobs, contributions toward the construction of key infrastructure projects, contributions of revenue to the City to support key community priorities, or other measures as proposed by the Developer and determined appropriate by the city
4. This Agreement will not be not detrimental to the public health, safety, or general welfare.
5. This Agreement complies with the California Environmental Quality Act.
6. This Agreement will not adversely affect the orderly development of property or the preservation of property values in the city.
7. This Agreement provides a reasonable penalty for violation of its terms, as stated in Section 10.

L. This Agreement provides for payment by the Developer of all costs associated with preparing and entering into this Agreement.

M. This Agreement will survive beyond the term or terms of the present City Council.

N. On \_\_\_\_\_, at a duly noticed public hearing and after due review and consideration of (i) the report of City staff on the Project Applications, (ii) all other evidence heard and submitted at the public hearing, and (iii) all other appropriate documentation and circumstances, the Planning Commission of the City adopted resolutions recommending that the City Council: (1) adopt the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA; (2) approve the Site Plan Application and CBZ Application; and (3) approve this Agreement, subject to the conditions of approval set forth herein (the “**Conditions of Approval**”).

O. On \_\_\_\_\_, 2020, at a duly noticed public hearing and after introduction of the ordinance due review and consideration of (i) the report of City staff on the Project Applications, (ii) the recommendations of the Planning Commission, (iii) all other evidence heard and submitted at the duly noticed public hearing conducted and closed, and (iv) all other appropriate documentation and circumstances, the City Council adopted an ordinance to: (1) adopt the exemption pursuant to CEQA Guidelines Sections 15061(b)(3) and 15301(Existing Facilities) in compliance with CEQA and adopt any attendant findings required by CEQA; (2) approve the Site Plan Application and CBZ Application; (3) approve this Agreement, subject to the Conditions of Approval, upon making the findings required by section 18.49.070(D) of the Suisun City Municipal Code; and (4) direct the City Manager to finalize and execute this Agreement on behalf of the City (collectively, the “**City Council Ordinance**”).

## A G R E E M E N T

NOW, THEREFORE, with reference to the above Recitals, incorporated herein by reference, and in consideration of the mutual covenants and agreements contained in this Agreement, the City and the Developer agree as follows:

1. Interests of Developer.

1.1 Cannabis Business. Developer will operate a Type 10 and Type 11 cannabis business at the Property. The Type 10 shall be a Storefront Retailer with Delivery Services, and the Type 11 shall be a Distributor. The Retailer business will be operated out of the main building with frontage along Railroad Avenue. The Distributor business and the Delivery portion will be operated out of the back warehouse that does not have frontage along any road. The Retailer business is a direct-to-consumer operation while the Distributor business is a business-to-business operation. The Distributor License permits the retrieval of goods from a licensed cultivator, manufacturer, or other distributor and also authorizes the testing of products by a licensed third party laboratory. Upon a completed passing inspection, products may then be transported to another licensed distributor for resale or direct to licensed retailers for final sale to consumers.

1.2 Existing Structures. Developer shall utilize the existing structures on the Property, subject to any improvements deemed necessary for the operation of the Retail and Distribution businesses. The Retail business shall operate as a storefront of 3,661 square feet out of the structure facing Railroad Avenue. The Distribution business shall operate out of the 5,000 square foot structure in the back of the Property, and shall not be accessible by the public.

1.3 Recordation of Agreement. Within 10 (ten) days following mutual execution of this Agreement by the City and Developer, the City shall cause this Agreement to be recorded in the official records of Solano County, California (the “**Official Records**”) with respect to the Property. Following the recordation of this Agreement in the Official Records, the City shall deliver to Developer a conformed copy of this Agreement evidencing the recording information. This Agreement must be recorded on the Property prior to commencement of any commercial cannabis use on the Property, regardless of the existence of any site plan, entitlement, City-issued commercial cannabis permit or State-issued license for cannabis operations at the Property or in the Property Area.

1.4 Binding Covenants. The Developer represents: (1) it has a legal or equitable interest in the Property; (2) it has provided proof of such interest to the satisfaction of the City Manager; (3) it has provided proof of the authority of any agent or representative to act for the Developer in connection with this Agreement to the satisfaction of the City Manager; and (4) all other persons holding legal title in the Property are bound by this Agreement. It is intended and determined that the provisions of this Agreement shall bind and inure to all successors in interest to the Parties.

2. Term of Agreement.

2.1 Definitions. For purposes of this Agreement, the following shall have the meanings set forth below:

“**Adoption Date**” means the date on which the City Council adopted the ordinance approving this Agreement and authorizing the Mayor to execute this Agreement on behalf of the City.

“**Applicable Rules**” collectively means: (a) the terms and conditions of the Project Approvals; (b) the terms and conditions of this Agreement; and (c) the Existing City Requirements.

“**City Agency**” means any office, board, commission, department, division or agency of the City.

“**City Manager**” means the City Manager of the City of Suisun, and shall include his or her designee.

“**City Requirements**” collectively means all of the following which are in effect from time to time: (a) the Suisun City Municipal Code; and (b) all rules, regulations and official plans and policies, including the 2035 Suisun City General Plan and any applicable Specific Plan, of the City governing development, subdivision and zoning that are applicable to the Property. The City Requirements may include, without limitation, requirements governing building height, maximum floor area, permitted and conditionally permitted uses, floor area ratios, maximum lot coverage, building setbacks and setbacks, parking, signage, landscaping, Exactions (as hereinafter defined) and dedications, growth management, environmental consideration, grading, construction, security measures, odor control and other items.

“**Effective Date**” means the later of: (a) 30 (thirty) days after the Adoption Date; or (b) if a referendum petition is timely and duly circulated and filed with respect to this Agreement, the date the election results on the ballot measure by City voters approving this Agreement are certified by the City Council in the manner provided in the Elections Code.

“**Existing City Requirements**” means the City Requirements that are in effect as of the Adoption Date of this Agreement.

“**Laws**” means the Constitution and laws of the State, the Constitution of the United States, and any codes, statutes, regulations, or executive mandates thereunder, and any court decision, State or federal, thereunder.

“**State**” means the State of California.

“**Termination**” means the expiration of the Term of this Agreement, whether by the passage of time or by any earlier occurrence pursuant to any provision of this Agreement.

2.2 Term. The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall continue for a period of 2 (two) years following the Effective Date; provided that such period shall be extended for any events of Force Majeure pursuant to Section 13.1 and during the pendency of any legal action challenging the Project Approvals or the adoption of an environmental finding or document for the Project pursuant to CEQA, or any legal action challenging or contesting the adoption of this Agreement. Any extension based upon an event described in this Section 2.2 shall be granted pursuant to the procedures set forth in Section 13.2. This Agreement may remain in effect for an unlimited number of consecutive Terms, provided that the development agreement is subject to renewal on a biennial basis. All renewals shall be subject to approval by the City Council.

2.3 Effect of Termination. Termination of this Agreement shall mean that Developer must cease operation of its cannabis business within 90 (ninety) days of the date of Termination. Upon any Termination of this Agreement, each Party shall retain any and all of the respective benefits that it received as of the date of Termination under or in connection with this Agreement. Nothing herein shall preclude the City, in its discretion, from taking any action authorized by Laws or Existing City Requirements to prevent, stop, or correct any violation of Laws or Existing

City Requirements occurring before, during, or after construction of the improvements in the Project by Developer.

3. Development of the Project.

3.1 Definitions. For purposes of this Agreement, the following shall have the meanings set forth below:

**“City Application Fees”** means fees levied or assessed by the City and any City Agency to review and process applications for City Permits.

**“City Permits”** collectively means any and all permits or approvals that are required under the City Requirements in order to develop, use and operate the Project, other than the Project Approvals; and Future Discretionary Approvals that the Developer may elect to obtain from the City pursuant to Section 3.3 “City Permits” specifically include, without limitation, Technical City Permits.

**“Developer Approved Changes”** means those amendments, revisions or additions to the City Requirements adopted or enacted after the Adoption Date that: (a) Developer elects, in its sole discretion, to have applied to the development and occupancy of the Project and the Property during the Term of this Agreement; and (b) the City Manager approves such application, which approval shall not be unreasonably withheld.

**“Permitted Rules Revisions”** collectively means the following: (a) any Minor Changes to this Agreement that are proposed by Developer and approved by the City in accordance with Section 3.2; (b) any commercial cannabis activity regulations enacted by the City Manager; (c) any Future Discretionary Approvals that are applied for by Developer and approved by the City pursuant to Section 3.3; (d) any Authorized Code Revisions under Section 3.4 that are uniformly applied on a City-wide basis; and (e) written amendments to this Agreement that are mutually executed by City and Developer pursuant to Section 16.2.

**“Technical City Permits”** collectively means any of the following technical permits issued by the City or any City Agency in connection with any building or improvement in the Project: (a) demolition, excavation and grading permits; (b) building permits; (c) permits for the installation of underground lines and facilities for utilities, including without limitation, water, sewer, storm drain and dry utilities (electrical, gas, phone and cable); (d) any encroachment permits; and (e) any street improvement permits, including without limitation, permits for street lighting and traffic signals. “Technical City Permits” specifically excludes building permits from the City or any City Agency for the construction of particular buildings or improvements in the Project.

3.2 Applicable Rules.

3.2.1 Except for the Permitted Rules Revisions and any Developer Approved Changes, Developer shall have the right to develop and occupy the Project during the Term in accordance with the Applicable Rules. In the event of any conflict between the provisions in this Agreement, the Project Approvals and the Existing City Requirements, such conflict shall be resolved in the following order of priority: (a) the requirements of Chapter 18.49 of the Suisun City Municipal Code; (b) this Agreement; (c) the Project Approvals; (d) the Project Applications; and (e) any other Existing City Requirements.

3.2.2 Except for the Permitted Rules Revisions and any Developer Approved Changes, no amendment to, revision of, or addition to any of the City Requirements that is adopted or enacted after the Effective Date shall (i) be effective or enforceable by the City with respect to the Project or the Property or (ii) modify or impair the rights of Developer under this Agreement during the Term without the Developer's written approval, whether such amendment, revision or addition is adopted or approved by: (a) the City Council; (b) any City Agency; or (c) by the people of the City through referendum or initiative measure.

### 3.3 Minor Changes.

3.3.1 The Parties acknowledge that further planning and development of the Project may demonstrate that refinements and changes are appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire that Developer retain a certain degree of flexibility with respect to the details of the development of the Project and with respect to those items covered in general terms under this Agreement. If and when Developer finds that Minor Changes are necessary or appropriate, then upon written request by Developer, the Parties shall, unless otherwise required by federal, state, or local law, effectuate such changes or adjustments through administrative amendments executed by the Developer and the City Manager, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary, with approval by the City Manager and the Developer.

3.3.2 The term "**Minor Changes**" collectively means: (a) minor deviations to the Project Approvals that are permitted under the Existing City Requirements and are reasonably approved by the City Manager; (b) a reduction in the parking ratio requirements for the Project under consistent with the Suisun City Municipal Code, provided that (i) the reduction does not exceed 10% (ten percent) of the Code requirement, and (ii) the reduction is approved by the City Manager, which approval shall not be unreasonably withheld or denied; or (c) such other changes, modifications or adjustments to the Project Approvals, which the City Manager determines are consistent with the overall intent of the Project Approvals and which do not materially alter the overall nature, scope, or design of the Project, and which are consistent with the requirements of Chapter 18.49 of the Suisun City Municipal Code and any commercial cannabis activity regulations as may be enacted by the City.

3.3.3 In effecting any Minor Changes, the City shall cooperate with the Developer, provided that the permitted uses are not modified from those in the Project Approvals and any changes are in accordance with the Existing City Requirements. Minor Changes shall not be deemed to be an amendment to this Agreement under California Government Code section 65868 but are ministerial clarifications and adjustments, and unless otherwise required by law, no such administrative amendments shall require prior notice or hearing by the Planning Commission and City Council. Any amendment or change requiring an environmental impact report, or a supplement thereto, pursuant to CEQA shall not be considered a Minor Change, but shall be considered substantive amendment which shall be reviewed and approved by the Planning Commission or the City Council as determined by the applicable provisions of the Suisun City Municipal Code relating to the hearing and approval procedures for the specific Project Approval.

3.4 Future Discretionary Approvals. Nothing in this Agreement shall operate to preclude Developer from applying to the City during the Term of this Agreement for any of the following new approvals with respect to any proposed buildings and improvements in the Project (collectively, the "**Future Discretionary Approvals**"): (a) any new entitlements that may be required

under the Existing City Requirements; (b) any subsequent commercial cannabis permit; and (c) any other approval (i) which is not otherwise addressed or set forth in this Agreement and (ii) which the Existing City Requirements mandate must be reviewed and approved by the Planning Commission or City Council. The City shall process, review and approve or disapprove any application for a Future Discretionary Approval filed by Developer in accordance with the City Requirements then in effect. The approval by the City of an application by Developer for a Future Discretionary Approval shall not require an amendment of this Agreement.

3.5 Authorized Code Revisions. This Agreement shall not prevent the City from applying to the Project the following rules, regulations and policies adopted or enacted after the Adoption Date, if uniformly applied on a City-wide basis (collectively, the “**Authorized Code Revisions**”):

3.5.1 Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure, provided that such changes in procedural regulations do not have the effect of materially interfering with the substantive benefits conferred to Developer by this Agreement.

3.5.2 Regulations which are not in conflict with this Agreement and which would not, alone or in the aggregate, cause development of the Project to be materially different, more burdensome, time consuming or expensive.

3.5.3 Regulations which are necessary to avoid serious threats to the public health and safety, provided that, to the maximum extent possible, such regulations shall be construed and applied in a manner to preserve the substantive benefits conferred to Developer by this Agreement.

3.5.4 Mandatory regulations of the State and the United States of America applicable to the Project, provided that, to the maximum extent if possible, such regulations shall be construed and applied in a manner to preserve to the Developer the substantive benefits conferred to Developer by this Agreement.

3.5.5 City Requirements imposing life safety, fire protection, mechanical, electrical and/or building integrity requirements with respect to the design and construction of buildings and improvements, including the then current applicable building codes.

3.5.6 Any commercial cannabis activity regulations promulgated by the City.

3.6 Timing of Development. The retail portion of the Project must be operational no later than the expiration of the first two-year Term.

3.7 No Obligation to Develop Type 11, Distribution, business. Nothing in this Agreement is intended, should be construed nor shall require Developer to proceed with the construction of any improvements in the Property or to the commence business activities relating to the operation of a Type 11, Distribution, business. The decision to proceed or to forbear or delay in proceeding with the implementation or any improvements on the Property for the Type 11 business shall be in the sole discretion of Developer.

3.8 Hold on Certificate of Occupancy. Except as otherwise provided in Section 6.2.3, the City reserves the right to place a hold on the issuance of any required Certificate of

Occupancy for a building in the Project in the event the Existing City Requirements or Conditions of Approval have not been substantially completed by Developer.

3.9 City Permits. Developer shall obtain all City Permits required for the construction and operation of the Project. Developer shall pay to the City the City Application Fees chargeable in accordance with the City's Fee Schedule that is in effect at the time the relevant application for a City Permit is made; provided that such City Application Fees are uniformly imposed by the City and any City Agency at similar stages of project development on all similar applications for development in the City.

4. [Reserved.]

5. [Reserved.]

6. Exactions.

6.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

**"Cannabis Taxes"** means the taxes per square foot and per dollar of revenue as provided by with Chapter 3.44 of the Suisun City Municipal Code, as specified by City Council resolution.

**"Exaction"** means any exactions or mitigation measures, other than the payment of City Development Fees and City Application Fees, that are imposed by the City or any City Agency, as a condition of, or in connection with, the Project Approvals. "Exactions" may include, without limitation: (a) a requirement for the dedication of any portion of the Property to the City or any City Agency; (b) an obligation for the construction of any on-site or off-site improvements; (c) an obligation to provide services; or (d) the requirement to dedicate any easements, rights or privileges with respect to the Project or any portion thereof to the City or any City Agency.

**"Proceeds"** shall have the same meaning as that term is defined in Section 3.44.010 of the Suisun City Municipal Code.

**"Space utilized for commercial cannabis activities"** shall have the same meaning as the phrase is defined in Section 3.44.010 of the Suisun City Municipal Code.

6.2 Exactions.

6.2.1 All of the Exactions that Developer shall be required to perform or caused to be performed in connection with the development, construction, use and occupancy of the Project, during the term of the Agreement (collectively, the **"Required Exactions"**), and the timing requirements for the performance of such Required Exactions, are set forth in this Agreement. The Required Exactions include the following:

6.2.1.1 In accordance with Resolution No. 2019-120, Developer shall:

(a) On July 1 of every year , pay the City the following Cannabis Taxes: (i) Type 10, Retail: \$2.00 per square foot of space utilized for commercial cannabis activities;

and (ii) Type 11, Distribution: \$5.00 per square foot of space utilized for commercial cannabis activities. Upon submission of the annual square footage tax, Developer will confirm in writing the square footage of each type of business. City may confirm the square footage by conducting an inspection during business hours. If July 1 falls on a day City Hall is closed, the payment and accounting shall be remitted on the first business day City Hall is open following July 1.

(b) On the first of each month, pay the City the following Cannabis Taxes: (i) Type 10, Retail: 7% of the Proceeds from commercial cannabis activities; and (ii) Type 11, Distribution: 5% of the Proceeds from commercial cannabis activities. At the same time as Developer remits its monthly Cannabis Taxes, it shall remit an accurate accounting of that month's Proceeds. If the first of the month falls on a day City Hall is closed, the payment and accounting shall be remitted on the first business day City Hall is open following the first of the month.

(c) At each renewal of this Agreement, Developer's tax burden based on Proceeds and based on space utilized for commercial cannabis activities will be updated to match the current City Council resolution to this effect. If the square footage of commercial cannabis business use increases or decreases on a date other than July 1, the Cannabis Tax payments shall be adjusted on a pro rata basis starting on the date of the change in square footage.

6.2.1.2 The amount of space utilized for commercial cannabis activities at the time of execution of this Agreement, is 3,661 square feet for Type 10, Retail. Developer may use up to 5,000 square feet for Type 11, Distribution, at Developer's discretion. In the event Developer increases or decreases the space utilized for commercial cannabis activities of either business, the annual square foot exaction will increase or decrease proportionately.

6.2.1.3 Developer shall pay to the City an amount as determined by the City, in restricted funds to be utilized on a draw down basis for the City costs to process the Developer's DA Application and Commercial Cannabis Permit Application relating to its proposed commercial cannabis business. Should the restricted funds be exhausted prior to the City completing its processing of the application, Developer shall pay an additional amount to the City sufficient to process the application. The restricted funds shall be paid in full by Developer on or before 90 (ninety) days after approval of this Agreement. Any excess payment from the Developer shall be returned by the City after all processing costs have been satisfied.

6.2.1.4 The Required Exactions include, without limitation, all Conditions of Approval imposed by the City, to fully mitigate adverse impacts resulting from, and reasonably related to, the development of the Project.

6.2.1.5 City shall have the authority to audit Developer's books on an annual basis to confirm that Developer has remitted the correct amounts. The audit may go back as far as five (5) years, at City's discretion.

## 6.2.2 Late Payment Penalties.

6.2.2.1 Annual Square Footage Cannabis Tax. Payment of the Cannabis Tax pursuant to Section 6.2.1.1(a) shall be subject to a penalty of 20% of that year's payment if remitted on or after August 1. Late payments shall be subject to an additional 10% late payment per 10 additional days that payment is not remitted, for a maximum of 100% of that year's payment.

6.2.2.2 Monthly Proceeds Cannabis Tax. Payment of the Cannabis Tax pursuant to Section 6.2.1.1(b) shall be subject to a penalty of 20% of that month's payment if remitted later than 5 days after it is due. Late payments shall be subject to an additional 10% late payment per 5 additional days that payment is not remitted, for a maximum of 100% of that month's payment.

6.2.2.3 Audit. Developer shall be subject to a penalty of \$1,000 if it delays the audit by more than 30 days following the City's request, unless City and Developer agree in good faith to a longer timeline. The penalty shall increase by \$1,000 for every 30 days of delay, for a maximum of \$10,000 per year.

6.2.3 Violations Are Material Breach. Any violation by Developer of any of the provisions of this Section 6 shall presumptively be a material breach and may be grounds for Termination of this Agreement.

## 7. Actions by City.

7.1 Other Governmental Permits. The City agrees to cooperate with Developer in Developer's endeavors to obtain permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Property or portions thereof (including but not limited to public utilities or utility districts and agencies having jurisdiction over transportation facilities and air quality issues) so long as the cooperation by the City will not require the City to exercise legislative action or incur any cost, liability or expense without adequate indemnity against or right of reimbursement therefor from Developer.

7.2 Cooperation in Dealing with Legal Challenge. If any action or other proceeding is instituted by a third party or parties, other governmental entity or official challenging the validity of any provision of this Agreement (collectively, a "**Third Party Action**"), the Parties shall cooperate in the defense of the Third Party Action to the maximum extent reasonably possible under the circumstances unless otherwise required by law.

7.3 Indemnification. **This Section 7.3 shall survive termination or expiration of this Agreement.**

7.3.1 Third Party Actions. To the furthest extent allowed by law, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, damages and costs (including attorney's fees, litigation expenses and administrative record preparation costs) arising from, resulting from, or in connection with any Third Party Action. The term "**Third Party Action**" collectively means any legal action or other proceeding instituted by (i) a third party or parties or (ii) a governmental body, agency or official other than the City or a City Agency, that: (a) challenges or contests any or all of this Agreement, the Project Applications and Approvals, and the Project Approvals; or (b) claims or alleges a violation of CEQA or another law by the City Council; or (c) the grant, issuance or approval by the City of any or all of this Agreement, the Project Applications and Approvals, and the Project Approvals. Developer's obligations under this Section 7.3.1 shall apply regardless of whether City or any of its officers, officials, employees, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties forfeitures, costs or damages caused solely by the active negligence or willful misconduct of the City or any of its officers, officials, employees, agents or volunteers.

7.3.2 Additional Claims. To the fullest extent permitted by law, Developer shall indemnify, hold harmless and defend the City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers (“City Indemnitees”) from any and all loss, liability, fines, penalties, forfeitures, costs and damages, including but not limited to personal injury, death at any time, and property damage, and including further attorney's fees, litigation and legal expenses incurred by the City Indemnitee or held to be the liability of the City Indemnitee (including plaintiff's or petitioner's attorney's fees if awarded, in connection with the City Indemnitee's defense of its actions in any proceeding) (collectively, “Losses”) incurred by any City Indemnitees from any and all claims, demands and actions in law or equity (collectively, a “Claim”), whether in contract, tort or strict liability, resulting from, arising or alleged to have arisen directly or indirectly out of performance or in any way connected with: (i) the making of this Agreement; (ii) the performance of this Agreement; (iii) the issuance of the Commercial Cannabis Business Permit, permits, licenses, or other entitlements related to a cannabis operations; or (iv) the City's granting, issuing or approving use of this Agreement. If any portion of a claim, demand or action in law gives rise to indemnification under this Agreement, Developer shall be responsible for indemnifying, holding harmless or defending the City as to the entire claim, demand or action in law. Developer's indemnification obligations under the proceeding portions of this paragraph shall apply regardless of whether the City Indemnitees are negligent, but shall not apply to any Losses caused solely by the gross negligence or willful misconduct of any City Indemnitees.

In addition, Developer shall indemnify, hold harmless and defend the City Indemnitees from any and all federal enforcement actions arising from (i) the execution of this Agreement, (ii) the issuance of the Commercial Cannabis Business Permit, permits, licenses, or other entitlements, and/or (iii) any other entitlements or approvals by the City to operate the Developer's commercial cannabis business. Further, Developer shall indemnify, hold harmless and defend the City Indemnitees from any and all violations of federal, state and/or local law by Developer, its officers, officials, employees, agents, subcontractors, independent contractors and volunteers.

If Developer should subcontract all or any portion of the work to be performed under this Agreement, Developer shall require each subcontractor to indemnify, hold harmless and defend the City Indemnitees in accordance with the terms of the two prior paragraphs of this Section. Notwithstanding the preceding sentence, any subcontractor who is a “design professional” as defined in Section 2782.8 of the California Civil Code shall, in lieu of indemnity requirements set forth in the two prior paragraphs of this Section, be required to indemnify, hold harmless and defend the City Indemnitees to the fullest extent allowed by law, from any and all Claims and Losses that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

7.3.3 Damage Claims. The nature and extent of Developer's obligations to indemnify, defend and hold harmless the City with regard to events or circumstances not addressed in Section 7.3.1 and 7.3.2 shall be governed by this Section 7.3.3. To the furthest extent allowed by law, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Developer or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Agreement or the performance of any or all work to be done by Developer or its contractors, agents, successors

and assigns pursuant to this Agreement (including, but not limited to design, construction and/or ongoing operation and maintenance of any required Off-Site Improvements unless and until such Off-Site Improvements are dedicated to and officially accepted by the City). Developer's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees, consultants, attorneys, agents, or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active or sole negligence, or the willful misconduct, of City or any of its officers, officials, employees, agents or volunteers.

If Developer should subcontract all or any portion of the services to be performed under this Agreement, Developer shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, attorneys, agents and volunteers in accordance with the terms of the preceding paragraph. The Developer further agrees that the use for any purpose and by any person of any and all of the streets and improvements required under this Agreement, shall be at the sole and exclusive risk of the Developer, at all times prior to final acceptance by the City of the completed street and other improvements, unless any loss, liability, fines, penalties, forfeitures, costs or damages arising from said use were caused by the active or sole negligence, or the willful misconduct, of the City or any of its officers, officials, employees, consultants, attorneys, agents or authorized volunteers.

7.4 Insurance. Except for any Off-Site Improvements constructed pursuant to the terms of this Agreement (in which case insurance for the Off-Site Improvements shall be required through the date of the City's final formal acceptance of Off-Site Improvements constructed), from the Effective Date of this Agreement and at all times herein (the "**Insurance Period**"), Developer shall pay for and maintain in full force and effect all policies of insurance described in this section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide. The following policies of insurance are required:

7.4.1 Commercial General Liability Insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage and personal injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal injury, \$2,000,000 general aggregate and \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

7.4.2 Commercial Automobile Liability Insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 B Any Auto), with combined single limits of liability of not less than \$2,000,000 per accident for bodily injury and property damage.

7.4.3 Workers' Compensation Insurance as required under the California Labor Code.

7.4.4 Employer's Liability with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000.00 policy limit and \$1,000,000 for each employee.

#### 7.4.5 General Insurance Requirements.

(a) In the event Developer purchases an Umbrella or Excess insurance policy to meet the “Minimum Limits of Insurance,” this insurance policy shall “follow form” and afford no less coverage than the primary insurance policy.

(b) Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Developer shall also be responsible for payment of any self-insured retentions.

(c) The above described policies of insurance shall be endorsed to provide an unrestricted 30 (thirty) day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a 10 (ten) day written notice of such cancellation of coverage. In the event any policies are due to expire during the term of this Agreement, Developer shall provide a new certificate evidencing renewal of such policy not less than 15 (fifteen) calendar days prior to the expiration date of the expiring policy. Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Developer shall file with City a new certificate and all applicable endorsements for such policy.

(d) The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees, consultants, attorneys, and volunteers as an additional insured. Such policy of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees, consultants, attorneys, and volunteers. Developer shall have furnished City with the certificates and applicable endorsements for all required insurance prior to start of construction of any phase of development. Developer shall furnish City with copies of the actual policies upon the request of City's City Manager at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

(e) If at any time during the Insurance Period, Developer fails to maintain the required insurance in full force and effect, the City Engineer, or his/her designee, may order that the Developer, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. The insurance requirements set forth in this Section 7.4 are material terms of this Agreement.

(f) If Developer should hire a general contractor to provide all or any portion of the services or work to be performed under this Agreement, Developer shall require the general contractor to provide insurance protection in favor of City, its officers, officials, employees, consultants, attorneys, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that the general contractor's certificates and endorsements shall be on file with Developer and City prior to the commencement of any work by the general contractor.

(g) If the general contractor should subcontract all or a portion of the services or work to be performed under this Agreement to one or more subcontractors, Developer shall require the general contractor to require each subcontractor to provide insurance protection in favor of City, its officers, officials, employees, consultants, attorneys, volunteers and agents in accordance with the

terms of each of the preceding paragraphs, except that each subcontractor shall be required to pay for and maintain Commercial General Liability insurance with limits of liability of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate and Commercial Automobile Liability insurance with limits of liability of not less than less than \$1,000,000 per accident for bodily injury and property damage. Subcontractors' certificates and endorsements shall be on file with the general contractor, Developer and City prior to the commencement of any work by the subcontractor. Developer's failure to comply with these requirements shall constitute an "Event of Default" as that term is defined in Section 10.1.

## 8. Benefits

8.1 Benefits to the City. The City has extensively reviewed the terms and conditions of this Agreement and, in particular, has specifically considered and approved the impact and benefits of the Project upon the regional welfare. The terms and conditions of this Agreement have been found by the City to be fair, just, and reasonable, and to provide appropriate benefits to the City. This Agreement and the development of the Project will serve the best interests, and the public health, safety, and welfare of the residents and invitees, of the City and the general public. This Agreement will help provide effective and efficient development of any off-site improvements and other Required Exactions in the vicinity of the Property; help maximize effective utilization of resources within the City; increase City tax revenues; and provide other substantial public benefits to the City and its residents by achieving the goals and purposes of the Development Agreement Laws, the Suisun City Municipal Code and the 2035 Suisun City General Plan (as may be amended).

8.2 Benefits to the Developer. The Developer has expended and will continue to expend substantial amounts of time and money on the planning and development of the Project. In addition, the Developer may expend substantial amounts of time and money for the construction of the off-site improvements, if required, and other Required Exactions in connection with the Project. The Developer would not make such expenditures except in reliance upon this Agreement. The benefit to the Developer under this Agreement consists of the assurance that the City will preserve the rights of Developer to develop the Property as planned and as set forth in the Project Approvals and this Agreement.

## 9. Annual Review of Compliance.

9.1 Annual Review. City and Developer shall annually review this Agreement, and all actions taken pursuant to the terms of this Agreement with respect to the Project in accordance with the provisions of California Government Code section 65865.1 and this Section 9. The Parties recognize that this Agreement and the Project Approvals and City Permits referenced herein contain extensive requirements and that evidence of each and every requirement would be a wasteful exercise of the Parties' resources. Accordingly, Developer shall be deemed to have satisfied its duty of demonstration if it presents evidence satisfactory to the City of its good faith compliance, as that term is used in Government Code, section 65865.1, with the material provisions of this Agreement.

9.2 Developer Report. Not later than the first anniversary date of the Effective Date, and not later than each anniversary date of the Effective Date thereafter during the Term, Developer shall apply for annual review of this Agreement. Developer shall submit with such application a report to the City Manager describing Developer's good faith compliance with the terms

of this Agreement during the preceding year (the “**Developer Report**”). The Developer Report shall include a statement that the report is submitted to City pursuant to the requirements of California Government Code section 65865.1.

9.3 Finding of Compliance. Within 30 (thirty) days after Developer submits the Developer Report under Section 9.2, the City Manager shall review Developer's submission to ascertain whether Developer has demonstrated good faith compliance with the material terms of this Agreement. If the City Manager finds and determines that Developer has in good faith complied with the material terms of this Agreement, or does not determine otherwise within 30 (thirty) days after delivery of the Developer Report, the annual review shall be deemed concluded. If the City Manager initially determines that the Developer Report is inadequate in any respect, he or she shall provide written notice to that effect to Developer, and Developer may supply such additional information or evidence as may be necessary to demonstrate good faith compliance with the material terms of this Agreement. If the City Manager concludes that Developer has not demonstrated good faith compliance with the material terms of this Agreement, he or she shall so notify Developer prior to the expiration of the 30-day period and prepare a staff report to the City Council with respect to the conclusions of the City Manager and the contentions of Developer with respect thereto (the “**Staff Report**”).

9.4 Hearing Before City Council to Determine Compliance. After submission of the Staff Report of the City Manager, the City Council shall conduct a noticed public hearing to determine the good faith compliance by Developer with the material terms of this Agreement. At least 30 (thirty) days prior to such hearing, the City Manager shall provide to the City Council, Developer, and to all other interested Persons requesting the same, copies of the Staff Report and other information concerning Developer's good faith compliance with the material terms of this Agreement and the conclusions and recommendations of the City Manager. At the public hearing, Developer and any other interested persons may submit evidence, orally or in writing, and address all the issues raised in the Staff Report on, or with respect or germane to, the issue of Developer's good faith compliance with the material terms of this Agreement. If, after receipt of any written or oral response of Developer, and after considering all of the evidence at such public hearing, the City Council finds and determines, on the basis of substantial evidence, that Developer has not complied in good faith with the material terms of this Agreement, then the City Council shall specify to Developer the respects in which Developer has failed to comply, and shall also specify a reasonable time for Developer to meet the terms of compliance, which time shall be not less than 30 (thirty) days after the date of the City Council's determination, and shall be reasonably related to the time adequate to bring Developer's performance into good faith compliance with the material terms of this Agreement. If the areas of noncompliance specified by the City Council are not corrected within the time limits prescribed by the City Council , subject to Force Majeure pursuant to Section 13.1, then the City Council may by subsequent noticed public hearing extend the time for compliance for such period as the City Council may determine (with conditions, if the City Council deems appropriate), Terminate, or modify this Agreement (in which case notice of such action shall be recorded) or take such other actions as may be specified in the Development Agreement Laws. Any notice to Developer of a determination of noncompliance by Developer hereunder, or of a failure by Developer to perfect the areas of noncompliance hereunder, shall specify in reasonable detail the grounds therefor and all facts demonstrating such noncompliance or failure, so that Developer may address the issues raised in the notice of noncompliance or failure on a point-by-point basis in any hearing held by the City Council hereunder.

9.5 Meet and Confer Process. If either the City Manager or the City Council makes a determination that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the City Manager and/or designated City Council representatives

may initiate a meet and confer process with Developer pursuant to which the Parties shall meet and confer in order to determine a resolution acceptable to both Parties of the basis upon which the City Manager or City Council has determined that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement. If, as a result of such meet and confer process, the Parties agree on a resolution on the basis related to the determination that Developer has not demonstrated good faith substantial compliance with the material terms of this Agreement, the results and recommendations of the meet and confer process shall be presented to the City Council for review and consideration at its next regularly scheduled public meeting, including consideration of such amendments to this Agreement as may be necessary or appropriate to effectuate the resolution achieved through such meet and confer process. Developer shall be deemed to be in good faith substantial compliance with the material terms of this Agreement, only upon City Council acceptance of the results and recommendations of the meet and confer process.

9.6 Certificate of Compliance. If the City Manager (or the City Council, if applicable) finds good faith substantial compliance by Developer with the material terms of this Agreement, the City Manager shall issue a certificate of compliance within 10 (ten) days thereafter, certifying Developer's good faith compliance with the material terms of this Agreement through the period of the applicable annual review. Such certificate of compliance shall be in recordable form and shall contain such information as may be necessary in order to impart constructive record notice of the finding of good faith compliance hereunder. Developer shall have the right to record the certificate of compliance in the Official Records.

9.7 Effect of City Council Finding of Noncompliance; Rights of Developer. If the City Council determines that Developer has not substantially complied in good faith with the material terms of this Agreement pursuant to Section 9.4 and takes any of the actions specified in Section 9.4 with respect to such determination of noncompliance, Developer shall have the right to contest any such determination of noncompliance by the City Council pursuant to a legal action filed in accordance with Section 16.5.

9.8 City Costs. Developer shall reimburse the City for all of the City's reasonable costs, (including but not limited to, staff time, attorney's fees, and administrative costs) incurred in connection with Sections 9.1 through 9.8 of this Agreement. Pursuant to this section, Developer shall remit a deposit of \$2,000 (Two Thousand Dollars) to the City at the time of submission of the required Developer Report. If the deposit is insufficient to reimburse the City, the City may submit an invoice to Developer, who shall rendered payment to the City within 30 (thirty) days of receiving an invoice from the City for its costs. Any excess monies deposited by Developer to the City pursuant to this Section 9.8 shall be returned to Developer by the City within 30 (thirty) days after issuance of the certificate of compliance or completion of any of the actions set forth in Section 9.7 of this Agreement.

## 10. Events Of Default; Remedies; Estoppel Certificates.

### 10.1 Events of Default.

10.1.1 The failure by a Party to perform any material term or provision of this Agreement (including but not limited to the failure of a Party to approve a matter or take an action within the applicable time periods governing such performance under this Agreement) shall, subject to the provisions of this Agreement, constitute an "**Event of Default**", if: (a) such defaulting Party does

not cure such failure within 30 (thirty) days following delivery of a Notice (as hereinafter defined) of default from the other Party (“**Notice of Default**”), where such failure is of a nature that can be cured within such 30 day period; or (b) where such failure is not of a nature which can be cured within such 30 day period, the defaulting Party does not within such 30 day period commence substantial efforts to cure such failure, or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Any Notice of Default given hereunder shall specify in reasonable detail the nature of the failures in performance by the defaulting Party and the manner in which such failures of performance may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

10.1.2 Any Notice of Default to the defaulting Party pursuant to Section 10.1.1 shall satisfy the requirements of Section 15 of this Agreement and shall include a provision in at least fourteen face bold type substantially as follows: "YOU HAVE FAILED TIMELY TO PERFORM OR RENDER AN APPROVAL OR TAKE AN ACTION REQUIRED UNDER THE DEVELOPMENT AGREEMENT: [SPECIFY IN DETAIL]. YOUR FAILURE TO COMMENCE TIMELY PERFORMANCE AND COMPLETE SUCH PERFORMANCE AS REQUIRED UNDER THE AGREEMENT OR RENDER SUCH APPROVAL TO TAKE SUCH ACTION WITHIN 30 (THIRTY) DAYS AFTER THE DATE OF THIS NOTICE SHALL ENTITLE THE UNDERSIGNED TO TAKE ANY ACTION OR EXERCISE ANY RIGHT OR REMEDY TO WHICH IT IS ENTITLED UNDER THE AGREEMENT AS A RESULT OF THE FOREGOING CIRCUMSTANCES."

10.2 Remedies. Upon the occurrence of an Event of Default, each Party shall have the right, in addition to all other rights and remedies available under this Agreement, to: (a) bring any proceeding in the nature of specific performance, injunctive relief or mandamus; and/or (b) bring any action at law or in equity as may be permitted by laws of the State of California or this Agreement. Nothing in this Agreement shall limit or waive any other right or remedy available to a party to seek injunctive relief or other expedited judicial and/or administrative relief to prevent irreparable harm.

10.3 Waiver. Failure by a Party to insist upon the strict or timely performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party’s right to demand strict compliance by such other Party in the future. No waiver by a Party of any failure of performance, including an Event of Default, shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such failure. One or more written waivers under any provision of this Agreement shall not be deemed to be a waiver of any subsequent action or inaction.

10.4 Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party to certify in writing: (a) that this Agreement is in full force and effect and a binding obligation of the Parties; (b) that this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments; (c) to the knowledge of such other Party, that neither Party has committed an Event of Default under this Agreement, or if an Event of Default has to such other Party's knowledge occurred, to describe the nature of any such Event of Default; and (d) such other certifications that may be reasonably requested by the other Party or a Mortgagee (as hereinafter defined). A Party receiving a request hereunder shall execute and return such certificate within 20 (twenty) days following the receipt thereof, and if a Party fails so to do within such 20 day period, the information in the requesting Party's notice shall conclusively be deemed true and correct in all respects. The City Manager, as to

the City, shall execute certificates requested by Developer hereunder. Each Party acknowledges that a certificate hereunder may be relied upon by Transferees (as hereinafter defined) and Mortgagees (as hereinafter defined). No Party shall, however, be liable to the requesting Party, or other Person requesting or receiving a certificate hereunder, on account of any information therein contained, notwithstanding the omission for any reason to disclose correct and/or relevant information, but such Party shall be estopped with respect to the requesting Party, or such third Person, from asserting any right or obligation, or utilizing any defense, which contravenes or is contrary to any such information.

11. [Reserved].

12. Transfers.

12.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

**“Affiliate”** means any Person directly or indirectly Controlling, Controlled by or under Common Control with Owner.

**“Control”** means the ownership (direct or indirect) by one Person of an interest in the profits and capital and the right to manage and control the day to day affairs of another Person. The term "Control" includes any grammatical variation thereof, including "Controlled" and "Controlling".

**“Common Control”** means that two Persons are both controlled by the same other Person.

**”Person”** means an individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

**“Transfer”** means the sale, assignment, or other transfer by Developer of this Agreement, or any right, duty or obligation of Developer under this Agreement, including by foreclosure, trustee sale, or deed in lieu of foreclosure, under a Mortgage, but excluding: (a) a dedication of any portion of the Property to the City or another governmental agency; (b) a Mortgage; (c) ground leases, leases, subleases, licenses and operating agreements entered into by Developer with tenants or occupants of the Project for occupancy of space in any buildings or improvements (together with any appurtenant tenant rights and controls customarily included in such leases or subleases) in the Project, and any assignment or transfer of any such ground lease, lease, sublease, license or operating agreement by either party thereto; (d) any sale of a building pad and surrounding area in the Property to a future retail or restaurant occupant (or its affiliated entity) for the intended purpose of the development and occupancy of a building or improvement thereon; and (e) any Collateral Assignment of this Agreement to a Mortgagee.

**“Transferee”** means the Person to whom a Transfer is effected.

12.2 Conditions Precedent to Developer Right to Transfer. Except as otherwise provided in this Section 12, Developer shall only have the right to effect a Transfer subject to and upon fulfillment of the following conditions precedent:

12.2.1 No Event of Default by Developer shall be outstanding and uncured as of the effective date of the proposed Transfer, unless the City Council has received adequate assurances satisfactory to the City Council that such Event of Default shall be cured in a timely manner either by Developer or the Transferee under the Transfer.

12.2.2 Prior to the effective date of the proposed Transfer, Developer or the proposed Transferee has delivered to the City an executed and acknowledged assignment and assumption agreement (the “**Assumption Agreement**”) in recordable form. Such Assumption Agreement shall include provisions regarding: (a) the rights and interest proposed to be Transferred to the proposed Transferee; (b) the obligations of Developer under this Agreement that the proposed Transferee will assume; and (c) the proposed Transferee's acknowledgment that such Transferee has reviewed and agrees to be bound by this Agreement. The Assumption Agreement shall also include the name, form of entity, and address of the proposed Transferee, and shall provide that the Transferee assumes the obligations of Developer to be assumed by the Transferee in connection with the proposed Transfer. The Assumption Agreement shall be recorded in the Official Records concurrently with the consummation of the Transfer.

12.2.3 Prior to the effective date of the proposed Transfer, City consents in writing to the Transfer. City's consent shall not be unreasonably withheld. Factors the City may consider in determining whether to consent to the transfer include the financial capacity of the proposed Transferee to comply with all of the terms of the Agreement and the history, if any, of compliance of Transferee, its principals, officers or owners with the provisions of federal or state law, the Suisun City Municipal Code or agreements with the City relating to development projects within the City of Suisun City.

12.3 Transfer to Affiliate. Notwithstanding the provisions of Section 12.2, Developer shall have the right to Transfer all of its rights, duties, and obligations under this Agreement to an Affiliate of Developer. Such Affiliate shall become a Transferee upon: (a) the acquisition by such Affiliate of the affected interest of Developer under this Agreement; (b) delivery to the City of an Assumption Agreement executed by the Affiliate pursuant to which the Affiliate assumes, from and after the date such Affiliate so acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement and (c) delivery to the City of documents and other evidence establishing, to the reasonable satisfaction of the City, the Affiliate's financial capacity to meet all of its duties and obligations under this Agreement. By virtue of its demonstrated status as an Affiliate of Developer and recognizing that Transfers to Affiliates will facilitate Developer's ability to develop the Project consistent with this Agreement, the City hereby consents to any Transfer to an Affiliate in accordance with this Section 12.3 and no further consent of the City shall be required for any Transfer by Developer to an Affiliate.

12.4 Mortgagee as Transferee. No Mortgage (including the execution and delivery thereof to the Mortgagee) shall constitute a Transfer. A Mortgagee shall be a Transferee only upon: (a) the acquisition by such Mortgagee of the affected interest of Developer encumbered by such Mortgagee's Mortgage; and (b) delivery to the City of an Assumption Agreement executed by the Mortgagee pursuant to which the Mortgagee assumes assuming, from and after the date such Mortgagee so acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement. No further consent of the City shall be required for any such Transfer to a Mortgagee.

12.5 Effect of Transfer. A Transferee shall become a Party to this Agreement only with respect to the interest transferred to it under the Transfer and then only to the extent set forth

in the Assumption Agreement delivered under Sections 12.2.2, 12.3 and 12.4. When and if Developer Transfers all of its rights, duties and obligations under this Agreement in accordance with Section 12.2, 12.3 or 12.4, Developer shall be released from any and all obligations accruing after the date of the Transfer under this Agreement. If Developer effectuates a Transfer as to only some but not all of its rights, duties and obligations under this Agreement, Developer shall be released only from its obligations accruing after the date of the Transfer which the Transferee assumes in the Assumption Agreement.

12.6 No Transfer of Commercial Cannabis Permit. Notwithstanding any other provision of this Agreement, a commercial cannabis permit shall not be subject to the transfer process, and prior to any transfer Transferee must seek to qualify for and obtain a commercial cannabis permit as required by Chapter 18.49 of the Suisun City Municipal Code.

13. Enforced Delay; Extension of Time of Performance; Excused Performance.

13.1 Force Majeure. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or failures to perform are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, the discovery and remediation of hazardous waste or significant geologic, hydrologic, archaeologic or paleontologic problems on the Property, fires, casualties, acts of God, shortages of labor or material, governmental restrictions imposed or mandated by governmental entities other than the City, enactment of conflicting state or federal statutes or regulations, judicial decisions, litigation not commenced by a Party to this Agreement claiming the enforced delay, or any other basis for excused performance which is not within the reasonable control of the Party to be excused. Causes for delay as set forth above are collectively referred to as “**Force Majeure.**”

13.2 Notice. If Notice (as hereinafter defined) of such delay or impossibility of performance is provided to a Party within 30 (thirty) days after the commencement of such delay or condition of impossibility, an extension of time for such cause shall not be unreasonably denied by such Party. The extension shall be for the period of the enforced delay, or longer as may be mutually agreed upon by the applicable Parties in writing. Any performance rendered impossible shall be excused in writing by the Party so notified.

14. Project Approvals Independent. Except to the extent otherwise recognized by CEQA, all City Permits which may be granted pursuant to this Agreement, and all Project Approvals which have been issued or granted by the City with respect to the Property and the Project, constitute independent actions and approvals by the City. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement is Terminated for any reason, then such invalidity, unenforceability or Termination of this Agreement, or any part hereof, shall not affect the validity or effectiveness of any such City Permits or the Project Approvals. In such cases, such City Permits and Project Approvals will remain in effect pursuant to their own terms, provisions, and conditions of approval. As such, the City may place conditions of approval on all City Permits which may be granted pursuant to this Agreement, and Project Approvals which have been issued or granted by the City with respect to the Property and the Project, so long as such conditions are consistent with the terms of this Agreement.

15. Notices

15.1 Form of Notices; Addresses. All notices and other communications (the “Notices”) required or permitted to be given by any Party to another Party pursuant to this Agreement shall be properly given only if the Notice is: (a) made in writing (whether or not so stated elsewhere in this Agreement); (b) given by one of the methods prescribed in Section 15.2; and (c) sent to the Party (to which it is addressed at the address set forth below (with a copy to the appropriate entity as indicated below) or at such other address as such Party (or the addressee required to be sent a copy) may hereafter specify by at least five (5) calendar days’ prior written notice:

If to City:

City of Suisun City  
Attn: City Manager  
701 Civic Center Drive  
Suisun City, CA 94585

and to:

Aleshire & Wynder, LLP  
Attn: Anthony Taylor, City Attorney  
18881 Von Karman Avenue, Suite 1700  
Irvine, CA 92612  
email: ataylor@awattorneys.com

If to Developer:

Shryne Group, Inc.  
Attn: Legal  
728 E Commercial St., 2<sup>nd</sup> Fl.  
Los Angeles, CA 90014  
Email: legal@shrynegroup.com

and to

Arent Fox LP  
555 W 5th St. #48  
Los Angeles, CA 90013  
Attn: Andy Kong  
Email: andy.park@shrynegroup.com

15.2 Methods of Delivery. Notices may be either: (a) delivered by hand; (b) via overnight delivery or through the U.S. Mail via certified mail; or (c) via email with a confirmation copy delivered the following day via overnight delivery. Notices shall be effective on the date of receipt.

## 16. General Provisions.

16.1 City’s Reservation of Authority. The Parties acknowledge and agree that the intent of the Parties is that this Agreement be construed in a manner that protects the vested rights granted to Developer herein. Except for anything to the contrary in this Agreement, the Parties acknowledge and agree that: (a) the City reserves all of its police power and/or statutory or other legal powers or responsibilities; (b) the City reserves all of its authority to enact additional regulations, whether enacted by the City Council or the City Manager, relating to commercial cannabis business activities; and (3) this Agreement shall not be construed to limit the authority or obligation of the City

to hold necessary public hearings, to limit the discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws, and entitlement of use which require the exercise of discretion by the City or any of its officers or officials. This Agreement shall not be construed to limit the obligations of the City to comply with CEQA or any other federal or state law.

16.2 Amendment or Cancellation. Subject to meeting the notice and hearing requirements of section 65867 of the California Government Code, this Agreement may be amended from time to time, or canceled in whole or in part, by mutual written consent of the City and Developer, or their respective successors in interest in accordance with the provisions of section 65868 of the California Government Code.

16.3 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought and referring expressly to this Section. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence of event.

16.4 Successor and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties, and any subsequent owners of all or any portion of the Property and their respective successors and assigns. Any successors in interest to the City shall be subject to the provisions set forth in sections 65865.4 and 65868.5 of the California Government Code.

16.5 Interpretation and Governing State 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 objective 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, both Parties having been represented by counsel in the negotiation and preparation hereof. All legal actions brought to enforce the terms of this Agreement shall be brought and heard solely in the Superior Court of the State of California, County of Solano.

16.6 No Third Party Beneficiaries. 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.

16.7 Future Acquisitions. In the event that Developer or an affiliate of Developer acquires or obtains a legal or equitable interest in any property other than the Property (the “**After Acquired Land**”) during the Term of this Agreement that the Developer intends to use to expand the Project, the City and Developer shall engage in good faith negotiations for an amendment to this Agreement to incorporate the After Acquired Land and any additional or expanded cannabis businesses.

16.8 Attorneys’ Fees. If either Party commences any action for the interpretation, enforcement, termination, cancellation or rescission hereof, or for specific performance of the breach hereof, the prevailing party shall be entitled to its reasonable attorneys’ fees and litigation expenses and costs, and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof. Attorneys’ fees under this Section shall include attorneys’ fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

16.9 Limitation of Legal Acts. Except as provided in Section 16.8, in no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed that the Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

16.10 Validation. If so requested in writing by the Developer, the City agrees to initiate appropriate procedure under California Code of Civil Procedure section 860 *et seq.*, in order to validate this Agreement, and the obligations thereunder. Any validation undertaken at the request of the Developer shall be at the sole cost of the Developer.

16.11 Successor Statutes Incorporated. All references to a statute or ordinance, shall incorporate any, or all, successor statute or ordinance enacted to govern the activity now governed by the statute or ordinance, noted herein to the extent, however, that incorporation of such successor statute or ordinance does not adversely affect the benefits and protections granted to the Developer under this Agreement.

16.12 Incorporation of Attachments. All recitals and attachments to this Agreement, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this reference.

16.13 Negation of Partnership. The Parties specifically acknowledge that 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. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the affairs of the City, or otherwise, or cause them to be considered joint venturers or members of any joint enterprise. This Agreement is not intended and shall not be construed to create any third party beneficiary rights in any Person who is not a Party or a Transferee; and nothing in this Agreement shall limit or waive any rights Developer may have or acquire against any third Person with respect to the terms, covenants or conditions of this Agreement.

16.14 Not A Public Dedication. Except for Required Exactions specifically set forth in this Agreement and then only when made to the extent so required, nothing herein contained shall be deemed to be a gift or dedication of the Property or any buildings or improvements constructed in the Project, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Property as private property.

16.15 Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any Person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other Person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

16.16 Counterparts. This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and each of which shall be deemed to be

one and the same instrument when each Party signs each such counterpart.

16.17 Signature Pages. For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages which, when attached to this Agreement, shall constitute this as one complete Agreement.

SIGNATURES ARE ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

**“CITY”**

**CITY OF SUISUN CITY,**  
a municipal corporation

By: \_\_\_\_\_  
Lori Wilson, Mayor  
\_\_\_\_\_, 2020

**ATTEST:**

\_\_\_\_\_  
Linda Hobson, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Anthony R. Taylor  
City Attorney

**“DEVELOPER”**

\_\_\_\_\_,  
a California Corporation

By: \_\_\_\_\_  
Name:  
Its:  
\_\_\_\_\_, 2020

**Note:** Developer’s signature shall be notarized, and appropriate attestations shall be included as may be required by the bylaws, articles of incorporation, or other rules or regulations applicable to developer’s business entity.

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2020 before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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: \_\_\_\_\_

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____ TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/> CORPORATE OFFICER  _____ TITLE(S)	_____ NUMBER OF PAGES
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL	_____ DATE OF DOCUMENT
<input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____ _____	_____ SIGNER(S) OTHER THAN NAMED ABOVE

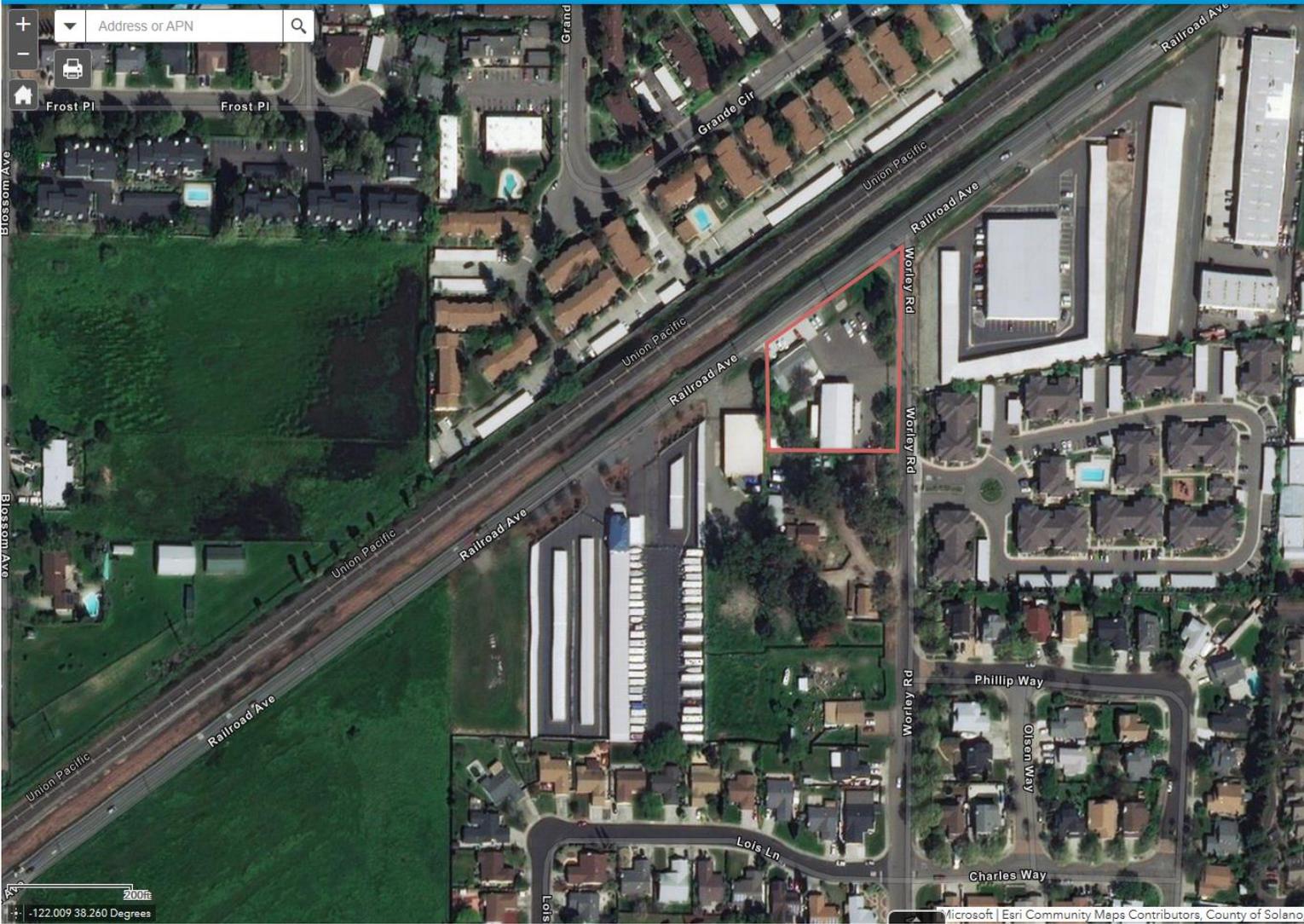
**SIGNER IS REPRESENTING:**

(NAME OF PERSON(S) OR ENTITY(IES))

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

**EXHIBIT "A"**

**PROPERTY (red property lines)**



## **EXHIBIT "B"**

### **PROPERTY LEGAL DESCRIPTION**

The land described herein is situated in the State of California, County of Solano, City of Suisun City, described as follows:

Beginning at a point on the Easterly line of Lot 71, said point being in the center of a 40 foot public road and being North 0°00'30" West 450.00 feet from the Southeast corner of Lot 71, as shown on that certain map entitled: "Locke Paddon Colony No. 4", filed for record October 11, 1912 in Book 4 of Maps, Page 13, Solano County Records; and from said point of beginning proceeding North 0°00'30" West 367.38 feet to the Northeast corner of said Lot 71; thence along the North line of Lot 71, said line being also the Southeasterly line of right of way of the Southern Pacific Railroad company, South 55°00' West 268.00 feet to a point; thence South 0°00'30" East 209.26 feet to a point that is distant North 0°00'30" West 450.00 feet from the Southerly line of said Lot 71; thence parallel to the Southerly line of Lot 71, South 50°30' East 220.00 feet to the point of beginning.

Excepting therefrom that portion of said land lying within the bounds of private roads as shown on said map.

Also excepting therefrom that portion thereof conveyed to the City of Suisun City in grant deed recorded

September 1, 2015, Instrument No. 201500079523, Official Records.  
APN: 0037-080-060

## EXHIBIT "C"

### CONDITIONS OF APPROVAL

#### GENERAL

- G-1 The Developer shall indemnify, defend, and hold harmless the City of Suisun City, including its agents, employees, and officers in accordance with the indemnification provisions of the Agreement.
- G-2 The use shall be constructed and operated in accordance with the information presented (except as otherwise identified in these Conditions of Approval) and shall conform to all requirements of the Suisun City Municipal Code (SCMC), including but not limited to the Uniform Building Code, as adopted by SCMC Title 15.
- G-3 Approval of this permit will be effective, provided no appeals are received within 10 days of the City Council meeting date of \_\_\_\_\_ and that Developer's signatures are obtained affirming that they have read and understand the Conditions of Approval for Application No. \_\_\_\_\_, and agree to comply with the conditions.
- G-4 The Developer shall comply with all applicable Federal, State, and local codes including, but not limited to, the Uniform Building Code, Fire Code and County Health Department guidelines as interpreted by the County Health Inspectors.
- G-5 All the proposed improvements, including landscape installation shall be completed prior to issuance of any business license or Certificate of Occupancy.
- G-6 Prior commencing operations, Developer shall obtain Type 10 Retailer cannabis licenses from the State of California's Bureau of Cannabis Control, CalCannabis Cultivation Licensing, or the Manufactured Cannabis Safety Branch, as applicable, including from any successor or later-added State agency, and shall maintain such State licensing in good standing throughout the Term of the Agreement. Developer shall obtain a Type 11 Distributor license prior to commencing such operations, which may be at a later date, as determined by Developer.

#### PLANNING

- P-1 The use shall operate consistently with approved Commercial Cannabis Business Permit (CCBP) approved by the City Council. This includes hours of operation, types of business activities on and off site, and approved site layout.
- P-2 A sign permit and building permit shall be submitted to and approved by the Development Services Department.
- P-3 The final color scheme to be approved by Development Services Director (or his/her designee).
- P-4 Final plans, responding to any comments raised at the \_\_\_\_\_ City Council meeting, need to be submitted and approved by the Development Services Director (or his/her designee).
- P-5 A photometric/lighting plan shall be submitted and approved by the Development Services Director (or his/her designee) before building permit issuance.

- P-6 All exterior lighting shall be downcast.
- P-7 Construction of the project and use of the property shall be in substantial conformance with the approved plans including the project description. Any deviation will need to be submitted to the Development Services Director to determine whether further Planning Commission consideration is necessary.
- P-8 A total of nine trees shall be planted along the south property line adjacent to the nearest single-family resident to act as a buffer between the properties.

## **PUBLIC WORKS**

- PW-1 Developer intends to make limited frontage improvements and parking improvements, pursuant to an Improvement Plan.
- PW-2 All work performed shall conform to these Conditions of Approval as well as to all City ordinances, rules, standard specifications and details, design standards, and any special requirements imposed by the City Engineer. The Public Works Department will provide inspections to ensure conformance. Any deviation shall require review and written approval by the City Engineer. Deviations or exceptions to the design requirements for private improvements must be identified in the design guidelines, or submitted to the City Engineer for approval.
- PW-2 The City Engineer may approve and/or negotiate minor changes or exceptions to Public Works Department conditions of approval.
- PW-3 The Developer shall designate a design professional as the main point of contact in submitting plans, reports and other documents to the City during the design and plan review phase. Submittals from any other person will not be accepted by the City.
- PW-4 The Improvement Plans shall include a General Note that: any revisions to the approved Improvement Plans and/or City Standards, including those due to field conditions, shall require review and written approval by the City Engineer. The Developer shall have the revised plans prepared by the Project Professional Designer and shall have the revised plans submitted for review and approval by the City Engineer. Any revisions to the Improvement Plans resulting from these or other conditions contained herein shall be subject to written approval of the City Engineer.
- PW-5 The Improvement Plans shall include a Site Improvement Plan prepared by a registered Civil Engineer.
- PW-6 The Improvement Plans shall include and demonstrate successful turning movements for all City fire trucks, Republic Services garbage trucks and commercial trucks.
- PW-7 The Developer shall pay all Public Works fees, including plan review and inspection fees, as established by the City Public Works Fee Schedule at the time of submittal of Improvement Plans.
- PW-8 The Developer shall pay Suisun-Solano Water Authority (SSWA) plan check and inspection fees within 30 calendar days upon receipt of invoice from the Solano Irrigation District (SID) if applicable. The invoice will be for actual expenses incurred by SSWA for providing plan checking and inspection services for the project.
- PW-9 Developer shall submit his Faithful Performance Bond and Labor & Materials Bond

prior to the approval of Improvement Plans. Developer shall submit his One-Year Warranty Bond prior to the City's acceptance of the improvements. The amounts of the Faithful Performance Bond and Labor & Materials Bond shall each be 100% the cost estimate of the civil improvements, while the amount of the One-Year Warranty Bond shall be 20% of the cost estimate of the civil improvements.

- PW-10 The Developer shall obtain all necessary permits from all applicable agencies prior to start of construction.
- PW-11 The Developer agrees to dedicate right-of-way (the "Dedication") by Final Map or approved instrument prepared by the Developer which shall be completed within one-year from the date of execution of the Agreement. The Dedication required of the project along the Railroad Avenue frontage shall create the total ultimate 60-foot road right-of-way, measured from the existing right-of-way line on the northerly side of Railroad Avenue to the south side of the road. The current road right-of-way width is 27 feet, and the right-of-way dedication required of the project is 33 feet or to a point no closer than 10 feet from the existing building.
- PW-12 Debris dumpsters to be used on the Project shall be dumpsters supplied by Republic Services. This is pursuant to the agreement between the City and Republic Services for all areas within Suisun City. Dumpsters shall be screened from public view by a City-approved method and shall be covered at all times after work hours.
- PW-13 All work within the public right-of-way, which is to be performed by the Developer, the general contractor, and all subcontractors, shall be included within a single City Encroachment Permit issued by the City Public Works Department. Issuance of the Encroachment Permit and payment of all appropriate fees shall be completed prior to commencement of work, and all work under the permit shall be completed prior to issuance of occupancy permit.
- PW-14 The Developer shall have a superintendent present at all times at the job site. Superintendent shall provide the quality control for the Developer; respond to the City's concerns; coordinate inspections with the City Inspector; make construction decisions on behalf of the Developer; and coordinate work of the Developer's subcontractors.
- PW-15 A sign shall be posted on the Property in a manner consistent with the all sign requirements, and shall identify the address and phone number of the Developer and/or Developer's representative for the purposes of responding to questions and complaints during the construction period. The sign shall also indicate the hours of permissible construction work, as required by Suisun City Municipal Code Section 15.04.075.
- PW-16 Prior to start of construction, a privacy screen fence shall be installed and affixed to the existing perimeter fence, and shall be maintained around the perimeter of the lot for the duration of the project construction. The lot and surrounding area shall be kept clear of all trash, weeds, and unusable construction material throughout the construction activity. All construction supplies and equipment shall be stored on the Property.
- PW-18 If any archaeological resources are found during the grading of the site or during performance of any work, work shall be halted, the City Engineer shall be notified and a certified archaeological firm shall be consulted for advice at Developer's expense.
- PW-19 Any relocation or modification of any existing facilities necessary to accommodate the

Project shall be at Developer's expense. It shall be the responsibility of the Developer to coordinate all necessary utility relocations with the appropriate utility company.

- PW-20 Any existing frontage or street improvements, which in the opinion of the City Engineer, are currently damaged or become damaged as a part of the work shall be removed and replaced as required to the current City Standards, or as directed. Prior to start of construction, Developer shall perform a walk-through with Public Works Department staff and take date-stamped photos of existing conditions.
- PW-21 Visual obstructions over three feet in height will not be allowed within the driver's sight triangle near driveways and corners in order to allow an unobstructed view of oncoming traffic. Improvements at driveways and corners are subject to the review and approval of the City Engineer.
- PW-22 The project shall comply with the requirements of the most current Municipal Regional Permit (MRP) issued to the Fairfield-Suisun Urban Runoff Management Program and to the City's Stormwater C.3 Guidebook including implementing recommended construction and post-construction Best Management Practices (BMPS).
- PW-23 No structures such as trees and building foundations shall be installed within easements. Civil and landscape plan sheets shall show the easements.
- PW-24 The Developer shall install a trash enclosure that is in compliance with Detail SW-3 of the City's Stormwater C.3 Guidebook, or the Developer shall provide a location for the trash receptacles located within the existing building. If exterior trash enclosures are provided, the drive aisle pavement sections between driveways and trash enclosures shall be designed to accommodate garbage truck traffic. There shall be a concrete slab that extends 10 feet from the front of the enclosure. The slab shall be a minimum of 6 inches of reinforced concrete over 6 inches of Class II aggregate base compacted to 95% relative compaction. The trash enclosure shall be installed by the northeast corner of the proposed distribution building or another location as approved by Republic Services and the City Engineer. If the trash receptacles are planned to be stored inside of the building, the location must adhere to all building codes and a written service plan shall be provided and approved by the City refuse service provider, Building Official and the City Engineer prior to issuance of the Certificate of Occupancy.
- PW-25 Vehicles hauling dirt or other construction debris from the site shall cover any open load with a tarpaulin or other secure covering to minimize dust emissions.
- PW-26 The maximum allowable slope in landscape areas shall be 3:1, or as approved by City Engineer. Slopes steeper than the allowable slope would require the installation of retaining wall.
- PW-27 Dust control shall be in conformance with Section 15.12.320 of the Suisun City Municipal Code.
- PW-28 Street sweeping shall be regularly performed during the construction phase such that no evidence of tracking dirt shall be present on the public street.
- PW-29 Landscaping and irrigation shall comply with the City's water efficient landscaping ordinance.
- PW-30 Project improvements shall comply with the requirements of the Americans with

Disabilities Act.

- PW-31 Drive aisles in the parking lot shall be a minimum of 25 feet wide.
- PW-32 The Developer shall submit for City review and approval a parking lot lighting, signage, and striping plan.
- PW-33 The project shall re-establish and cleanout the existing natural ditch along the west side of Worley Road fronting the project site as approved by the City Engineer.
- PW-34 The exit-only project driveway on Worley Road shall be controlled by a STOP sign, bar and legend. The project driveways shall have entrance only and exit only signage including arrow directional pavement markings. Moreover, driveways shall comply with the City requirements for a commercial driveway.
- PW-35 The driveway on Worley Road shall be an exit only driveway, while the driveway on Railroad Avenue shall be an entrance only driveway. Any deviation must be approved by the City Engineer.
- PW-36 The project shall utilize the existing frontage improvements as a paved eastbound deceleration driveway taper to the proposed entrance-only driveway on Railroad Avenue. Striping and signage improvements shall be utilized to restrict parking on the property frontage on Railroad Avenue. including cross striping the area in front of the building to reinforce the no parking area adjacent to the driveway taper.
- PW-37 No on-street parking shall be permitted on Railroad Avenue upon substantial completion of the right-of-way construction at 500 block Railroad Avenue, or Worley Road. The project shall post No Parking signs along Worley Avenue frontage and Railroad Avenue upon substantial completion of the right-of-way construction and prior to issuance of the Certificate of Occupancy
- PW-38 The Improvement Plans shall include any necessary street signage and pavement markings and striping along the project frontages. All pavement markings and striping shall be thermoplastic or as required by City Engineer.
- PW-39 Prior to the issuance of Certificate of Occupancy, the Developer shall submit to the Public Works Department “as-built” Improvement Plans in PDF format.

## **FIRE SAFETY**

- FD-1 Emergency Vehicle Access- Maneuverability into and around the parking area must meet minimum requirements regarding turning radius, as determined by the Suisun City Fire Department.
- FD-2 Security Gates- The security gates located at Railroad avenue and Blossom avenue shall have a means of emergency operation approved by the SCFD, from the street side, including in the event of power loss, as required by the 2019 California Fire Code, Section 503.6 Security Gates. The SCFD recommends Knox Gate & Key Switch operation as this would comply with multiple other gated businesses in the City.
- FD-3 Key Boxes – SCFD emergency access to or within the structures is necessary and shall be provided with key boxes installed at approved locations.

## **SOLANO IRRIGATION DISTRICT**

- SID-1 Water facilities shall conform to the current Suisun-Solano Water Authority (SSWA) standard specifications and details.
- SID-2 Per the SSWA Cross-Connection Control Resolution No. 99-01, all types of commercial buildings and landscape irrigation services are required to include an approved backflow prevention assembly, at the developer's expense. The desired location, service size, and flow-rate for the backflow prevention assembly must be submitted for approval. Based on the proposed commercial use, a Reduced Pressure Principle Assembly will be required on each of the domestic water services.
- SID-3 Per the SSWA Cross-Connection Control Resolution No. 99-01, fire protection systems are required to include an approved backflow prevention assembly, at the developer's expense. The desired location, service size and flow-rate for the fire protection system must be submitted for approval. Based on the proposed commercial use, a Double Check-Detector Check (DCDC) Assembly will be required on each of the fire protection systems.
- SID-4 The developer is required to provide and install freeze protection for all RPBFP's and DCDC's at the developer's expense.
- SID-5 At the time the Building Permit is issued, the developer will be required to pay the appropriate SSWA Connection Fee and Meter Installation Fee at the City of Suisun City. These fees are determined by the size of meter requested. All domestic water services will be metered.
- SID-6 We require that the District (on behalf of SSWA) review, approve and sign all Final and/or Parcel Maps, and that SSWA review, approve and sign the Improvement Plans of this development.
- SID-7 The SSWA Plan Review Fee applies and is due upon submittal of the maps and plans for review.
- SID-8 Electronic AutoCAD files and scanned .tif images at 300 dpi (of all improvement plan sheets) are required upon the completion of the project showing "as-builts" for electronic archiving.

C. Resolution to be distributed at the meeting.