ORDINANCE NO. 2689

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING THE DEVELOPMENT AGREEMENT FOR THE WILLOWGROVE PROJECT

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 et seq. (the "Development Agreement Statute") which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property; and

WHEREAS, Davis Eastside, LLC, Developer of the site ("Developer"), desires to carry out the development of the Willowgrove Project ("Project" or "Willowgrove") on the approximately 232-acre property located north of East Covell Boulevard and Mace Ranch and to the east of the Wildhorse and Palomino subdivisions (APN 071-130-007) as described in the Development Agreement (the "Property") consistent with the General Plan, as amended by the General Plan Amendment with Baseline Project Features pursuant to Resolution No. 26-052 (the "General Plan Amendment"), the Willowgrove Vesting Large Lot and Small Lot Tentative Subdivision Maps (collectively, the "Willowgrove Tentative Map") adopted pursuant to Resolution No. 26-053, the Development Agreement attached hereto as Exhibit A (the "Development Agreement"), and the vested entitlements referenced therein; and

WHEREAS, the City Council of Davis adopted project entitlements for Willowgrove, including the General Plan Amendment, the Willowgrove Tentative Map and associated conditions of approval, and Prezoning and Preliminary and Final Planned Development (collectively, and together with the Development Agreement and subsequent approvals described in the Development Agreement, the "Project Approvals"); and

WHEREAS, the City Council certified the Environmental Impact Report ("EIR") (SCH. # 2024070522) and the Mitigation Monitoring and Reporting Program adopted therewith on May 5, 2026;

WHEREAS, the Development Agreement will assure both City and Developer that the Project can proceed without disruption caused by a change in City planning and development policies and requirements, which assurance will thereby reduce the actual or perceived risk of planning, financing, and proceeding with construction of the Project and promote the achievement of the private and public objectives of the Project; and

WHEREAS, the Planning Commission held a duly noticed public hearing on April 8, 2026 on the Project Approvals, including the Development Agreement, during which public hearing the Planning Commission received comments from Developer, City staff, and members of the general public and made a recommendation to the City Council on the Project Approvals; and

WHEREAS, the City Council held a duly noticed public hearing on May 5, 2026, on the Project Approvals, including the Willowgrove Tentative Map and the Development Agreement, during which public hearing the City Council received comments from Developer, City staff, and members of the general public.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.
This Ordinance incorporates, and by this reference makes a part hereof, the Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 5 hereof.

SECTION 2.
This Ordinance is adopted under the authority of the Development Agreement Statute.

SECTION 3.
The City Council hereby finds and determines as follows:

A. The Development Agreement is consistent with the objectives, policies, general land uses, and programs specified in the General Plan, as amended by the General Plan Amendment and is compatible with the uses authorized therein, and the regulations prescribed for, the General Plan designations which will apply to the Property;

B. The Development Agreement is in conformity with public convenience, general welfare, and good land use practice;

C. The Development Agreement will not be detrimental to the public health, safety, and general welfare;

D. The Development Agreement will not adversely affect the orderly development of the Property or the preservation of property values; and

E. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

SECTION 4.
The foregoing findings and determinations are based upon the following:

A. The Recitals set forth in this Ordinance, which are deemed true and correct;

B. Resolution No. 26-051 adopted by the City Council on May 5, 2026 certifying the EIR and the Mitigation Monitoring and Reporting Program, which Resolution and exhibits are incorporated herein by reference as if set forth in full;

C. The City's General Plan, as amended by the General Plan Amendment adopted by the City Council by Resolution No. 26-052 prior to adoption of this Ordinance;

D. The Willowgrove Tentative Map adopted by the City Council by Resolution No. 26-053 prior to the adoption of this Ordinance;

E. The Prezoning and Preliminary and Final Planned Development adopted by the City Council by Ordinance No. 2688 prior to adoption of this Ordinance;

F. All City staff reports (and all other public reports and documents) prepared for the Planning Commission and City Council, relating to the Development Agreement and other actions and entitlements relating to the Property, including the Project Approvals, including all attachments thereto;

G. All documentary and oral evidence received at public hearings or submitted to City during the comment period relating to the Development Agreement, and other actions relating to the Property, including the Project Approvals; and

H. All other matters of common knowledge to the Planning Commission and City Council, including, but not limited to City's fiscal and financial status; City policies and regulations; reports, projections, and correspondence related to development within and surrounding City; and State laws, regulations, and publications.

SECTION 5.
The City Council hereby approves the Development Agreement, attached hereto as Exhibit A, and subject further to such minor, conforming, and clarifying changes consistent with the terms thereof, as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof, and agreed to by Developer, including completion of references and status of Project Approvals, and completion and conformity of all exhibits thereto, as approved by the City Council.

SECTION 6.
Upon the effective date of this Ordinance, the City Manager and City Clerk are hereby authorized and directed to execute the Development Agreement on behalf of the City of Davis.

SECTION 7.
The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Development Agreement pursuant to the terms of the Development Agreement.

SECTION 8.
If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 9.
This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption.

INTRODUCED on the 5th day of May, 2026, and PASSED AND ADOPTED by the City Council of the City of Davis on this 19th day of May, 2026 by the following vote:

AYES: Chapman, Deos, Partida, Vaitla, Neville

NOES: None

Signed by:
Donna Neville
35C0AF4A64BD4AD...
Donna Neville
Mayor

ATTEST:

Signed by:
Zoe S Mirabile
B5E67BF781AF4AD...
Zoe S. Mirabile, CMC
City Clerk

AGREEMENT BY AND BETWEEN

THE CITY OF DAVIS AND DAVIS EASTSIDE, LLC

Relating to the Development of the Property Commonly Known as the

Willowgrove Project

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into this __th day of May 2026, by and between the CITY OF DAVIS, a municipal corporation ("City"), and DAVIS EASTSIDE, LLC, a California limited liability company ("Developer"). This Agreement is made pursuant to the authority of Section 65864 et seq. of the Government Code of the State of California. This Agreement refers to City and Developer collectively as the "Parties" and each singularly as a "Party."

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, establishing certain development rights in the property which is the subject of the development project application.

B. Developer owns a legal or equitable interest in certain real property described in Exhibit A attached hereto and incorporated herein by this reference consisting of approximately 232 acres of land located in unincorporated Yolo County (herein the "Property"), which Property Developer seeks to annex into the City of Davis and develop as the "Willowgrove Project" ("Project" or "Willowgrove"). The Project, as proposed, would be a mixed use project including, among other things, market rate and affordable housing and single-family and multi-family residences; transit improvements; neighborhood retail uses; a daycare facility; associated on-site roadway improvements; utility improvements; recreational uses, including a community park, mini park, a gym, open space, trails, and greenbelts; and an Urban Agricultural Transition Area.

C. This Agreement is voluntarily entered into by Developer in order to implement the General Plan, as amended by the General Plan Amendment, and in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by City in the exercise of its legislative discretion in order to implement the General Plan, as amended by the General Plan Amendment, and in consideration of the agreements and undertakings of Developer hereunder.

D. City has granted or will grant to Developer the following land use entitlement approvals (hereinafter "Project Approvals") which are incorporated and made a part of this Agreement:

(1) General Plan Amendment that changed the land use designation of the Property from unincorporated Yolo County Agriculture to City of Davis Urban Agriculture Transition Area, Neighborhood Greenbelt, Park/Recreation, Residential-Low Density, Residential-Medium Density, Residential-High Density, and Neighborhood Retail, _ #____ (the "General Plan Amendment");

(2) Prezoning and Preliminary and Final Planned Development #____ (the "Zoning Approvals");

(3) Vesting Large Lot and Small Lot Tentative Subdivision Maps #____ (collectively, the "Willowgrove Tentative Map"); and

(4) Subsequent Project Approvals approved pursuant to Section 202.

City has also determined that the Project has complied with the California Environmental Quality Act ("CEQA") as it has certified the Project's Environmental Impact Report (SCH. # 2024070522), approved by Resolution No. __-____, and adopted the required Mitigation Monitoring and Reporting Program therewith.

E. This Agreement will eliminate uncertainty in planning for and secure orderly development of the Project, provide the certainty necessary for Developer to make significant investments in public infrastructure and other improvements, assure the timely and progressive installation of necessary improvements and public services, establish the orderly and measured build-out of the Project consistent with the desires of City to support the production of additional housing within City, and provide significant public benefits to City that City would not be entitled to receive without this Agreement.

F. In exchange for the benefits to City, Developer desires to receive the assurance that it may proceed with the Project in accordance with the Project Approvals and the rules, regulations, and official policies of City as further described in this Agreement, and to secure the benefits afforded to Developer by Government Code § 65864 et seq.

AGREEMENT

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

ARTICLE 1. General Provisions.

A. [Sec. 100] Definitions.

"Affiliate" means any entity that, directly or indirectly, controls, is controlled by, or is under common control with Developer. "Affiliate" shall also include any entity which is a direct or indirect subsidiary of Developer.

"Agreement" or "Development Agreement" means this Development Agreement between City and Developer pursuant to Government Code §§ 65864 through 65869.5, which was approved by City Council by ordinance, as it may be amended from time to time.

"Approval Date" shall be the date that the City Council approves this Agreement by Ordinance at second reading, even though certain Project Approvals do not take effect until after the Approval Date.

"Assignment and Assumption Agreement" shall have the meaning set forth in Section 104(4).

"Backbone Infrastructure" shall mean the roads, sewer mains, and water mains serving the Project, as reflected in the Exhibits hereto and the Willowgrove Tentative Map and as shall be more fully refined at the time of Subsequent Project Approvals.

"CEQA" means the California Environmental Quality Act, as set forth in California Public Resources Code § 21000 et seq., and its implementing Guidelines set forth in Title 14, Chapter 3 of the California Code of Regulations.

"City" means the City of Davis.

"City Council" means the City Council of the City of Davis.

"City Manager" means the City Manager of the City of Davis.

"Developer" refers to Davis Eastside, LLC, and its successors and assigns.

"Development Impact Fee" means a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees specified in Government Code § 66477, fees for processing applications for governmental regulatory actions or approvals, and any funds collected under development agreements adopted pursuant to Article 2.5 (commencing with Section 65864) of Chapter 4 of the Government Code.

"Willowgrove EIR" means the Environmental Impact Report (referred to in Recital D above) prepared for the Project in accordance with CEQA, State Clearinghouse # 2024070522, certified by the City Council on May 5, 2026, prior to the City Council's approval of this Development Agreement.

"Effective Date" shall have the meaning set forth in Section 102 of this Agreement.

"Fee Credits" shall apply when Developer constructs eligible infrastructure or public facilities serving more than the Project in excess of Developer's fair share contribution. Fee Credits shall be provided to Developer in the form of a reduction of the applicable Development Impact Fee payments that would otherwise be charged as provided in this Agreement and Subsequent Project Approvals.

"Fee Reimbursement Agreement" shall be an agreement entered into pursuant to Government Code § 66485 et seq., or another valid legal authority for the purposes of providing reimbursement for oversized improvements.

"Final Map" means a large lot or small lot subdivision map approved by the City Council in accordance with Article 36.05 of the Davis Municipal Code and Government Code § 66433 et seq.

"Non-Affiliate" means a third party which is not an Affiliate of Developer.

"Party" means City or Developer, and "Parties" refers collectively to City and Developer.

"Project" means the development and use of the Property in accordance with this Agreement and the Project Approvals.

"Project Approvals" shall mean those entitlements set forth in Recital D herein.

"Property" shall have the meaning set forth in Section 101 of this Agreement.

"Specific Development Obligations" shall have the meaning set forth in Section 201 of this Agreement.

"Subsequent Project Approvals" shall mean any and all discretionary permits and entitlements for the Project that may hereafter be issued by City in accordance with the terms and provisions of this Agreement. Subsequent Project Approvals include, but are not limited to conditional use permits and development review approvals. For purposes of this Agreement, the term "Subsequent Project Approvals" does not include actions by governmental or regulatory agencies other than City.

"Tentative Map" shall have the meaning ascribed to it in Article 36.04 of the Davis Municipal Code.

"Term" shall have the meaning set forth in Section 102 of this Agreement.

B. [Sec. 101] Property Description. The Property is that property described in Exhibit A, which consists of a map showing its location and boundaries and a legal description. Developer represents that it has a legal or equitable interest in the Property.

C. [Sec. 102] Effective Date, Term, Termination, and Operative Date.

(1) Effective Date and Execution. The effective date of this Agreement shall be the date the Ordinance adopting this Agreement is effective ("Effective Date"). The Parties shall execute this Agreement within 30 days of the Effective Date unless another date is mutually agreed upon by the Parties in writing.

(2) Term. The term of this Agreement (the "Term") shall commence upon the Effective Date and shall extend for a period of five (5) years thereafter regardless of whether the General Plan Amendment associated with the Project receives voter approval. On the date that the County Registrar of Voters has certified the results of the election in which the General Plan Amendment was approved by the voters, the Term shall automatically be extended to allow for an additional twenty (20) years thereafter (for a total of no more than 25 years from the Effective Date), unless said Term is terminated, modified, or extended by circumstances set forth in this Agreement or by mutual consent of the Parties, subject to the provisions of Section 106 hereof. Following the expiration of said Term, this Agreement shall be deemed terminated and of no further force and effect, subject, however, to the provisions of Section 307 hereof.

(3) Effect of Termination. If this Agreement is terminated by the City Council prior to the end of the Term, City shall cause a written notice of termination to be recorded with the County Recorder within ten (10) days of final action by the City Council. This Agreement shall be deemed terminated and of no further effect upon entry, after all appeals have been exhausted, of a final judgment or issuance of a final order directing City to set aside, withdraw, or abrogate the City Council's approval of this Agreement or any material part of the Project Approvals.

(4) Operative Date. The Parties acknowledge and agree that the Property is located in unincorporated Yolo County. Accordingly, pursuant to Government Code § 65865(b), this Agreement shall be operative with respect to any portion of the Property upon the annexation of such portion to City's municipal boundaries. If any portion of the Property has not been annexed to City's municipal boundaries within 10 years from the Effective Date, this Agreement shall become null and void with respect to that portion of the Property.

D. [Sec. 103] Equitable Servitudes and Covenants Running with the Land. Any successors in interest to City and Developer shall be subject to the provisions set forth in Government Code §§ 65865.4 and 65868.5. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do, or refrain from doing, some act with regard to the development of the Property: (1) is for the benefit of and is a burden upon the Property; (2) runs with the Property and each portion thereof; and (3) is binding upon each Party and each successor in interest during ownership of the Property or any portion thereof; provided however, nothing herein shall waive or limit the provisions of Section 104, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by Developer in writing pursuant to Section 104. In any event, no owner or tenant of a completed residential parcel or unit within Project shall have any rights under this Agreement and this Agreement may be amended without the agreement or consent of such homeowner or tenant.

E. [Sec. 104] Right to Assign; Non-Severable Obligations.

(1) Right of Assignment to Affiliates. Developer shall have the right to sell, encumber, convey, assign, or otherwise transfer (collectively, "assign"), in whole or in part, its respective

rights, interests, and obligations under this Agreement to an Affiliate without the prior express written consent of City. An assignment to an Affiliate shall not be effective until (i) Affiliate acquires the affected interest of Developer under this Agreement and (ii) Developer delivers to City a copy of the Assignment and Assumption Agreement pursuant to Section 104(4) herein, by which Affiliate assumes the applicable rights, duties, and obligations of Developer under this Agreement.

(2) Right to Request Assignment to Non-Affiliates. Developer shall have the right to assign, in whole or in part, its rights, interests, and obligations under this Agreement to a Non-Affiliate during the Term of this Agreement only with the written approval of City. An assignment that occurs after the approval of the first final map associated with the Project, assigning development rights to a homebuilder assignee, may be approved by signature of the City Manager but the City Manager may, in his or her sole discretion, bring any assignment action to the City Council. Any approval under this section shall not be unreasonably withheld, conditioned, or delayed.

(a) City's Review of Request of Assignment to Non-Affiliates. City's review of a proposed assignment to a Non-Affiliate shall be based only upon its consideration of the following factors:

(i) The assignee (or the guarantor(s) of the assignee's performance) has the demonstrated ability to obtain reasonable financing mechanisms, including debt and/or equity, to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and

(ii) The assignee has adequate experience with development of comparable scope and complexity as the portion of the Project that is the subject of the assignment.

(b) Reasonable Assurances and Financial Information from Non-Affiliate. Any request for City approval of an assignment to a Non-Affiliate shall be in writing and accompanied by a copy of the Assignment and Assumption Agreement required by Section 104(4), below. If the criteria in subsections (a)(i) to (a)(ii) above are not reasonably established based on publicly available information and demonstrated prior development of projects in similar size, City may request Developer provide commercially reasonable assurances of the proposed assignee's ability to perform the obligations to be assumed, which assurances may include certified financial statements or other information reasonably requested by City; provided that, any such request for additional information shall be made, if at all, not more than fifteen (15) calendar days after City's receipt of the request for approval of the proposed assignment. Any financial information submitted to City pursuant to this subsection shall constitute confidential trade secret information if the information is maintained as a trade secret by the assignee and if such information is not available through other publicly available sources. The assignee shall mark any material claimed as trade secret at the time it is submitted to City. If City receives a public records request for any information marked a "trade secret," City shall notify the assignee of such request prior to releasing the material in question to the requesting party. If the assignee directs City not to release the material in question, the assignee shall indemnify City for any costs incurred by City, including but not limited to staff time and attorney's fees, as a result of any action brought by the requesting party to obtain release of the information and/or to defend any lawsuit brought to obtain such information. Notwithstanding the foregoing, City shall retain the absolute discretion to release or not release any material in response to a public records request.

(c) <u>Time for City Action on Request for Assignment to Non-Affiliate</u>. City shall act on a request for a proposed assignment to a Non-Affiliate by approving or disapproving such request within 30 calendar days of receipt of such request for market rate units and within 60 calendar days of receipt of such request for deed-restricted affordable units. Failure of City to respond within 40 calendar days of receipt of such request for market rate units or within 75 days of receipt of such request for deed-restricted affordable units shall be deemed approval of such assignment. For avoidance of doubt, if an assignment is deemed approved, City's approval of the form of the Assignment and Assumption Agreement shall not be required.

(d) <u>Written Findings for Disapproval of Assignment to Non-Affiliate</u>. If City wishes to disapprove any proposed assignment to a Non-Affiliate, City shall set forth in writing and in reasonable detail the grounds for such disapproval. City may disapprove a request for assignment or ask for revisions to the Assignment and Assumption Agreement only if reasonably necessary to ensure the performance of the obligations described in this Agreement.

(3) Effect of Assignment. An assignee shall become a Party to this Agreement only with respect to the interest transferred to it pursuant to the assignment, and only to the extent set forth in the Assignment and Assumption Agreement delivered to City pursuant to Section 104(1) or approved by City pursuant to Section 104(2), above. Upon an assignment, Developer shall be released only from those obligations and liabilities under this Agreement that are specifically assumed by the assignee through an Assignment and Assumption Agreement with respect to the portion of the Property transferred and, in the case of assignment to a Non-Affiliate, specifically approved by City or deemed approved by the passage of time. Any obligations and liabilities of Developer under this Agreement, including but not limited to the Specific Development Obligations set forth in Section 201 of this Agreement, that are not expressly assumed by an assignee in an Assignment and Assumption Agreement shall remain the responsibility of Developer following assignment.

(4) Assignment and Assumption Agreement. In order for an assignment to be effective under this Agreement, Developer must provide to City, as specified in Sections 104(1) and 104(2) above, an executed and acknowledged agreement in a form approved by the City Attorney ("Assignment and Assumption Agreement"). The Assignment and Assumption Agreement shall include provisions regarding (a) the interest or portions of interest in one or more parcels associated with the Project proposed to be assigned by Developer; (b) the obligations of Developer under this Agreement that the assignee will assume; and (c) the proposed assignee's acknowledgement that such assignee has reviewed and agrees to assume and be bound by all applicable provisions of this Agreement and all applicable City entitlements and approvals. The Assignment and Assumption Agreement shall also include the name, form of entity, and address of the proposed assignee. After being approved by City, if required, the Assignment and Assumption Agreement shall be recorded in the Official Records of the County of Yolo concurrently with the transfer of the affected interest of Developer under this Agreement, and a copy thereof shall be delivered to City within three (3) days after recordation of the Assignment and Assumption Agreement.

(5) Mortgagees. Notwithstanding Section 104(2) above, mortgages, deeds of trust, sales, and lease-backs or any other form of conveyance required for any reasonable method of financing are permitted without City's consent, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the development and construction of

improvements on the Property or off-site improvements, or any other necessary or related expenses. The holder of any mortgage, deed of trust, or other security arrangement with respect to the Property ("Mortgagee"), or any portion thereof, shall not be considered an assignee of Developer under this Agreement unless said Mortgagee (i) acquires the affected interest of Developer encumbered by Mortgagee's mortgage, deed of trust, or other security arrangement, and (ii) delivers to City an Assignment and Assumption Agreement assuming, from and after the date such Mortgagee acquires its interest, the applicable rights, duties, and obligations of Developer under this Agreement.

(6) Reorganization of Business Structure. Nothing in this section shall be deemed to constitute or require City consent to an assignment that consists solely of a reorganization of Developer's business structure, such as (i) any sale, pledge, assignment, or other transfer of all or a portion of the Property to an entity directly controlled by Developer or its Affiliates and (ii) any change in Developer's form or structure, such as a transfer from a corporation to a limited liability company or partnership, that does not change the beneficial ownership of the Property; provided, however, in such event, Developer shall provide to City written notice, together with such backup materials or information reasonably requested by City, within thirty (30) days following the date of such reorganization or City's request for backup information, as applicable.

F. [Sec. 105] Notices. Formal written notices, demands, correspondence, and communications between City and Developer shall be sufficiently given if dispatched by certified mail, postage prepaid, to the principal offices of City and Developer, as set forth in Article 7 hereof. Such written notices, demands, correspondence, and communications may be directed in the same manner to such other persons and addresses as either Party may from time to time designate. Developer shall give written notice to City, at least thirty (30) days prior to the close of escrow, of any sale or transfer of any portion of the Property and any assignment of this Agreement, specifying the name or names of the transferee, the transferee's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given, and any other information reasonably necessary for City to consider approval of an assignment under Section 104 or any other action City is required to take under this Agreement.

G. [Sec. 106] Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of Government Code §§ 65867 and 65868.

(1) Major Amendments. Any amendment to this Development Agreement which (a) alters the Term of this Development Agreement; (b) substantially affects permitted uses of the Property; (c) substantially affects provisions for the reservation or dedication of land; (d) substantially affects conditions, terms, restrictions, or requirements for subsequent discretionary actions; (e) substantially affects the density or intensity of use of the Property or the maximum height or maximum gross square footage; (f) substantially affects affordable housing or infrastructure commitments made by Developer; or (g) substantially affects monetary contributions by Developer, shall be deemed a "Major Amendment" and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a Minor Amendment subject to Section 106(2) below. The City Manager or his or her designee shall have the authority to reasonably determine if an amendment is a Major Amendment subject to this Section 106(1) or a Minor Amendment subject to Section 106(2) below.

(2) Minor Amendments. The Parties acknowledge that refinement and further implementation of the Project may demonstrate that certain minor changes may be appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project and with respect to those items covered in the general terms of this Agreement. If and when the Parties find that clarifications, minor changes, or minor adjustments are necessary or appropriate and in the reasonable determination of the City Manager or his or her designee such clarification, minor changes, or minor adjustments do not constitute a Major Amendment under Section 106(1), the Parties shall effectuate such clarifications, minor changes, or minor adjustments through a written Minor Amendment approved in writing by Developer and the City Manager. At the discretion of the City Manager, amendments to the performance schedule or timelines in this Agreement that do not impact the Term of the Agreement or substantially affect the delivery of Backbone Infrastructure may be handled as Minor Amendments. Unless otherwise required by law, no such Minor Amendment shall require prior notice or hearing, nor shall it constitute an amendment to

this Agreement; provided, however, the City Manager, may, in his or her sole discretion, submit a Minor Amendment to City Council for review and approval.

(3) Amendments to Project Approvals. Amendments to Project Approvals shall not require an amendment to this Agreement except to the extent necessary to assure consistency between such amended Project Approvals and the language of this Agreement.

H. [Sec. 107] Priority of Enactment. In the event of conflict between this Agreement, the Project Approvals, and any City Code, resolution, or policy, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (1) the General Plan as amended by the General Plan Amendment; (2) the Mitigation and Monitoring and Reporting Program included in the Willowgrove EIR; (3) the Zoning Approvals; (4) the Willowgrove Tentative Map; (5) this Agreement; (6) Subsequent Project Approvals; (7) City Municipal Code; (8) other City regulation, resolution, rule, or policy. In the event of a conflict between two or more of the foregoing documents, the language of that document which is superior in priority as provided above shall govern. Nothing in this paragraph shall affect or otherwise alter the terms of Section 200.

ARTICLE 2. Development of the Property.

A. [Sec. 200] Vested Development Rights.

(1) Vested on Approval Date. Except as expressly provided in this Agreement, Developer and City intend that the General Plan Amendment, the Willowgrove Tentative Map, the Zoning Approvals associated with the Project, and all “rules, regulations, and official policies” (as such terms are used in Government Code § 65866) including, without limitation, those set forth in City’s General Plan (as amended by the General Plan Amendment) and the Davis Municipal Code, governing the design, improvement, and construction standards and specifications, applicable to the development of any and all portions of the Property, shall vest on the Approval Date.

(2) Application of Non-Conflicting Subsequent Requirements. Except as provided in Section 200(3) and Section 206 and recognizing the approval of the Willowgrove Tentative Map with the Project Approvals, to the extent any rules, regulations, ordinances, regulations, or official policies (as such terms are used in Government Code § 65866) adopted by City subsequent to the Approval Date purport to be applicable to the Property but conflict with, are more restrictive than, or impose obligations on the Project greater or more stringent than the Project Approvals or the terms and conditions of this Agreement, the Project Approvals and the terms and conditions of this Agreement shall prevail. To the extent that any rules, ordinances, regulations, or policies adopted by City (as such terms are used in Government Code § 65866) subsequent to the Approval Date are applicable to the Property and do not conflict with, are not more restrictive than, or do not impose obligations on the Project greater or more stringent than with the Project Approvals or the terms and conditions of this Agreement, such subsequent rules, ordinances, regulations, or polices shall be applicable to the Property.

(3) Vesting Exceptions and Qualifications.

(a) State and Federal Law. In the event state or federal laws or regulations enacted after the Approval Date prevent or preclude compliance with one or more provisions of this Agreement, this Agreement shall be modified by the Parties to the extent necessary to comply with such state or federal laws or regulations. To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including City, to the extent such agencies' actions are required by federal or state agencies) have the effect of preventing, delaying, or modifying the Project or development of the Property, neither Developer nor City shall in any manner be liable for any such prevention, delay, or modification of the Project or development of the Property.

(b) Public Health and Safety. Uniform, city-wide City codes, growth limitation ordinance, or other ordinances which are adopted after the Approval Date to protect the public health or safety of City residents may be applied uniformly, equitably, and proportionately to Developer and the Project provided that such ordinance is an urgency ordinance enacted pursuant to the terms and provisions of Government Code § 65858 or because a failure to apply the ordinance would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety.

(c) Uniform Codes Applicable. The provisions of the Uniform California Building Standards Code, as adopted and incorporated by City consistent with state law, including the building code, plumbing code, mechanical code, electric code, any applicable reach code, grading code, and all other uniform construction codes, in effect at the time of submittal of an application for a building permit without regard to the Approval Date and provided that this section shall not be construed to limit Developer's ability to obtain approval of any alternate materials, design, or methods of construction consistent with the Uniform California Building Standards Code. Notwithstanding the above, Developer does not waive any rights under state law to restrict application of any reach code or other provisions of the Uniform California Building Standards Code, including but not limited to the protections in Health and Safety Code §§ 18938.5 and 18941.5.

(4) Other Vesting Statutes. The Parties intend that the provisions of this Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in Government Code § 66498.1 et seq. or any other state law now or hereafter enacted purporting to grant or vest development rights based on land use entitlements (herein "Other Vesting Statute"). As used herein, the term "Other Vesting Statute" shall not be deemed to include the terms or provisions of the California Housing Accountability Act, Housing Crisis Act of 2019, as those statutes may be amended from time to time, or any other subsequently enacted statute enacted to address the state housing crisis. In furtherance of this intent, and as a material inducement to City to enter into this Agreement, Developer agrees that:

(a) Notwithstanding any provisions to the contrary in any Other Vesting Statute, this Agreement and the conditions and requirements of land use entitlements for the Property obtained while this Agreement is in effect shall govern and control Developer's rights to develop the Property; and

(b) Developer waives, for itself and its successors and assigns, the benefits of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Agreement and land use entitlements for the Property obtained while this Agreement is in effect; and

(c) Developer will not make application for a land use entitlement under any Other Vesting Statute insofar as said application or the granting of the land use entitlement pursuant to said application would be inconsistent or in conflict with the terms and conditions of this Agreement and prior land use entitlements obtained while this Agreement is in effect.

(5) Exercise of Discretion by City. This section shall not be construed to limit the authority or obligation of City to hold necessary public hearings or to limit discretion of City or any of its officers or officials with regard to rules, regulations, ordinances, laws, and entitlements of use which require the exercise of discretion by City or any of its officers or officials, provided that subsequent discretionary actions are (a) based upon substantial evidence in the record (with respect to quasi-adjudicatory actions), (b) not arbitrary or capricious, and (c) consistent with the Project Approvals, this Agreement, and applicable law.

B. [Sec. 201] Specific Development Obligations. In addition to the conditions of approval contained in the Project Approvals, Developer and City have agreed that the development of the Property by Developer is subject to the obligations described in Exhibits E through N, attached hereto and incorporated herein by reference (the "Specific Development Obligations"). The Specific Development Obligations, together with the other terms and conditions of this Agreement, are consideration for City entering into this Agreement. Whenever the phrase "Developer commits," "Developer has committed," "Developer agrees," or equivalent is used in Exhibits E through N, it shall be interpreted to indicate a binding obligation with the same legal meaning as "Developer shall."

C. [Sec. 202] Subsequent Project Approvals.

(1) Good Faith Processing. Subject to Section 200 and the Specific Development Obligations set forth in Section 201, City agrees that it will accept, in good faith, for processing, review, and action, all complete applications for Subsequent Project Approvals and all complete applications for non-discretionary approvals, including but not limited to zoning, special permits, development permits, subdivision map revisions, design review, grading permits, building permits, or other permits or entitlements for the construction, development, and use of the Property in accordance with the Willowgrove Tentative Map, Zoning Approvals, the General Plan, as

amended by the General Plan Amendment, and this Agreement. City shall inform Developer, upon request, of the necessary submission requirements for each application for a Subsequent Project Approval in advance, and shall review said application and schedule the application for review by the appropriate authority, all in accordance with applicable provisions of California law, including but not limited to Government Code § 65921 et seq.

(2) Nature and Vesting of Subsequent Project Approvals. By approving the Project Approvals, City has made a final policy decision that the Project is in the best interests of the public health, safety, and general welfare. Accordingly, City shall not use its authority in considering any application for a Subsequent Project Approval or non-discretionary permit or approval to change the policy decisions reflected by the Project Approvals or otherwise to prevent or delay development of the Project as set forth in the Project Approvals. Instead, the Subsequent Project Approvals shall be deemed to be tools to implement those final policy decisions. Any Subsequent Project Approvals and any non-discretionary permits or approvals shall become part of the Project Approvals and thereby vested under this Agreement after all appeal periods have expired or, if an appeal is filed, if the appeal is decided in favor of the approval. Subsequent Project Approvals shall be deemed to include, without limitation, those set forth in Exhibit D, attached hereto and incorporated herein.

D. [Sec. 203] Development Timing. Developer shall be obligated to comply with the terms and conditions of the Project Approvals and this Development Agreement at those times specified in this Development Agreement. The Parties acknowledge that Developer cannot at this time predict with certainty when or the rate at which the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of Developer, such as market conditions and demand, interest rates, competition, and other factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development controlling the parties' agreement, it is the intent of City and Developer to hereby acknowledge and provide for the right of Developer to develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms, requirements, and conditions of the Project Approvals and this Agreement. City acknowledges that such a right is consistent with the intent, purpose, and understanding of the Parties to this Agreement, and that without such a right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, (Government Code § 65864 et seq.), City Council Resolution 1986-77, and this Agreement. Developer will use commercially reasonable efforts, in accordance with its business judgment and taking into consideration market conditions and other economic factors influencing Developer's business decisions, to commence or to continue development, and to develop the Project in a regular, progressive, and timely manner in accordance with the provisions and conditions of this Agreement and Exhibit M. Nothing in this Agreement shall require Developer to construct the Project or to pay Development Impact Fees for any portion of the Project that Developer does not construct.

E. [Sec. 204] Property Acquisition for Off-site Infrastructure. Subject to the provisions of Section 203 above, Developer shall, in a timely manner as determined by City and consistent with the requirements of the Project and any associated conditions of approval, acquire the property rights necessary to construct or otherwise provide the public improvements contemplated by this Agreement and the Project Approvals. In any instance where Developer is required to construct any public improvement, including but not limited to road improvements, bike lanes, or water or sewer infrastructure, to which neither Developer nor City has sufficient title or interest, including an easement or license determined necessary by City, Developer shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event Developer is unable, after exercising all reasonable efforts as determined by City, to acquire the real property interests necessary for the construction of such improvements by the time any final map is filed, and upon Developer's provision of adequate security for costs City may reasonably incur, City may in its discretion negotiate the purchase of the necessary real property interests to allow Developer to construct the public improvements as required by this Agreement and may, if necessary, and subject to the procedures and limitations established by law, use its power of eminent domain to acquire such required real property interests. If, after reasonable efforts by Developer, City does not elect to use its power of eminent domain, Developer shall be relieved of any obligation under the Project Approvals or this Agreement that required the property rights at issue. For the purposes of this section, "reasonable efforts" shall include proof that Developer made a written offer to purchase the property interest at fair market value. In the event that City acquires property pursuant to this section, Developer and City shall enter into a reimbursement agreement that shall provide for an initial deposit and Developer shall pay all costs associated with such acquisition or condemnation proceedings including but not limited to attorneys' fees, expert witness fees, and jury awards of any kind. Upon acquisition of the necessary interest in land, or upon obtaining a right of entry, either by agreement or court order, Developer shall commence and complete the public improvements. This requirement shall be included and, if necessary, detailed in any subdivision improvement agreement entered into between Developer and City.

F. [Sec. 205]. <u>Fee Credits and/or Fee Reimbursement Agreements for Dedication of Property or Construction of Infrastructure for "Oversizing</u>." Except as otherwise provided in this Agreement, to the extent Developer dedicates, funds, or constructs public facilities that exceed the size or capacity required to serve the Project, City shall provide reimbursement or credit to Developer in an amount equal to the cost incurred by Developer in providing such proportional benefit (together with statutory interest). Developer shall be provided with such reimbursement or credit either (1) through a Fee Reimbursement Agreement with City and/or agreements with the developers of, or conditions of approval imposed by City on, properties benefiting from the oversizing requiring the benefiting property to reimburse Developer its pro rata share of the costs of the oversizing, which reimbursement shall occur prior to the commencement of development on the benefiting property (which conditions or agreements shall specify Developer as an intended third-party beneficiary); or (2) as credits against impact fees that Developer would otherwise be required to pay for the type of infrastructure (e.g., sewers, roads) or payments from impact fees paid by other properties developed anywhere in City for the type of infrastructure. If the fees paid by other persons or entities, or the credit available from the impact fees to be paid by Developer in the particular category of infrastructure, are insufficient to repay Developer in full for the cost of oversizing, Developer shall have no recourse against City with respect to the shortfall except to the extent City receives additional applicable fees or payments thereafter, in which case such received funds shall be reimbursed to Developer promptly to the extent of the shortfall. Similarly, if the benefiting property fails to reimburse Developer for oversizing despite City imposing such obligation on such benefiting property for the benefit of Developer, Developer shall have no recourse against City; however, Developer will retain all its rights against the benefiting property and its owners, if any. In no case shall City reimburse Developer from general funds of City. Whenever in this Agreement or in future Fee Reimbursement Agreements, City is making reimbursements to Developer, the reimbursements shall be made on a semi-annual basis.

H. [Sec. 206]. Fees, Taxes, Assessments, Exactions, Dedications, and Public Improvements.

(1). In General. City agrees that Developer shall be obligated to pay only those fees (including Development Impact Fees), taxes (other than ad valorem taxes), assessments, and other exactions, and make those dedications and public improvements, prescribed in this Agreement. City further agrees that (i) the provisions of California's Mitigation Fee Act, Government Code § 66000 et seq., shall apply to any and all Development Impact Fees (or any other exactions subject to the provisions of the Mitigation Fee Act) that may be adopted, amended, or updated by City during the Term of this Agreement and shall not be excepted from the application of the Mitigation Fee Act by virtue of such fees being imposed pursuant to this Agreement and (ii) Developer shall at all times be fully entitled to constitutional due process and takings protections. Development Impact Fees shall be due and payable by Developer prior to the issuance of a building permit for the building in question unless a later date is agreed upon by Developer and City. As required by Government Code § 65865(e) for development agreements adopted after January 1, 2004, City shall comply with the requirements of Government Code § 66006 pertaining to the payment of any applicable fees it receives or cost it recovers. Developers shall retain the right to challenge any new or increased fees, taxes, assessments, and charges adopted or increased after the Approval Date as permitted by law.

(2) Development Impact Fees.

(a) Applicable Fees. Developer shall be required to pay the Development Impact Fees as specifically provided in Exhibit L. Developer may, at its sole discretion, participate in any hearings or proceedings regarding the adjustment or adoption of any Development Impact Fee. Nothing in this Agreement shall constitute a waiver by Developer of its right to challenge such changes in fees in accordance with California or Federal law, including the Mitigation Fee Act (Government Code § 66000 et seq.). Developer retains all rights to protest any new or revised Development Impact Fee as set forth in Government Code § 66020.

(b) Mitigation Measures. Notwithstanding the provisions of subsection 207(2)(a), where a mitigation measure included in the Willowgrove EIR associated with the Project provides different timing for payment of fees, the language of the Willowgrove EIR (as it may be amended compliant with law) shall control.

(3) Processing Fees. City may charge and Developer shall pay processing fees for land use approvals, building permits, and other similar permits and entitlements which are in force and effect on a citywide basis at the time the application is submitted for those permits, as permitted pursuant to Government Code § 54990.

(4) Other Fees and Charges. Except as mandated by state or federal law or provided for in Exhibit L, City shall not impose any new categories of fees or charges that were not in effect on the Approval Date, impose any increased fees or charges beyond those in effect on the Approval Date based on new or updated nexus studies (other than inflationary adjustments provided for upon the Approval Date), or require any additional dedications or public improvements through the exercise of the police power beyond those specified in this Agreement, with the following exception:

(a) City may impose reasonable additional fees, charges, dedication requirements, or public improvement requirements as conditions of City's approval of an amendment to the Project Approvals or this Agreement provided (i) such amendment was requested by Developer and (ii) such additional fee, charge, or dedication or improvement requirement is intended to address, and is roughly proportionate to, the public cost of the change requested by Developer.

I. [Sec. 207] Wastewater Treatment Capacity. Developer understands that City is engaging in interim and long-term efforts to increase capacity in the wastewater treatment facility to serve (1) existing residents and businesses that are already served by the wastewater treatment facility, (2) anticipated residents and businesses through build-out of City's existing General Plan, and (3) the Project and other potential new development. City has confirmed through both interim and long-term plans that it will have sufficient wastewater capacity to serve the Project such that sewer connections shall be available at such time as they are needed as the Project builds out. City further commits as it implements its interim and long-term plans to increase wastewater capacity that it will reserve capacity for the Project and shall not approve providing such capacity to areas other than the Project if such approval would prevent or delay the ability of City to provide sewer connections to the Project as the Project requires such connections. City and Developer agree this commitment to serve the Project is a material element of the consideration provided by City to Developer in exchange for the benefits provided to City under this Agreement. Developer shall pay the applicable wastewater capacity charge in effect at the time of issuance of the building permit consistent with Mitigation Measure 4.14-3 of the Willowgrove EIR. Developer acknowledges that the wastewater capacity charge may increase over time, including Developer's fair share cost to comply with City's NPDES permit related to the wastewater facility.

J. [Sec. 208] Completion of Improvements. All public improvements required to be constructed by Developer under this Agreement shall be so constructed as and when described in the exhibits hereto. With respect to public improvements for which no schedule for completion has been specific in such exhibits, the timing of completion of such improvements shall be as required by the conditions of approval requiring the construction of such improvement.

ARTICLE 3. Default, Remedies, Termination.

A. [Sec. 300] General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any term or provision of this Agreement shall constitute a default. In the event of default or breach of any terms or conditions of this Agreement, the Party alleging such default shall give the other Party written notice of such default, which notice shall specify the nature of the alleged default and manner in which said default may be satisfactorily cured. The Party receiving such notice shall have an opportunity to cure such default within a period of sixty (60) days, or if the nature of such default is such that it cannot reasonably be cured during such 60-day period, then such longer period as is appropriate provided the party alleged to be in default commences to cure the alleged default within such 60-day period and thereafter diligently prosecutes such cure to completion (the "Cure Period"). During any such Cure Period, the Party charged shall not be considered in breach of this Agreement.

If any alleged default is material in nature has not been cured during the Cure Period, then the other Party to this Agreement may, at its option:

(1) Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

(2) Institute legal or equitable action to cure, correct, or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement, including any terms that are monetary in nature; provided, however, that neither party shall be liable to the other for consequential damages exceeding its monetary obligations under this Agreement.

B. [Sec. 301] Developer's Default; Enforcement. In the event of an uncured default by Developer under Section 300 above, in addition to exercising its rights under Sections 300(1) and 300(2), City shall be entitled to delay the issuance of building permits to the defaulting party (but not non-defaulting parties to the Agreement) for residential structures on the Property until such default has been cured.

C. [Sec. 302] Annual Review. The City Manager shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer with the terms and conditions of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to Government Code § 65865.1.

The City Manager shall provide thirty (30) calendar days prior written notice of such periodic review to Developer. Such notice shall require Developer to demonstrate good faith compliance with the terms and conditions of this Agreement and to provide such other information as may be reasonably requested by the City Manager and deemed by him or her to be required in order to ascertain compliance with this Agreement. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. The costs of notice and related costs incurred by City for the annual review conducted by City pursuant to this section shall be borne by Developer.

If, following such review, the City Manager is not satisfied that Developer has demonstrated good faith compliance with all the terms and conditions of this Agreement, or for any other reason, the City Manager may refer the matter along with his or her recommendations to the City Council. Failure of City to conduct an annual review shall not constitute a waiver by City of its rights to otherwise enforce the provisions of this Agreement nor shall Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review; provided, however, that nothing herein shall relieve City of its obligation to provide notice and an opportunity to cure any alleged default in accordance with this section.

D. [Sec. 303] Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, pandemics, acts of God, governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, moratoria, or similar bases for excused performance. If written notice of such delay is given to City within thirty (30) calendar days of the commencement of such delay or reasonable determination of delay by Developer, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon. Notwithstanding the above, Developer does not waive any right to seek relief for delay under this section if request for relief is not made within thirty (30) calendar days of the commencement of such delay or reasonable determination of delay by Developer; provided however the City shall have sole discretion whether to grant any relief from delay in the event of an untimely request for such relief.

In the event litigation is initiated by any party other than Developer that challenges any of the Project Approvals or the Willowgrove EIR and an injunction or temporary restraining order is not issued, the term of this Agreement shall be automatically tolled, i.e., suspended, during the pendency of said litigation. The tolling shall commence upon the filing of a challenge to the Project Approvals or the Willowgrove EIR. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged approvals or said litigation is dismissed with prejudice by all plaintiffs. In the event a court enjoins either City or Developer from taking actions with regard to the Project as a result of such litigation that would preclude any of them from enjoying the benefits bestowed by this Agreement, then the Term of this Agreement shall be automatically tolled during the period of time such injunction or restraining order is in effect and automatically extended for the tolled period.

E. [Sec. 304] Limitation of Legal Actions. In no event shall the officers, agents, or employees of City be liable in damages for any breach or violation of this Agreement except as otherwise provided above, it being expressly understood and agreed that Developer's sole legal remedy for a breach or violation of this Agreement by City shall be a legal action in mandamus, specific performance, or other injunctive or declaratory relief to enforce the provisions of this Agreement.

F. [Sec. 305] Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Developer acknowledges and agrees that City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity or meaning of this Agreement shall be accorded legislative acts of City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

G. [Sec. 306] Invalidity of Agreement.

(1) If this Agreement shall be determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment.

(2) If any provision of this Agreement shall be determined by a court to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any law which becomes effective after the date of this Agreement, and either Party in good faith determines that such provision is material to its entering into this Agreement, either Party may elect to terminate this Agreement as to all obligations then remaining unperformed in accordance with the procedures set forth in Section 300, subject, however, to the provisions of Section 307 hereof. If neither Party determines the provision to be material, that provision will be stricken and the remainder of the Agreement shall endure.

H. [Sec. 307] Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect Developer's obligations to comply with the General Plan and the terms and conditions of any and all Project Approvals, nor shall it affect any other covenants of Developer specified in this Agreement to continue after the termination of this Agreement.

ARTICLE 4. Hold Harmless Agreement.

A. [Sec. 400] Hold Harmless Agreement. Developer hereby agrees to and shall hold City, its elective and appointive boards, commissions, officers, agents, and employees ("City Indemnitees") harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage, which may arise from the Developer's or Developer's contractors', subcontractors', agents', or employees', operations under this Agreement, whether such operations be by the Developer, or by any of Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by or acting as an agent for Developer or any of Developer's contractors or subcontractors, except for such loss, injury, or damage arising from the sole negligence or willful misconduct of City.

In the event any claim, action, or proceeding is instituted by a third party against City to challenge or set aside any permit or approval issued by City in accordance with this Agreement, Developer shall defend, indemnify, and hold harmless City, and/or its officers, agents, and employees. This obligation includes, but is not limited to, the payment of all costs of defense, any amounts awarded by the Court by way of damages or otherwise, including any attorney fees and court costs. City may elect to participate in such litigation at its sole discretion and at its sole expense. As an alternative to defending any such action, Developer may request that City rescind the challenged permit or approval. City will promptly notify Developer of any claim, action, or proceeding, and will cooperate fully in the defense thereof. This section shall not limit any immunity of City or its elective and appointive boards, commissions, officers, agents, and employees or any defense or remedy available in law or equity to Developer or its contractors, subcontractors, agents, or employees, including but not limited to asserting immunity of City or its elective and appointive boards, commissions, officers, agents, and employees.

B. [Sec. 401] Prevailing Wages. Without limiting the foregoing, Developer acknowledges the requirements of California Labor Code § 1720 et seq. and § 1770 et seq. as well as California Code of Regulations, Title 8, § 1600 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects, as defined. If work on off-site improvements pursuant to this Agreement is being performed by Developer as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation under the contract in question is $1,000 or more, Developer agrees to fully comply with such Prevailing Wage Laws for those off-site improvements to the extent applicable. Developer understands and agrees that it is Developer's obligation to determine if Prevailing Wages apply to work done on the Project or any portion of the Project. Upon Developer's request, City shall provide a copy of the then current prevailing rates of per diem wages. Developer shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the work subject to Prevailing Wage Laws, and shall post copies at Developer's principal place of business and at the Property. Developer shall defend, indemnify, and hold City, its elected officials, officers, employees, and agents free and harmless pursuant to the indemnification provisions of this Agreement from any claim or liability arising out of any failure or alleged failure by Developer to comply with the Prevailing Wage Laws associated with any "public works" or "maintenance" projects associated with Project development.

ARTICLE 5. Project as a Private Undertaking.

[Sec. 500] Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture, or other association of any kind between Developer and City is formed by this Agreement. The only relationship between City and Developer is that of a governmental entity regulating the development of private property and the owner of such private property.

ARTICLE 6. Consistency with General Plan.

[Sec. 600] Consistency with General Plan. City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety, and general welfare and is consistent with the General Plan, as amended by the General Plan Amendment approved as part of the Project Approvals.

ARTICLE 7. Notices.

[Sec. 700] Notices. Any notice, request, demand, instruction, or other communication to be given to either party hereunder shall be in writing and shall be delivered personally, transmitted by facsimile or email, sent by overnight courier, or by registered or certified mail, return receipt requested, to the Parties at the addresses below. Notice shall be deemed to have been given and received within two business days of the deposit in the United States Mail of registered or certified mail, sent to the address designated below, with a courtesy copy simultaneously sent via email.

Notice required to be given to City shall be addressed as follows:

City Manager
City of Davis
23 Russell Boulevard
Davis, CA 95616
cmoweb@cityofdavis.org

With a copy to:
Richards, Watson & Gershon
2300 N Street, Suite 3
Sacramento, CA 95816
Attn: Inder Khalsa
ikhalsa@rwglaw.com

Notice required to be given to Developer shall be addressed as follows:

Davis Eastside, LLC
Attn: Gary Perry
2277 Fair Oaks Blvd., Suite 195
Sacramento, CA 95825

gary@garyperrylaw.com

With a copy to:
Hefner Law
Attn: Bre Moebius
2150 River Plaza Drive, Suite 450
Sacramento, CA 95833
bmoebius@hsmlaw.com

Any Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

ARTICLE 8. Recordation.

[Sec. 800] Recordation. When fully executed, City shall record this Agreement in the official records of Yolo County, California. Any amendments to this Agreement shall also be recorded in the official records of Yolo County.

ARTICLE 9. Estoppel Certificates.

[Sec. 900] Estoppel Certificates. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such party to certify in writing that, to the knowledge of the certifying Party, (a) this Development Agreement is in full force and effect and a binding obligation of the Parties; (b) this Development Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications; and (c) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and extent of any such defaults. The requesting Party may designate a reasonable form of certificate (including a lender's form) and the Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within thirty (30) calendar days following the receipt thereof. The City Manager shall be authorized to execute any certificate requested by Developer hereunder. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, and other mortgages. The request shall clearly indicate that failure of the receiving Party to respond within the thirty (30) day period will lead to a second and final request and failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the estoppel certificate. Failure of Developer to execute an estoppel certificate shall not be deemed a default, provided that in the event Developer does not respond within the required thirty (30) day period, City may send a second and final request to Developer and failure of Developer to respond within fifteen (15) calendar days from receipt thereof (but only if City's request contains a clear statement that failure of Developer to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by Developer of the estoppel certificate and may be relied upon as such by City, tenants, transferees, investors, bond counsel, underwriters, and bond holders. Failure of City to execute an estoppel certificate shall not be deemed a default, provided that in the event City fails to respond within the required thirty (30) day period, Developer may send a second and final request to City, with a copy to the City Manager and City Attorney, and failure of City to respond within fifteen (15) calendar days from receipt thereof (but only if Developer's request contains a clear statement that failure of City to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by City of the estoppel certificate and may be relied upon as such by Developer, tenants, transferees, investors, partners, bond counsel, underwriters, bond holders, and mortgagees.

ARTICLE 10. Provisions Relating to Lenders

A. [Sec. 1000] Lender Rights and Obligations.

(1) Prior to Lender Possession. No lender shall have any obligation or duty under this Agreement prior to the time the lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest, but such lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which lender holds an interest. Nothing in this section shall be construed to grant to a lender rights beyond those of Developer hereunder or to limit any remedy City has in the event of a breach by

Developer, including termination or refusal to grant Subsequent Project Approvals with respect to the Property.

(2) Lender in Possession. A lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such lender takes possession of the Property or any portion thereof. Provided, however, that a lender shall not be eligible to apply for or receive Subsequent Project Approvals with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current, and accruing in the future) and charges, and assumption of all obligations of Developer hereunder; provided, further, that no lender, or successor thereof, shall be entitled to the rights and benefits of Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and current City fees and charges pertaining to the Property.

(3) Notice of Developer's Breach Hereunder. If City receives notice from a lender requesting a copy of any notice of breach given to Developer hereunder and specifying the address for notice thereof, then City shall deliver to such lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed a breach, and if City makes a determination of non-compliance, City shall likewise serve notice of such non-compliance on such lender concurrently with service thereof on Developer.

(4) Lender's Right to Cure. Each lender shall have the right, but not the obligation, for the same period of time given to Developer to cure or remedy, on behalf of Developer, the breach claimed or the areas of non-compliance set forth in City's notice. Such action shall not entitle a lender to develop the Property or otherwise partake of any benefits of this Agreement unless such lender shall assume and perform all obligations of Developer hereunder.

(5) Other Notices by City. A copy of all other notices given by City to Developer pursuant to the terms of this Agreement shall also be sent to any lender who has requested such notices at the address provided to City pursuant to Section 1000(4) above.

B. [Sec. 1001] Right to Encumber. City agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion thereof with any mortgage, deed of trust, sale, and leaseback arrangement or other security device. City acknowledges that any lender may require certain interpretations of the agreement and City agrees, upon request, to meet with the owner(s) of the property and representatives of any lender to negotiate in good faith any such request for interpretation. City further agrees that it shall not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement.

ARTICLE 11. Entire Agreement.

[Sec. 1100] Entire Agreement. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of 83 pages and 14 Exhibits which constitute the entire understanding and agreement of the Parties. Unless specifically stated to the contrary, the reference to an exhibit by designated letter or number shall mean that the exhibit is made a part of this Agreement. Said exhibits are identified as follows:

Exhibit A:	Legal Description and Project Site Map
Exhibit B:	Baseline Project Features
Exhibit C:	Project Discretionary Approvals
Exhibit D:	Subsequent Project Approvals
Exhibit E:	Affordable Housing Plan
Exhibit F:	Sustainability Commitments
Exhibit G:	Transit, Transportation, and Circulation
Exhibit H:	Agricultural Conservation
Exhibit I:	Parks and Greenbelts

Exhibit J: Urban Forest

Exhibit K: Public Property and Right-of-Way Landscape

Exhibit L: Land Dedication, Impact Fees, Credits, and Municipal Financing Mechanisms

Exhibit M: Phasing Plan Maps

Exhibit N: Community Benefits

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the date set forth above.

"CITY" CITY OF DAVIS

By: ______________________________________
Daryel Dunston
City Manager

Attest: ______________________________________
Zoe Mirabile
City Clerk

APPROVED AS TO FORM:

____
Inder Khalsa
City Attorney

"DEVELOPER"

By: ______________________________________
Davis Eastside, LLC
Garry Perry
Manager

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Yolo, State of California, described as follows:

PARCEL 5 OF THE LANDS OF HENRY J. HAMEL, ET AL., LOCATED IN SECTION 1, T. 8N., R. 2E., AND SECTION 36, T. 9N., R. 2E., FILED MAY 29, 1928 IN BOOK 4 OF MAPS AND SURVEYS, AT PAGES 79 AND 80, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE COUNTY OF YOLO, A POLITICAL SUBDIVISION, RECORDED AUGUST 17, 1964 IN BOOK 769 OF OFFICIAL RECORDS AT PAGE 1, YOLO COUNTY RECORDS.

FURTHER EXCEPTING THEREFROM THAT PORTION THEREOF GRANTED TO THE CITY OF DAVIS IN DEED RECORDED JULY 23, 2007, INSTRUMENT NO. 2007-0025868, OFFICIAL RECORDS.

APN: 071-130-007-000

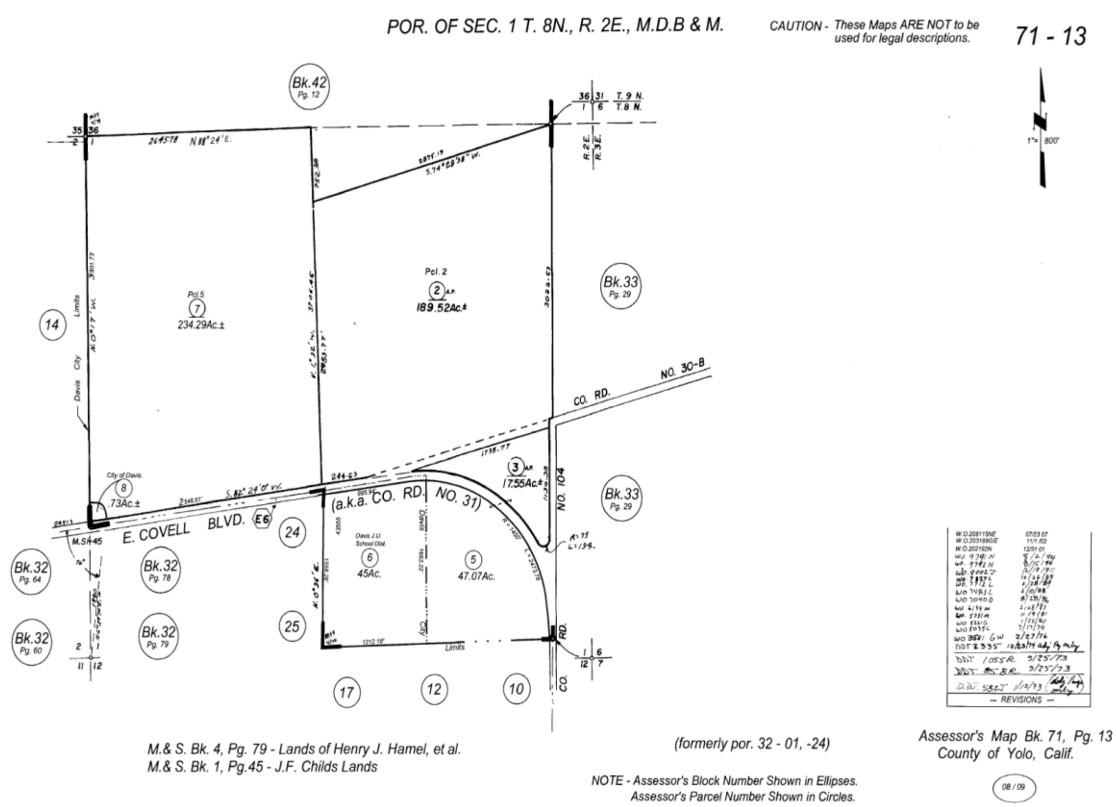


EXHIBIT B

WILLOWGROVE

Baseline Project Features

Project Vision

Willowgrove is designed with City of Davis values to create an inclusive and sustainable residential community that will provide new recreational amenities for all of Davis. With diverse housing opportunities, Willowgrove is for everyone, including young families looking for their first home, members of the Davis workforce who also want to enjoy living in Davis, and individuals with limited income and intellectual and/or developmental disabilities. With thoughtful design guided through community input, Willowgrove meets the City's current housing and recreation needs while minimizing impacts to current residents and the environment. Willowgrove will help Davis meet a significant portion of its State-mandated requirements for new housing and help Davis Joint Unified School District (DJUSD) avoid potential school closures due to declining enrollment. Willowgrove sets precedent with construction of its full affordable housing requirement under City Code in its Baseline Project Features.

Commitment of Tentative Subdivision Map

Willowgrove is the first Measure J/R/D project to invest in detailed engineering and design necessary to obtain a Tentative Subdivision Map before City Council and voter approval. The unprecedented investment in a Tentative Subdivision Map before City Council and voter approval provides the City Council and voters certainty about the development design, features, and amenities. Approval of the Tentative Subdivision Map before the ballot also allows Willowgrove to expedite the delivery of housing to meet the immediate needs of DJUSD and families and individuals seeking to work and live Davis. These Baseline Project Features further identify key project features and community benefits that cannot be eliminated, significantly modified, or reduced without subsequent voter approval.

Community Park and Recreational Amenities

The Willowgrove Community Park will serve as the heart of the community and provide new recreational opportunities for all City residents centered around walkable neighborhood retail offerings. The Project will fund and construct recreational park amenities up to a budget of $20.8 million adjusted annually for inflation. Park amenities shall be subject to final City Council approval through a parkland dedication agreement and, provided City agreement to accept completed facilities and subject to the maximum park budget of $20.8 million adjusted annually for inflation as detailed in the Development Agreement, Willowgrove will fund and construct a new Community Park that will include:

- Indoor community gym with a basketball court
- 2 lighted softball fields
- Inclusive playground

- Multi-purpose lighted field for soccer or lacrosse

Affordable and Inclusive Housing

To ensure Willowgrove is a community for all, the following commitments are made:

- Affordable site planned for 250 deed-restricted affordable units, which is 20% of the total units and 177% of the Davis City Code requirement.
- Affordable site graded, stubbed for utilities, and access roads constructed prior to the first market rate occupancy permit, as set forth in the Development Agreement.
- Construction will commence on the full Davis City Code affordable housing requirement (141 units) before the remaining 100th market rate occupancy permit, as set forth in the Development Agreement.
- At least 20 deed-restricted affordable units will be made available to Alta California Regional Center to serve individuals with intellectual and/or developmental disabilities.
- Developer will contribute an additional $6.8 million for affordable housing, including affordable homeownership opportunities, as set forth in the Development Agreement.

Diverse New Housing Opportunities

Absent voter approval or an increase consistent with the goals and objectives in Davis City Code and state law to further affordable housing, the residential portion of the land will be zoned for 1,250 residential units and will include High Density Residential, Residential Medium Density, and Residential Low Density.

New Trails and Connectivity

Willowgrove will provide a walkable community designed to encourage active transportation and provide public trail connectivity to existing trails. Provided City agreement to accept completed facilities, Willowgrove will fund and construct:

- At least 3 miles of new bicycle and pedestrian trails.
- Trail connections to the existing Wildhorse buffer and Gill trails.
- Trail connection to the existing East Covell Boulevard undercrossing at the southwest corner of Willowgrove.

Protection and Rewilding of Riparian Habitat

Willowgrove will protect limited onsite habitat and allow the rewilding of riparian habitat along Channel A. To achieve these goals, the following design features may not be altered:

- No residential development or residential structures allowed north of Channel A.
- Buffer along Channel A with an average of 50 feet from the top of bank on each side to protect Channel A and associated riparian habitat.
- Stormwater detention basins designed consistent with low impact development (LID) standards, including reducing runoff, treating stormwater, and providing hydromodification management.

- Native plantings integrated throughout the Urban Agricultural Transition Area.

Environmental Sustainability

Willowgrove is designed with Davis environmental and sustainability values and will include:

- Creation of an urban forest and shaded trails with over 2,500 new trees.
- All-electric residential community without the installation of natural gas connections.
- Solar photovoltaic systems for all residential units.
- Pre-installed wiring plus reserve room in electrical panel necessary to support electric vehicle charging for all single-family and multifamily homes.
- At least 11 publicly accessible electric vehicle charging stations at the Community Park.
- Bicycle storage and Cycling Hub.

Active Transportation, Road Improvements, and Public Transit

Willowgrove will encourage the use of active transportation and public transit and help alleviate traffic delay with the following:

- Over three miles of new trails with connections to the existing undercrossing at the southwest corner of Willowgrove.
- New crosswalk to the entrance of Harper Junior High.
- All project-related roadway improvements as required by the 2026 Willowgrove Local Transportation Analysis and the 2025 Willowgrove Transportation Impact Study consistent with the phasing in the conditions of approval.
- Fair share funding toward off-site traffic improvements per the terms of the Development Agreement, including the widening of East Covell Boulevard, improvements to the Mace Boulevard/I-80 and West Covell Blvd/SR 113 interchanges, and traffic light synchronization along East Covell Boulevard.
- A new transit station with shaded seating and a Cycling Hub, provided agreement by City, Unitrans, and/or Yolo Bus to accept the facilities.
- Dedicated bicycle parking and publicly accessible car-share spaces.
- Publicly accessible EV charging stations.

Protection of Agricultural Land

Willowgrove will comply with all City of Davis requirements addressing the annexation of agricultural land, including:

- Creation of at least 44 acres of Urban Agricultural Transition Area, which exceeds the requirement in Davis City Code.

- Mitigation for the loss of agricultural land consistent with the Davis City Code, including protection of 2 acres of agricultural conservation easements for every acre converted from agriculture to urban uses.

Maintenance Financing for Public Improvements

In partnership with the City and as detailed in the Development Agreement, Willowgrove will participate in existing funding mechanisms or establish new funding mechanisms for the ongoing maintenance of public parks, open space, roadways, stormwater facilities, and greenbelts. Financing may come through a combination of sources that may include, but are not limited to, a Landscape and Lighting District (LLD), Community Facilities District (CFD), user fees and service charges, and/or other existing and mutually agreed-upon funding mechanisms.

Compliance with Baseline Project Features

Beyond the Baseline Project Features, additional standards for Willowgrove are established in the mitigation measures set forth in the Final Environmental Impact Report, conditions of approval for the Vesting Tentative Subdivision Map, Final Planned Development, and Development Agreement. Absent approved revisions or amendments, the Final Subdivision Map must substantially conform to the approved Tentative Subdivision Map. The Development Agreement specifies the extent to which Willowgrove may receive credits or reimbursements for land, public facilities, road improvements, and additional Developer obligations in accordance with these Baseline Project Features. While these mandatory requirements ensure development consistent with project approval, they are not Baseline Project Features and may be modified with the approval of the City, after the appropriate public process and compliance with the California Environmental Quality Act. Minor refinements to the project may be made without voter approval if they are substantially consistent with the Baseline Project Features and do not materially alter the character of the project as provided for in Resolution 06-40, Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J/R/D Vote.

EXHIBIT C

PROJECT DISCRETIONARY APPROVALS

City Council approval includes the following discretionary approvals:

- Certification of the Final EIR and Adoption of the Statement of Overriding Considerations and the Mitigation Monitoring Plan
- General Plan Amendment (Resolution __________)
- Prezoning and Preliminary and Final Planned Development (Ordinance ________)
- Development Agreement (Ordinance ______)
- Large Lot Vesting Tentative Map
- Small Lot Vesting Tentative Subdivision Map
- Conditions of Approval

EXHIBIT D

SUBSEQUENT PROJECT APPROVALS

Following City Council approval of the Project and a successful ballot initiative, the following discretionary approvals and actions by City are also required to implement the Project:

- Conditional Use Permit(s) or Administrative Use Permit(s), where applicable
- Other implementing approvals as described in Section 202 of this Development Agreement
- City Council Approved Tax Sharing Agreement(s)
- Formation of Community Financing Districts or other financing mechanisms for maintenance and/or construction of capital facilities
- Application to LAFCo for Sphere of Influence Amendment and Annexation

EXHIBIT E

AFFORDABLE HOUSING PLAN

1. Expedited and Fully Funded Construction of Affordable and Inclusive Housing

Willowgrove will build inclusive housing for all, including individuals with limited income and intellectual and/or developmental disabilities. Committed to opportunity, 20% of the new homes at Willowgrove will be deed restricted for individuals and families with extremely low, very low, and low income levels. **These 250 units provide 177% of the City Code requirement.** To advance delivery of these opportunities, Willowgrove will have the entire affordable site construction ready before the first market rate occupancy permit is issued. **All 250 units will be built in a single phase**. In addition to building deed-restricted affordable rental units, Willowgrove includes 288 attached single-family units (condominiums or townhomes) to provide attainable housing opportunities for young families, the "missing middle," and workforce. Willowgrove has funded **affordable homeownership opportunities** for approximately **20 of the condominium/townhome units**.

In response to uncertainties of future state and local funding for affordable housing and limited funds in the City's Housing Trust Fund, this Affordable Housing Plan is designed to expedite delivery of affordable housing without City loans or grants. **Willowgrove includes its entire City affordable housing requirement in its Baseline Project Features**. To reach this milestone, Willowgrove is partnering with an affordable housing team with a demonstrated ability in the Sacramento region to ensure construction and completion of affordable housing communities without City loans and grants. As part of this team, AMG Land Development will assist with entitlements and The Pacific Companies ("TPC") and its non-profit partner will lead construction and property management.

Willowgrove's investment in affordability begins with dedication of the entire 10.1-acre site and backbone infrastructure to TPC. Through its proven experience, TPC will fund **over $70 million in construction costs to build the affordable units without the use of City loans or grants**. In addition to building 250 units in a single phase, Willowgrove will sustain affordability through **$6.8 million in additional contributions**, including $1.8 million to the Housing Trust Fund to provide affordable homeownership opportunities, over $4 million to cover City development impact fees for the affordable units, and an additional $1 million in funding for TPC.

With non-profit partners, TPC has completed over 265 housing developments totaling nearly 20,000 units with an additional 46 projects and more than 5,500 units currently under construction. TPC is consistently ranked as the "Top 10 Developers in the Nation" by Affordable Housing Finance Magazine, earning the #1 spot in 2018 and 2022. In the Western United States, TPC has repeatedly been the leader in number of affordable units produced. In its 25 years as an affordable housing developer, TPC has a 100% percent completion rate and not a single default.

Willowgrove is also partnering with Alta California Regional Center ("Alta Regional") **to provide at least 20 affordable units serving individuals with intellectual and/or**

developmental disabilities. Alta Regional is a private, non-profit agency funded and overseen by the California State Department of Developmental Services. The regional center system was born from legislation to provide those with developmental disabilities services and support within their communities. Alta Regional creates partnerships to support all eligible individuals with developmental disabilities, children at risk, and their families in choosing services and support through individual lifelong planning as a means to achieve healthy and productive lives in their own communities. Alta Regional serves over 35,000 clients, covering a 10-county catchment area, including Yolo County. In Yolo County there are approximately 2,300 individuals with developmental disabilities and over 500 of those individuals reside in Davis.

2. Compliance with Davis City Code

City Code Section 18.05.050(a)(2)(C) provides several avenues to fulfill affordable housing obligations, including the "[o]n-site construction of affordable rental units, if the developer voluntarily requests to satisfy its requirement through this alternative." Willowgrove will fulfill its affordable housing obligation through on-site construction of rental affordable units at the approximately 10.1-acre parcel identified as Parcel 4 on Sheet 3 of the Willowgrove Tentative Map (Large Lot Mapping Plan) ("Affordable Site"). Section 18.05.050 identifies the affordable housing requirement for Willowgrove as follows:

Ownership Residential Product Type	% of Affordable Units Required for Product Types	Total Project Units for this Product Type	Number of Affordable Units Required
Market-rate SFR detached ownership units on lots larger than 5,000 square feet (Section 18.05.050(a)(1)(A))	25%	197 (LDR)	49.25
Market-rate SFR detached ownership units on lots 5,000 square feet or less (Section 18.05.050(a)(1)(B))	15%	515 (MDR)	77.25
Market-rate stacked condominiums (Section 18.05.050(a)(1)(D))	5%	288	14.4
Total Affordable Units Required			**141**

3. Housing Product Mix and Income Targets

Consistent with City Code, the affordable units will be deed-restricted in perpetuity and will be leased at an affordable rent to households with **extremely low income** (no greater than 30% of area median income), **very low income** (no greater than 50% of area median income), and **low income** (no greater than 80% of area median income). The average affordable price for each size category (number of bedrooms) will be at or below 65% of median income. (Section 18.05.050(b)(2).) While the income targets may vary consistent with the 65% average median income requirement, the goal is to provide approximately 30% extremely low income units, 20%

very low income units, and 50% low income units. The Affordable Site will not include moderate income units (80% to 120% of area median income). The Affordable Site will be developed consistent with the development standards for the HDR-1 product type in the Willowgrove Final Planned Development. At least 30% of the units will be three-bedroom units. City may approve revisions to the housing product mix, bedroom count, and income targets without amendment of the Agreement based on City needs at the time of final design.

4. Construction Commencement Milestone

City and Developer agree the final 100th market rate occupancy permit may not be issued unless construction of at least 141 affordable units has commenced on the Affordable Site. Construction shall be deemed to have commenced upon receipt of a construction financing commitment letter from a qualified lender demonstrating that the construction of the affordable units is or will be fully funded. The letter may be provided by Developer or Affordable Housing Developer, subject to review and approval by City.

5. Advanced Delivery of Affordable Site

Developer will provide the construction-ready Affordable Site to the Affordable Housing Developer before issuance of the first production market rate occupancy permit. The construction-ready site will provide a graded pad, interior perimeter roadway improvements, (i.e., curb, gutter, and sidewalk), stubbing of utilities (water, sewer, and electric) service connections as generally depicted on Sheet 20 of the Willowgrove Tentative Map (Phase 1 Backbone Phasing Plan). This occupancy permit trigger ensures that infrastructure to the Affordable Site is prioritized and completed before issuance of the first production home occupancy permit (allowance for model home permits to be pulled). With a construction-ready site in-hand, the Affordable Housing Developer can begin construction at the earliest time possible.

Provision of construction-ready Affordable Site to Affordable Housing Developer shall be deemed satisfied upon written confirmation from Developer that the construction-ready improvements are complete and the Developer commenced the transfer of the Affordable Site to the Affordable Housing Developer. City may relieve Developer of this obligation upon a good faith showing by Developer, reviewed and approved by City, that an unforeseen condition of the property or unforeseen condition or constraints of infrastructure necessary to serve the property prevents Developer from providing the Affordable Site construction ready consistent with this provision. City and Developer agree that such relief is not anticipated based on all facts and circumstances known at this time and any such relief will be considered based on facts and circumstances arising after execution of this Agreement, including but not limited to the discovery of unknown conditions or items during grading or the inability to connect necessary infrastructure due to circumstances outside of the control of the Developer. Any relief under this section shall not alter the construction milestone for 141 affordable units in Section 4 above.

6. Alta Regional Commitment

Affordable Housing Developer will reserve at least 20 units integrated throughout the Affordable Site to be made available for clients of Alta Regional. Prior to final design, the

Affordable Housing Developer will meet and confer with Alta Regional to address any additional design considerations to serve individuals with intellectual and/or developmental disabilities, including applicable accessibility standards. Rent for the units will be set consistent with the affordability restrictions for the remaining affordable units and neither the Affordable Housing Developer nor Developer will be required to pay or waive the already reduced rent. In the event Alta Regional elects not to utilize the units for its clients either at the completion of construction or at some point in the future, the Developer will have fulfilled its obligation to make the units available to Alta Regional by complying with the terms of this provision. City will ensure the at least 20 units made available to Alta Regional remain affordable consistent with its oversight of the remaining affordable units, but City will not be a party to any agreement between the Affordable Housing Developer and Alta Regional.

7. Additional Affordable Housing Contributions

In addition to ensuring the construction of 250 affordable units and dedicating the Affordable Site, Willowgrove will provide **over $6.8 million in additional affordable housing funding** comprised of the following: (1) $1.8 million contribution to the Affordable Housing Trust Fund for affordable ownership opportunities; (2) $1 million provided to the Affordable Housing Developer; and (3) over $4 million in City development impact fees for the 250 affordable units as well as all City maintenance community facilities district funding paid by Willowgrove as detailed in Exhibit L.

8. Affordable Ownership Opportunities

Upon the transfer of the HDR-2 (condominium/townhome) site to a builder, Willowgrove will contribute $1.8 million to the City Housing Trust Fund to facilitate affordable ownership opportunities in Willowgrove at the moderate income level (80% to 120% of area median income). City will maintain the $1.8 million in a segregated account to ensure the funds are used consistent with this section. The City may determine the mechanisms by which to achieve affordable ownership opportunities at Willowgrove. For example, with a homebuyer assistance program providing a loan in the form of an interest free second mortgage that would be repaid to City upon the sale of the home, the $1.8 million could provide funding to initially provide approximately 20 affordable ownership condominiums or townhomes and then additional affordable opportunities upon the sale of those homes. City may utilize a portion of the $1.8 million to cover City staff time and costs to facilitate the homeownership opportunities provided for in this section. Developer and City will meet and confer prior to commencement of construction of the HDR-2 site to advertise affordable ownership opportunities. While Developer is providing $1.8 million to facilitate affordable ownership opportunities, this section shall not be interpreted to require Developer to sell a unit at a restricted price. While the $1.8 million is required to be initially applied to affordable ownership opportunities at Willowgrove, any funds received back to City through the sale of a Willowgrove home made affordable through the program or loans repaid shall be utilized for additional affordable homeownership opportunities and may be utilized for other affordable ownership opportunities within City.

EXHIBIT F

SUSTAINABILITY PLAN

With thoughtful design and green building practices expected in Davis, Willowgrove is committed to sustainability, resiliency, and equity consistent with the City's 2020-2040 Climate Action and Adaptation Plan ("CAAP"). This Sustainability Plan identifies project commitments to sustainability and provides a foundation for continued collaboration with the City and community. The Sustainability Plan identifies the CAAP goals and priority actions that Willowgrove will achieve as well as additional sustainability features. Consistent with the equity solutions in the CAAP, all educational materials provided through the Sustainability Plan will accommodate community members' language and access needs.

Building Energy and Design	
CAAP Action BE.4 **All-Electric New Construction**	Willowgrove will be an all-electric community without natural gas.
CAAP Action BE.5 **Community Solar Energy**	Willowgrove will opt all market rate homes into the Valley Clean Energy UltraGreen Option consistent with component 2 of CAAP Action BE.5.
CAAP Action BE.8 **Create Community Microgrids and Resiliency Hubs**	If Davis creates a municipal utility, municipal microgrid, or other avenue for clean energy prior to development of final utility plans, Willowgrove will participate in that clean energy option, if feasible, based on the timing of improvement plans and development. Willowgrove gym will provide a new City-owned indoor space that could be utilized as a resiliency hub during emergencies.
Solar Production	All residential units will include solar photovoltaic systems with a minimum 3.0 kW system for low density units, 2.3 kW system for medium density units, and 1.6 kW system for high density units. For each product type, the estimated roof capacity will be determined and an expanded solar photovoltaic system will be offered as a purchase option for the homeowner. Educational materials will be provided explaining the increased production and anticipated savings in electricity costs with expanded solar. The community gym will include rooftop solar.
Additional Design Features to Reduce Energy Use, Improve Air Quality, and Reduce Greenhouse Gas Emissions	Wood-burning fireplaces will be prohibited at Willowgrove. Willowgrove site balances and will not require the import or export of dirt and thereby reduces construction emissions. Willowgrove homes will include high efficiency lighting and Energy Star appliances. Willowgrove homebuilder will offer sustainability options and include educational materials about the benefits and cost savings of enhanced sustainability options.

Transportation and Land Use	
CAAP Action TR.1 **Electric Vehicle Charging**	Single-family and multifamily residential development with garages will pre-install 8-gauge wiring plus reserve room in electrical panel necessary to support Level 2 electric vehicle charging. Multifamily residential units without garages will provide: (1) Level 1 charging at 5% of all parking spaces with a minimum of 2 parking spaces served; (2) Level 2 charging at 1% of all required parking spaces where more than 20 parking spaces are required with a minimum of 1 parking space served; (3) conduit adequate for Level 2 charging to serve or reasonably be extended in the future to 25% of all parking spaces; and (4) room in panel(s) and capacity to serve 20% of all parking spaces with Level 1 charging and 5% of all parking spaces with Level 2 charging. Community park will include at least 11 EVA charging stations, which exceeds the requirement in Davis Code. An additional 32 stalls will be EV capable.
CAAP Action TR.3 **"First Mile/Last Mile" Transportation** **CAAP Action TR.4** **Electric Micromobility Vehicles**	Willowgrove will reserve space for electric (pedal assist) and non-electric bikeshare and scootershare companies. Willowgrove will reserve carshare spaces in Community Park parking lot.
CAAP Action TR.5 **Pedestrian and Bicycle Safety**	Willowgrove is designed to provide travel routes and intersections that are safe, accessible, and convenient for pedestrians and cyclists. Willowgrove connects to an existing undercrossing and adds two additional crosswalks to tie into the City's Safe Routes to Schools.
CAAP Action TR.6 **Expand Public Transit**	Willowgrove will add a new transit station central to the Community Park and a new bus stop adjacent to the affordable housing site, if agreed to by Unitrans and Yolobus.
CAAP Action TR.11 **Develop Sustainable Housing**	Through a partnership with an affordable housing developer, Willowgrove will provide 250 deed-restricted affordable apartments, which is 20% of the total new homes. In addition to the 250 deed-restricted affordable apartments, Willowgrove will include 288 attached condominiums/townhomes. Eclectic retail provides walkable retail and employment opportunities for residents and surrounding community.
Additional Active Transportation Amenities	Community Park will include a Cycling Hub that will offer a self-service bicycle repair station and bicycle parking. Bicycle parking will be provided in convenient locations for the parks, public gymnasium, and transit center areas. Garages in all single-family and multifamily homes will include dedicated bicycle storage.

Water Conservation and Waste Reduction Actions	
CAAP Action WW.1 **Climate-Ready Private Landscapes**	Enhanced landscaping throughout Willowgrove will feature an adaptive and native plant pallet designed to minimize water consumption and turf. Turf will be prohibited in residential front yards.
Recycling and Waste Disposal	Willowgrove will participate in Recology's multiple bins, including organics collection, recycling collection, green waste collection, and garbage collection. Willowgrove will comply with diversion and composting requirements.
Climate Adaptation	
CAAP Action AD.1 **Cool Surfaces** **CAAP Action AD.2** **Urban Forest**	Consistent with the CAAP Climate Adaptation Goal to create a cooler city with more urban forest and green space, Willowgrove will feature over 73 acres of integrated green space that will include an urban forest to increase natural shade, reduce urban heat island impacts, and maximize carbon sequestration. Willowgrove will plant over 2,500 new trees to create its urban forest and shaded trails and neighborhood gathering areas. Willowgrove tree palette thoughtfully selected to maximize carbon sequestration over the life of the project while incorporating Davis's Climate-Ready Tree lists. Landscape plan will include minimum standards for maintenance to ensure tree and plant growth and health. A privately maintained community garden may be provided within privately maintained common areas.
CAAP Action AD.3 **Green Stormwater Infrastructure** **CAAP Action AD.4** **Flood Resilience of Critical Infrastructure**	Stormwater detention basins are designed consistent with low impact development (LID) standards advanced in the CAAP, including reducing runoff, treating stormwater, and providing hydromodification management. The addition of a Channel A basin provides floodwater storage volume during peak flow events to reduce the amount of downstream flooding that currently occurs unrelated to Willowgrove. The Channel A basin is designed to emulate floodplain functions by providing storage volume when floodwaters downstream of the site back up through Channel A.
Habitat Uplift and Creation	Increased buffer and biological uplift around Channel A will restore habitat where existing agricultural operations occur in close proximity to Channel A. No residential development will be allowed north of Channel A. Landscaping within UATA will include butterfly and pollinator plant species, including milkweed to encourage Monarch butterfly habitat.

Sustainability Awareness and Education	To create awareness of onsite habitat and sustainability features, an interpretive plan will be prepared and implemented. Educational materials will be provided to all Willowgrove prospective buyers containing information about sustainable neighborhood design, sustainable living resources (e.g., how to save energy, waste reduction, effective ways of reducing carbon emissions, etc.), standard energy efficient features of the homes, environmental and financial benefits of photovoltaic solar systems, and other sustainability options and local resources. The builder will work in collaboration with the City to create new homeowner orientation materials provided at the time of move-in that include resource information about the sustainability features of their home, amenities within Willowgrove and Davis that promote healthy lifestyles (e.g., biking, walking, and healthy eating with use of the community garden), sustainable living resources, literature about local resources (e.g., Cool Davis, UC Davis Arboretum, and other local sustainability resources), benefits of green cleaning products, information about sorting compostables and recyclables, and sustainability resources available in the Davis community.
Carbon Removal	
Davis CAAP CR.1 **Carbon Sequestration and Removal**	Willowgrove tree palette with over 2,500 new trees was selected to maximize carbon sequestration over the life of the project.
Achieve Net Zero and Support Local GHG Offset Program	After implementing all feasible means to reduce emissions, Willowgrove will be required to purchase greenhouse gas offsets for emissions that cannot be reduced to net zero, which are primarily associated with mobile source (vehicle) emissions. Potential CAAP goals and priority actions that could support local greenhouse gas offsets include Action BE.5 (Community Solar Energy), Action BE.7 (Renewable Energy in City Facilities), Action TR.1 (Electric Vehicle Charging Plan), Action TR.6 (Expand Public Transit), and Action TR.7 (Strengthen Regional Transit). Establishment of local GHG offset programs are also consistent with the California Air Resources Board 2022 Scoping Plan, which provides, "If implementation of all feasible on-site GHG reduction measures is insufficient to reduce a project's impact to a less-than-significant level, the State recommends that the lead agency next explore options to fund or implement ***local***, off-site direct GHG reduction strategies." To the extent the project is required to purchase GHG offsets, if such is available at a similar cost as offsets available through other means, then Willowgrove will purchase offsets from a local facility, with preference for a facility administered by the City, Valley Clean Energy, Yolo Transportation District, or other Joint Powers Authority in which the City participates.

EXHIBIT G

TRANSIT, TRANSPORTATION, AND CIRCULATION

1. ROADWAY, BIKE, AND PEDESTRIAN IMPROVEMENTS

A. Developer shall construct all physical improvements to address project-related adverse effects on peak hour traffic operations in the Willowgrove Mitigation Monitoring and Reporting Plan and the Willowgrove Local Transportation Analysis Final Report dated February 2026, which are:

1. Eastbound East Covell Boulevard Approach: Construct 400-foot eastbound left-turn lane. Lengthen eastbound right-turn lane from 200 to 225 feet.
2. Westbound East Covell Boulevard Approach: Construct 250-foot westbound right-turn lane. Lengthen westbound left-turn lane from 120 to 200 feet.
3. Northbound Alhambra Drive Approach: Restripe the northbound approach such that both lanes have 200 feet of storage each and remove a portion of the landscaped median.

B. Developer will install a new crosswalk and modify the traffic signal to include pedestrian heads, phasing, and call buttons at the existing entrance to Harper Junior High along with the installation of a sidewalk within the right-of-way of the north side of East Covell Boulevard connecting the Project site to the signalized crossing. Developer shall not be required to obtain additional right-of-way for the installation of the crosswalk or connecting sidewalk. Crosswalks on all approaches will also be included at the Alhambra Drive and East Covell Boulevard intersection.

C. As noted on Sheet 8 of the Willowgrove Tentative Map (Street Sections), Project improvements to East Covell Boulevard are limited to the improvements identified in Section A(1)-(3) above. However, under cumulative conditions, the widening of East Covell Boulevard is required and the Project is required to contribute its fair share toward that widening through the District-Specific Fair Share Traffic Fee described in Exhibit L. To reduce construction along East Covell Boulevard, Developer agrees to widen East Covell Boulevard along the Project frontage to four lanes consistent with the widening improvement in the District-Specific Fair Share Traffic

Fee and shall receive Fee Credits against the District-Specific Fair Share Traffic Fee for the cost of the widening improvement, including engineering, design, and soft costs, that exceed the Project's fair share of that improvement. Fee Credits shall be available upon completion of the improvement and be exhausted with initial building permits.

D. Other than as noted above, Developer's transportation improvement obligations are subject to fair share allocations and related credits and reimbursements to be determined by the District-Specific Fair Share Traffic Fee described in Exhibit L.

2. <u>TRANSIT FEATURES AND ENHANCEMENTS</u>

A. Developer shall join Yolo Commute to manage the community-based travel planning strategies as required under Strategy T-21 of Mitigation Measure 4.13-4 in the Willowgrove EIR.

B. The final location of the transit station shall be determined in coordination with Unitrans and Yolobus consistent with Mitigation Measure 4.13-4. Final design of the transit station will be submitted with the improvement plans for the Project frontage and, provided an agreement from the City, Unitrans, and/or Yolobus to accept and maintain the improvements upon competition, the transit station will include the following amenities:

- Shaded seating
- Cycling hub with bicycle repair station
- Real-time bus arrival boards at the proposed bus stops if Unitrans and Yolobus are using real-time bus arrival boards and have the technology in place to operate and use real-time bus arrival boards
- Dedicated bicycle parking
- Reserved space for electric (pedal assist) and non-electric bikeshare and scootershare companies

EXHIBIT H

AGRICULTURAL CONSERVATION

1. RIGHT TO FARM AND FARMLAND PRESERVATION

The Project shall be subject to the City's Right to Farm and Farmland Preservation Ordinance (Municipal Code 40A), which commits Developer to the requirements set forth below.

2. OVERVIEW

The Property encompasses a total of approximately 232.4 acres of land in Davis, California. Sheet 1 of the Willowgrove Tentative Map identifies the acreages for the various land uses, which can be broken into two distinct categories for purposes of agricultural conservation:

- A total of approximately 187 acres approved for urban development, including residential development, parks, greenbelts, neighborhood retail, streets, and landscape corridors (collectively, the "Urban Development Area"); and
- A total of approximately 45.4 acres of Urban Agricultural Transition Area ("UATA"), which includes 44.3 acres of UATA along the northern and eastern property boundaries and approximately 1.1 acre of additional land added to the Wildhorse UATA Buffer (collectively, the "UATA").

3. AGRICULTURAL MITIGATION REQUIREMENTS

Developer shall preserve agricultural land consistent with the requirements of the City of Davis Agricultural Land Mitigation Ordinance, codified in Municipal Code Chapter 40A, Article 40A.03 as described herein. Agricultural land shall be preserved at a ratio of at least two acres preserved for every acre of agricultural land changed from an agricultural use to a non-agricultural use as part of the Project (minimum 2:1 ratio). As shown on Sheet 1 of the Willowgrove Tentative Map, approximately 187 acres are proposed to be converted to a non-agricultural use. Accordingly, Developer is required to provide at least 374 acres of agricultural mitigation land, including 230 acres of land that qualifies as adjacent land mitigation, in accordance with Chapter

40A. Developer will record the required agricultural conservation easements required by Article 40A.03 prior to issuance of grading permits consistent with Mitigation Measure 4.2-1. City and Developer agree that the provision of 374 acres of agricultural land, including 230 acres of land that qualifies as adjacent land mitigation, fulfills Developer obligations under Chapter 40A.

4. UATA EXCLUSION AND REQUIREMENTS

A. Acreage Excluded: Davis Municipal Code requires a minimum one-hundred-fifty-foot agricultural buffer separating urbanized uses from adjacent agricultural operations. As depicted on Sheet 1 of the Willowgrove Tentative Map, Willowgrove is providing 45.4 acres of UATA, which includes 44.3 acres of UATA along the northern and eastern property boundaries and approximately 1.1 acre of additional land added to the existing Wildhorse UATA Buffer. Per City Code Section 40A.03.035(c) of the Davis Municipal Code, the 45.4 acres qualifies as an agricultural buffer and is therefore exempt from agricultural mitigation requirements.

B. UATA Dedication and Acceptance: Developer shall provide an irrevocable offer of dedication in fee title to City of the 44.3-acre UATA with the Final Small Lot Subdivision Map(s). City shall accept the UATA with recordation of the Final Small Lot Subdivision Map(s) provided that the funding mechanisms required in this Agreement are in place. Developer shall provide a one-year warranty from the date of completion of each improvement within the UATA, which may extend after City's acceptance depending on the date of the completion of the improvement and the date of recordation of the Final Small Lot Subdivision Map. The 1.1-acre of additional Wildhorse UATA Buffer shall be dedicated in fee title to City at approval of the Final Large Lot Map and City will accept such dedication provided that Developer has provided the $75,000 funding for additional tree plantings and habitat improvements within the Wildhorse UATA Buffer described in Exhibit J (Urban Forest).

C. UATA Landscaping and Fencing: The 44.3 acres of UATA on the northern and eastern property boundaries shall be improved consistent with the landscape plan and conditions of approval. Fencing within the UATA shall be limited only to such fencing required in the conditions of approval. The landscape plan for the 44.3-acre UATA shall be submitted to, and subject to the approval of, the City Open Space Program Manager and Director of Public Works

(Utilities and Operations), before or concurrent with the improvement plans for backbone infrastructure for each phase and shall include:

- A hydroseed mixture with California native grasses and forbs approved by City for hydroseed within the three stormwater detention basins and the Channel A basin.
- A hydroseed mixture with California native grasses and forbs within the remainder of the 44.3-acre UATA in areas with hydroseed mixture identified on the approved landscape plan.
- California native plants and groundcovers included for habitat.
- Developer will discuss the inclusion of appropriate native "rewilding" plantings within the 50-foot buffers on both sides of Channel A with permitting agencies and include such plantings to the extent approved by permitting agencies without triggering additional mitigation or monitoring requirements.
- Trail improvements, as shown on Sheet 1 of the Willowgrove Tentative Map.
- A mixture of various tree species to be planted for habitat and sufficient trail shade consistent with the Urban Forest in Exhibit J.
- A temporary drip irrigation system, the design of which shall be approved by City.

Developer shall provide the above-mentioned improvements on the UATA parcels prior to acceptance by City.

EXHIBIT I

PARKS AND GREENBELTS

1. INTRODUCTION

This exhibit outlines the recreational amenities, parks, and greenbelt features that will be developed as part of the Project.

2. TOTAL ACREAGE COMMITMENT

The Project shall provide parkland and neighborhood greenbelts that substantially comply with the acreage and location of the parkland and neighborhood greenbelts on the Willowgrove Tentative Map and allocated as follows:

- Approximately 18.6 acres for a Community Park
- Approximately 0.6 acres for a Neighborhood Park (Mini-Park)
- Approximately 8.7 acres for neighborhood greenbelts

3. PARK AMENITIES

Developer proposes to construct the following park amenities consistent with the layout and general depiction on the conceptual design in Exhibit I-1 as also depicted for illustrative purposes on the Willowgrove Tentative Map:

- Approximately 9,800-square-foot indoor gym that includes a high school sized basketball court (94’ x 50’), community classroom(s), and restrooms
- 1-acre inclusive playground with fencing for safety
- Two lighted, 250-foot fenced softball fields
- One multipurpose, lighted field sized for high school soccer or lacrosse (330’ x 225’)
- Six lighted regulation size pickleball courts (20’ x 44’)
- Shaded gathering areas and play spaces
- Large and small dog parks
- Public art
- Neighborhood Park with shaded gathering area and playground

Developer designed the park amenities for the Project based on community outreach and input from City staff and Commissions. As the Project develops, City and Developer understand City's and community's park needs could change based on development of park amenities in the vicinity of the Project or other factors. The process herein is therefore intended to preserve for City the ability to approve the park amenities at the time of final design to ensure that Developer's investment in park amenities meets City's and community's current needs. Turf will be utilized only in areas programmed for activities typically associated with turf, for example, on play areas and sports fields in proposed parks consistent with State and City of Davis requirements.

The Affordable Site will have additional neighborhood recreational amenities, such as a swimming pool, playground, basketball hoop, and community garden, that are not addressed in this exhibit ("Apartment Amenities"). The Apartment Amenities will be designed by the Affordable Housing Developer and reviewed and approved by City as part of the design review and building permit process and will be owned and maintained by the Affordable Housing Developer.

4. PARK PHASING AND DEVELOPER CONTRIBUTION

As depicted in the Phasing Plan in Exhibit M, the approximately 1.68-acre dog park or other use (Parcel E), approximately 0.63-acre Neighborhood Park (Mini-Park) (Parcel H), and approximately 3.44-acre soccer/lacrosse field (Parcel DDDD) are included in Phase 1 ("Phase 1 Parkland") and the remainder of the Community Park is included in Phase 2 ("Phase 2 Parkland"). While not addressed in this exhibit, the Apartment Amenities are also anticipated in Phase 1. Lighting for the soccer/lacrosse field is anticipated in Phase 2 when the Community Park parking lot would be finished and the field would be available for league use.

In addition to dedicating all parkland to City, Developer has committed to fund a total of $20,886,000 toward the Phase 1 and Phase 2 Parkland ("Parkland Budget"), which substantially exceeds Developer's parkland obligations. Commencing June 1, 2027 and annually thereafter and until execution of the respective Park Development Agreements, the Parkland Budget shall be adjusted annually for inflation consistent with the Engineering News-Record (ENR) Construction Cost Index. The Parkland Budget does not include the Apartment Amenities and the Parkland Dedication Agreement(s) discussed below will not include the Apartment Amenities.

5. PHASE 1 PARK DEVELOPMENT AGREEMENT

To ensure the Phase 1 Parkland meets City and community needs at the time of development, City and Developer shall execute a Phase 1 Park Development Agreement that provides for Developer construction and City acceptance of the Phase 1 Parkland. During preparation of the Phase 1 Parkland Agreement, City and Developer will meet and confer for City approval of the planned amenities and final design of the Phase 1 Parkland, subject to the Parkland Budget. The maximum Developer cost for the Phase 1 Parkland, including soft costs and contingencies, is $3,008,978, as adjusted annually consistent with this Agreement. In the event the Phase 1 Parkland does not reach this maximum, the remaining amount up to the maximum will remain available in the Parkland Budget for Phase 2 Parkland.

The Phase 1 Park Development Agreement shall include an engineer's estimate identifying the anticipated costs, including soft costs and contingencies, for the Phase 1 Parkland. In the event such estimate exceeds the maximum of $3,008,978, as adjusted annually consistent with this Agreement, at the time of execution of the Phase 1 Park Development Agreement or during budget updates provided for in the Phase 1 Park Development Agreement through final design and construction, City shall identify revisions to the Phase 1 Parkland to bring the improvements within the maximum Phase 1 Parkland budget or provide for reimbursement to Developer for any amount that exceeds the maximum budget within ninety (90) days of acceptance of the Phase 1 Parkland by City. Any such reimbursement will be limited to the amounts exceeding the Phase 1 Parkland budget above. The Phase 1 Park Development Agreement shall include a one-year warranty for all park amenities.

While this Agreement describes the Phase 1 Parkland Dedication Agreement and Phase 2 Parkland Dedication Agreement separately, the Parties may execute a single Parkland Dedication Agreement for both Phase 1 and Phase 2.

6. PHASE 2 PARK DEVELOPMENT AGREEMENT

To ensure the Phase 2 Parkland meets City and community needs at the time of development, City and Developer shall execute a Phase 2 Park Development Agreement that provides for Developer construction and City acceptance of the Phase 2 Parkland. During preparation of the Phase 2 Parkland Agreement, City and Developer will meet and confer for City approval of the planned amenities and final design of the Phase 2 Parkland, subject to the Phase 1 Parkland Budget of $17,877,022, as adjusted annually consistent with this Agreement and including any remaining budget from the Phase I Parkland ("Phase 2 Parkland Budget").

The Phase 2 Park Development Agreement shall include an engineer's estimate identifying the anticipated costs, including soft costs and contingencies, for the Phase 2 Parkland. In the event such estimate exceeds the Phase 2 Parkland Budget at the time of execution of the Phase 2 Park Development Agreement or during budget updates provided for in the Phase 2 Park Development Agreement through final design and construction, City shall identify revisions to the Phase 2 Parkland to bring the improvements within the maximum Phase 2 Parkland Budget or provide for reimbursement to Developer for any amount that exceeds the Phase 2 Parkland Budget within ninety (90) days of acceptance of the Phase 2 Parkland by City. Any such reimbursement will be limited to the amounts exceeding the Phase 2 Parkland Budget. The Phase 2 Park Development Agreement shall include a one-year warranty for all park amenities.

While this Agreement describes the Phase 1 Parkland Dedication Agreement and Phase 2 Parkland Dedication Agreement separately, the Parties may agree to execute a single Parkland Dedication Agreement for both Phase 1 and Phase 2.

7. <u>CONSTRUCTION OF PARK AND GREENBELT IMPROVEMENTS</u>

The parks shall be developed with each phase as outlined below:

A. The Phase 1 Park Development Agreement shall be executed prior to issuance of the 1st market rate certificate of occupancy and the Phase 1 Parkland shall be completed prior to the 697th market rate certificate of occupancy.

B. The Phase 2 Park Development Agreement shall be executed prior to issuance of the 200th market rate certificate of occupancy and the Phase 2 Parkland shall be completed prior to the 980th market rate certificate of occupancy.

C. The Project greenbelts identified in the Phasing Plan in Exhibit M as within Phase 1 shall be completed prior to issuance of the 697th market rate certificate of occupancy. Remaining greenbelts identified in the Phasing Plan within Phase 2 shall be completed concurrent with completion of the adjacent single-family lot so that they are completed prior to issuance of the certificate of occupancy for any lot adjacent to the greenbelt area.

8. PARKLAND AND GREENBELT OBLIGATIONS FULFILLED

City and Developer agree that the parkland dedication commitments in this Agreement satisfy and exceed Developer's parkland dedication requirements under City Code and state law, and no further parkland dedication requirement or in-lieu fee shall be required. City and Developer further agree that the greenbelts provided through the Project satisfy and exceed Developer's greenbelt obligations.

9. PARK IMPACT FEE CREDITS

Developer shall be entitled to a credit against all City park impact fee requirements on a permit-by-permit basis up to the full amount of the Parkland Budget. At the time of execution of this Agreement, the Project's park impact fee obligation would be approximately $5.7 million. The Parkland Budget is therefore approximately $15.1 million more in Developer contribution than the required park impact fee obligation. The Parties agree that Developer funding greatly exceeds the park impact fee obligation and, as detailed in Exhibit L, no park impact fee will be collected for the Project regardless of whether City increases or adjusts its park impact fees at some point in the future.

EXHIBIT I-1

Illustrative Depictions of Community Park

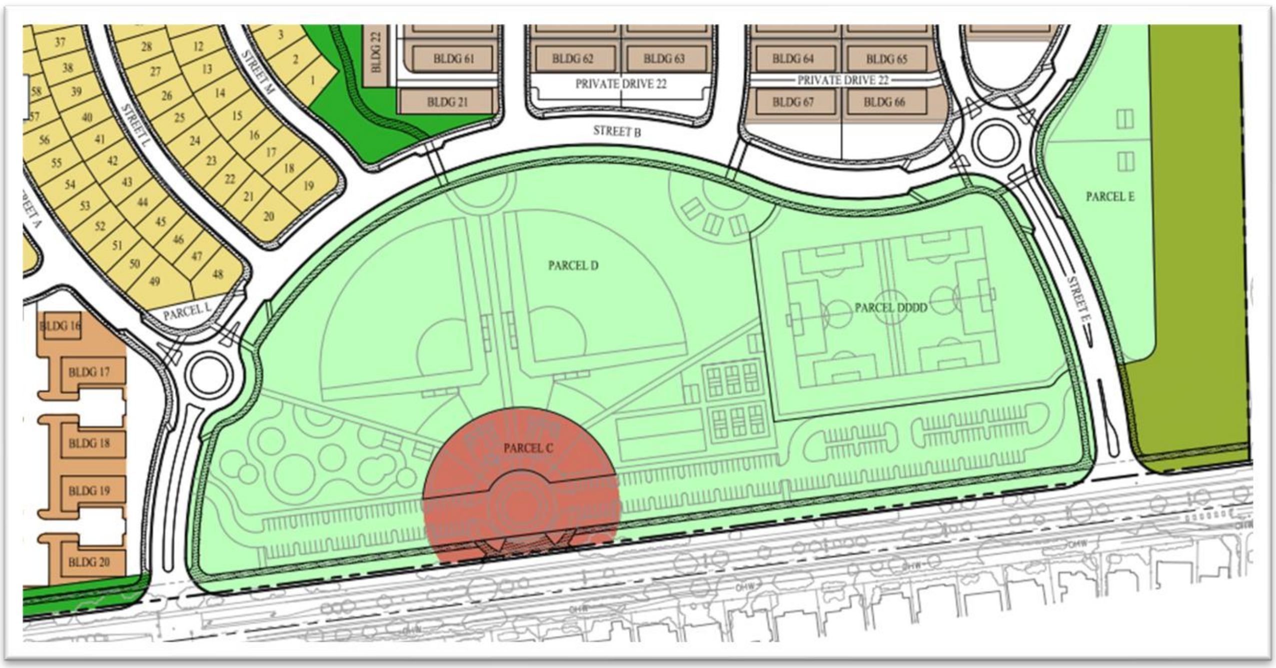


EXHIBIT J

URBAN FOREST

This exhibit applies to City-owned trees within the Project. For the purposes of this exhibit, "Public Portions" of the Project shall mean the landscape corridors, parks, greenbelts, drainage channels, drainage and stormwater basins, UATA, and any other areas that will be owned and maintained by City.

1. TREES AND WATER CONSERVATION

To reduce Project demand on groundwater and potable water, Developer commits to the following measure within the Public Portions of the Project: The tree palette will include a broad spectrum of native and other "climate ready" plants in conformance with City Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards, which City is currently revising. To expedite delivery of new housing, Developer anticipates commencing landscape plans in early Spring of 2027. In order to incorporate potential new standards and allow landscape plans to be timely prepared based on applicable standards, Developer agrees to comply with the landscape standards in effect as of December 31, 2026.

2. TREE COMMITMENTS

A. The Project will include the planting of over 2,500 new public and private trees, including native and other "climate ready" trees in conformance with City Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards in effect as of December 31, 2026.

B. Trees, solar panels, and/or shade structures shall provide shading of paved pedestrian walkways and off-street Class I bike paths as required by City Municipal Code, Chapters 8, 37, and 40 and consistent with the Davis Solar Shade Control Act, in effect at the Approval Date and as identified in the conditions of approval.

C. Developer shall hire a qualified arborist and/or landscape architect to design the Public Portions of the Project. Developer will, during the design process, consult with City's Urban Forest Manager for guidance on the selection and management of trees within the Public Portions of the Project. The landscape plan for Public Portions shall be submitted to City before or concurrently with the improvement plans for backbone infrastructure for each phase.

D. The Project will utilize best practices for tree planting and root establishment, specifically when planting adjacent to hardscape surfaces, consistent with appropriate City standards and Urban Forest Management Plan Implementation Plan goals and action items, in effect as of December 31, 2026.

E. Sheets 28 and 29 of the Willowgrove Tentative Map include an Existing Tree Inventory prepared by a professional arborist identify removal of only 51 on-site trees. The Existing Tree Inventory also surveyed approximately 237 offsite trees to ensure the Project design minimized impacts to off-site trees and the off-site trail connections will have potential removal of only 2 off-site trees. A City tree permit shall not be required for trees identified for impact or removal on Sheets 28 and 29 of the Willowgrove Tentative Map. While many of the trees being planted are required under other sections of City Code (referenced in 2.B), the remaining tree plantings are adequate mitigation under City Code for the removal of those trees and no additional in-lieu fee shall be required. If, during preparation of final improvement plans or construction, it is determined that trees that are not identified for impact or removal on Sheets 28 and 29 will require removal, Developer shall obtain a tree removal permit and will be subject to the appropriate mitigation requirement.

F. All trees planted at the Project site, including trees on individual single-family lots and common areas within multifamily lots, are included to reach the more than 2,500 public and private trees required for the Project. While the version of City Code Section 37.02.030 in effect at the time of execution of this Agreement provides for a City easement on residential lots for tree maintenance, City is seeking to reduce its tree maintenance obligations and therefore all trees planted that are not within the Public Portions of the Project shall remain the responsibility of Developer and ultimately the owner of each lot. City shall not seek an easement for maintenance of such trees outside of the Public Portions of the Project and shall not impose a tree fee for such trees as contemplated in City Code Section 37.02.030.

3. TREE AND LANDSCAPE ENHANCEMENTS IN WILDHORSE AGRICULTURAL BUFFER

Prior to recordation of the Final Large Lot Map, Developer will provide City with $75,000 for the planting, temporary irrigation, and establishment maintenance of approximately 120 new trees, 200 new shrubs, and a non-irrigated hydroseed mix in the existing Wildhorse Agricultural Buffer and the 1.1-acre of the Project site that will be added to the existing Wildhorse Agricultural Buffer. City shall use these funds exclusively to do additional tree plantings and landscaping improvements within the Wildhorse Agricultural Buffer adjacent to the Wildhorse community, including the additional 1.1 acres of UATA added to the Wildhorse Agricultural Buffer through this Agreement. The additional plantings within the Wildhorse Agricultural Buffer, including the 1.1-acre addition thereto through the Project, will be owned and maintained by City.

4. OWNERSHIP AND MAINTENANCE

All trees within the Public Portions of the Project will be owned and maintained by City. City will accept ownership of the Public Portions consistent with the timing specified in this Agreement for the relevant Public Portion provided that the necessary financial mechanisms for their maintenance and care are in place and collecting funds for the relevant Public Portion. Even after City accepts ownership, Developer shall replace any tree that is dead or dying within one year from installation of the tree.

5. FUNDING FOR MAINTENANCE

Developer shall contribute to formation of a funding mechanism for landscape maintenance more fully described in Exhibit L and for the areas identified on the Shared Area Ownership and Maintenance map in Exhibit L-1 through a combination of sources potentially including, but not limited to, a landscape and lighting district, community facilities district, and/or other mutually agreed upon funding mechanisms.

EXHIBIT K

PUBLIC PROPERTY AND RIGHT-OF-WAY LANDSCAPE

This exhibit applies to all public property and rights-of-way within the Project except the Parks and the UATA. For the purposes of this exhibit, "Public Portions" of the Project shall mean the parkway strips, landscape corridors, and greenbelts, and any other areas that are owned and maintained by City, unless otherwise excluded in this exhibit.

1. PUBLIC RIGHT OF WAY LANDSCAPING AND WATER CONSERVATION

To reduce Project demand on groundwater and potable water, Developer commits to the following measures within the Public Portions of the Project:

- The plant palette will include a broad spectrum of native and other "climate ready" plants in conformance with City Climate Ready Tree Lists and other applicable Municipal Codes and landscape standards in effect as of December 31, 2026.
- Low Impact Development (LID) measures will be implemented throughout the development as required by City's National Pollutant Discharge Elimination System (NPDES) permit. LID measures will include volume-based best management practices (BMPs) such as bioretention cells, infiltration gardens and/or pervious pavements and flow-based treatment BMPs such as vegetated swales, stormwater planters, and/or mechanical treatment devices as deemed appropriate to adequately treat runoff. All treatment measures have been designed in accordance with the recommendations of the CASQA BMP Handbook and City Storm Water Standards and the Project will be constructed consistent with those standards as in effect at the time of the Approval Date. No new standards shall be applied provided that the grading permit(s) for the Project are submitted within ten years from the effective date of the approval of the Project by LAFCO for annexation to City. After ten years from the effective date annexation approval, Developer shall comply with the CASQA BMP Handbook and City Storm Water Standards in effect at the time of grading permit application. This Agreement does not limit the application of any new standards for which compliance

would be required for City to maintain its NPDES permit even when Developer's vested rights under this Agreement are recognized.

2. OWNERSHIP AND MAINTENANCE

All landscape improvements, including but not limited to plant materials, mulch, automatic irrigation systems, etc., within the Public Portions of the Project will be owned and maintained by City. City will accept ownership of the Public Portions consistent with the timing specified in this Agreement for the relevant Public Portion provided that the necessary financial mechanisms for their maintenance and care provided for in this Agreement are in place and collecting funds for the relevant Public Portion. Even after City accepts ownership, Developer shall replace any tree or plant that is dead or dying within one year from installation of the tree or plant.

3. FUNDING FOR MAINTENANCE

Developer shall contribute to formation of a funding mechanism for landscape maintenance through a combination of sources potentially including, but not limited to, a landscape and lighting district, community facilities district, and/or other mutually agreed upon funding mechanisms as more fully described in Exhibit L for the areas identified for CFD funding (blue and red coloring) in Exhibit L-1 (Shared Area Ownership and Maintenance) unless other mechanisms for these purposes have been identified explicitly in other parts of this Agreement.

EXHIBIT L

LAND DEDICATION, IMPACT FEES, FEE CREDITS, AND MUNICIPAL FINANCING MECHANISMS

1. DEVELOPMENT IMPACT FEES AND CAPACITY CHARGES

City and Developer share the common goal of expediting the construction of housing and acknowledge that Developer has made a substantial investment in preparing the Willowgrove Tentative Map in advance of voter approval to expedite the construction of housing after voter approval. City and Developer also understand that certainty as to standards and fees helps expedite the delivery of housing and ensures Project feasibility as analyzed during preparation of the Willowgrove Tentative Map. With these common goals in mind and recognizing the significant Developer commitments identified in the Agreement that exceed Developer's fair share for which Developer has waived the right to reimbursement in excess of Fee Credits, City and Developer agree to vest certain fees and charges to encourage the expedited delivery of housing and allow development for a limited period of time that is consistent with the fees and charges in effect during preparation of the Willowgrove Tentative Map. Along the same lines, Developer agrees and acknowledges that certain impacts of the Project have not been fully addressed in City's mitigation fee program because the Project is not within City limits and requires annexation. In certain instances, Developer may make direct contributions to City that are not currently described in City's fee program in order to address the specific impacts of this Project and fully mitigate Project impacts.

Therefore, Developer shall be required to pay only the impact fees, capacity charges, or direct contributions as provided herein:

A. **Wastewater Capacity Charges**. Developer shall pay the applicable wastewater capacity charge in effect at the time of issuance of each building permit consistent with Mitigation Measure 4.14-3 of the Willowgrove EIR.

B. **Water Capacity/Connection Charges**. For all market rate building permit applications submitted within seven (7) years from the effective date of approval of the Project by LAFCO for annexation to City and for all deed-restricted affordable building permits regardless of date of issuance, Developer shall pay the Water Capacity/Connection Charges in effect on the

Approval Date. For all market rate building permit applications submitted more than seven (7) years from the effective date of approval of the Project by LAFCO for annexation to City, Developer shall pay the Water Capacity/Connection Charges in effect as of the date of issuance of each building permit application.

C. **District-Specific Fair Share Traffic Fee**. The Willowgrove Local Transportation Analysis Final Report dated February 2026 identifies improvements required to City and Yolo County roads and Interstate 80 interchanges under cumulative conditions. Developer shall pay the fair share allocation for those transportation-related improvements as established in the focused district-specific nexus and fee study prepared for the Willowgrove Project and Village Farms Project ("Fair Share Traffic Nexus Study"), including any inflationary adjustments provided for in the Fair Share Traffic Nexus Study, in effect at time of issuance of each building permit. At the time of drafting of this Agreement, the Fair Share Traffic Nexus Study is being finalized and the Parties agree that the total Fair Share Traffic Fee for the Project will not exceed $11 million. In presenting the Fair Share Traffic Fee Nexus Study to City Council, City staff will recommend assessing the fee on only 1,000 units, excluding the 250 deed-restricted affordable apartments in the HDR-1 site from the fee allocation. Such allocation, if approved by City Council, will not reduce the total Project responsibility for its full fair share as identified in the Fair Share Traffic Nexus Study up to $11 million. Developer shall also pay City a one-time sum of $73,500 within ninety (90) days after receipt of a final invoice from City for the cost of the completed Fair Share Traffic Nexus Study. City and Developer agree that the project-specific fair share fee provided for herein satisfies the Project's fair share contributions to roadways, and Developer shall not be required to pay the general Roadways Impact Fee or any subsequently adopted similar impact fee.

D. **Public Safety Contribution**. Developer shall make a lump sum contribution to City to be used for public safety facilities in the amount of $3.5 million payable in full prior to recordation of the first small lot final map. In the event that this payment occurs more than three years after the annexation of the project site by LAFCo, the payment shall be adjusted to reflect inflation based upon an agreed-upon published index. City and Developer agree that the public safety contribution provided for herein and paid in a lump sum at the early project stages fully mitigates the Project's impacts to City's public safety and city facilities, and Developer will not be required to pay the Public Safety Impact Fee and General Facilities Impact Fee.

E. **Transit Impact Fee**. For each of the 1,000 building permits outside of the affordable HDR-1 site, Developer shall pay a fee in the amount of $657 per unit to mitigate cumulative impacts to transit services. In coordination with Unitrans and Yolobus, the fees may be used for any purpose provided for in Mitigation Measure 4.13-8(a) of the Willowgrove EIR, including but not limited to modifying existing transit routes or adding new routes to serve the Project site and constructing transit priority treatments to improve on-time performance, such as Intelligent Transportation Systems (ITS) upgrades at East Covell Boulevard traffic signals.

F. **Project Improvements Exceeding Fees**. Regardless of the timing of applications for market rate or affordable building permits, Developer shall not be responsible for payment of the impact fees below because Developer's cost of improvements exceed Developer's fair share fee obligation and exhaust available Fee Credits. While Developer has no fee obligation for the impact fees below, Developer also agrees to waive any right to seek reimbursement for costs that exceed available Fee Credits for the following fees:

1. **Storm Sewer Impact Fee**. City and Developer agree that Developer's construction of the Channel A basin at a cost of approximately $1.5 million provides significantly greater stormwater capacity than required to serve the Project and that the available Fee Credits exceed Storm Sewer impact fees. The Parties agree that Storm Sewer impact fees shall vest as of the Approval Date and be fully satisfied with Fee Credits. Developer agrees not to seek reimbursement for Channel A basin costs that exceed the available Fee Credits.

2. **Parks Impact Fee**. As provided for in Exhibit I, City and Developer agree that Developer's commitment to fund park improvements substantially exceeds its Parks impact fee obligation and available Fee Credits. The Parties agree that Parks impact fees shall vest as of the Approval Date and be fully satisfied with Fee Credits. Developer agrees not to seek reimbursement for park improvement costs that exceed available Fee Credits consistent with the Parkland Budget in Exhibit I.

3. **Open Space Impact Fee**. City and Developer agree that the Project's dedication of open space and additional funding for open space landscape enhancements in Exhibit J exceed the Project's Open Space impact fee obligation and available Fee Credits. The Parties agree that Open Space impact fees shall vest as of the Approval Date and be fully satisfied with Fee Credits. Developer agrees not to seek reimbursement for open space land dedications that exceed the available Fee Credits.

G. **New Fees or Increased Fees**. Other than the impact fees identified above, Developer shall not be required to pay any new or increased fees or contributions based on any new or updated nexus study. Provided, however, if any new or increased fee is adopted based on a new or updated nexus study mitigates the type of impact mitigated through a mitigation measure in the Willowgrove EIR and City finds that the newly adopted fee provides equivalent or superior mitigation to the mitigation measure in the Willowgrove EIR, Developer may elect to the pay the newly adopted fee to satisfy the mitigation measure.

2. ROADWAY IMPROVEMENTS

Developer shall construct all the frontage and road improvements to address Project-related adverse effects on peak hour traffic operations and all the vehicular improvements to provide access to and from the Project as more fully described as part of the Existing Plus Project Conditions in the Willowgrove Local Transportation Analysis Final Report dated February 2026 and identified in Exhibit G (Transit, Transportation, and Circulation). Except as provided in Exhibit G (Transit, Transportation, and Circulation) for improvements required under cumulative conditions and constructed by the Project, the Project-related transportation improvements are not eligible for Fee Credits or reimbursement, except to the extent that City has collected fees or payments for these physical improvements from previous development projects, in which event City will provide reimbursement based on Developer's proportionate share, and only to the extent fees have been allocated to the specific improvements constructed.

3. BIKE AND PEDESTRIAN MOBILITY

Developer shall solely bear the cost of the Project's proposed on-site bicycle and pedestrian infrastructure improvements and related activities, as included in the Project Approvals. Developer will not seek Fee Credits or reimbursement for these bike and pedestrian improvements. As provided for in this Agreement and Section 1.G of this Exhibit L and in recognition of Developer fully funding all Project bike and pedestrian improvements, Developer shall not be required to pay any new or increased fee related to active transportation improvements.

4. PUBLIC LAND DEDICATION REQUIREMENTS

A. Developer shall dedicate the necessary land in fee title to City for all future transportation rights-of-way required to serve the Property and shall not receive Fee Credits or reimbursement for the value of the land being dedicated. The timing of dedication shall be as provided consistent with the Project Approvals. Provided that such improvements are constructed consistent with the approved designs and plans, City shall promptly accept such land in fee title.

B. Developer shall construct improvements consistent with the Project Approvals and convey fee title to all open space (UATA), landscaped areas, detention ponds and basins, and Channel A improvements consistent with those areas identified for City ownership (green, blue, and red coloring) in Exhibit L-1 (Shared Area Ownership and Maintenance). Provided that such improvements are constructed consistent with the Project Approvals and subsequently approved designs and plans, City shall promptly accept such land in fee title consistent with Exhibit L-1 (Shared Area Ownership and Maintenance). Except as otherwise provided in this Agreement, including but not limited to Section 1.F of this Exhibit L, Developer shall not receive Fee Credits or reimbursement for the value of the real property rights being dedicated. Developer shall not receive Fee Credits or reimbursement for the value of any other municipal utility easement it conveys to City.

C. Except as otherwise required in this Agreement or identified on Exhibit L-1 or the Willowgrove Tentative Map, Developer shall not be required to dedicate any additional land to City.

5. TRANSIT

As detailed in Mitigation Measure 4.13-4 of the Willowgrove EIR, Developer shall implement all identified transportation demand management (TDM) strategies, including (1) fund and construct a new transit station and bus stop consistent with the requirements in Strategy T-46 of the Mitigation Measure 4.13-4; and (2) membership in Yolo Commute consistent with Strategy T-23.

As detailed in Mitigation Measure 4.13-8(a) of the Willowgrove EIR, the project applicant shall contribute fair share funding to address delay to transit services under cumulative conditions only. City has determined that the Transit Impact Fee provided for in Section 1.E of this Exhibit L provides greater or equivalent fair share funding to fully satisfy all requirements in Mitigation Measure 4.13-8(a).

6. CITY MAINTENANCE FINANCING MECHANISM

Prior to City acceptance of land and improvements identified in Exhibit L-1 (Shared Area Ownership and Maintenance), Developer shall establish financial mechanisms (e.g., landscape and lighting district, community facilities districts, or other mechanisms determined acceptable by City (referred to collectively herein as "CFD")) to fund the ongoing operations, maintenance, and repair of the land or improvements identified for CFD funding (blue coloring) and combined City/CFD funding (red coloring) in Exhibit L-1 (Shared Area Ownership and Maintenance) unless other mechanisms for these purposes have been identified explicitly in other parts of this Agreement. For areas excluded from CFD funding in Exhibit L-1, the Parties agree that the Project's fair share toward maintenance is otherwise addressed with (1) the participation in existing funding mechanisms, real property taxes and existing special taxes, and/or enterprise fund rates, such as water, sewer, or storm drainage, for all areas identified for City funding (green coloring) in Exhibit L-1; or (2) through private maintenance through an entity such as a Homeowners' Association for all areas identified for Third Party funding (yellow coloring) in Exhibit L-1. The maintenance CFD required under this section shall be in place before recordation of the final small lot map for each phase but payments shall not be assessed for each residential lot until the sale of that residential lot to the homeowner.

City and Developer further agree that the annual CFD maintenance funding required in this section shall not exceed a total of $385 per unit each year, subject to the limitations below. City and Developer further agree that the total cost of maintenance obligations to determine the maximum $385 per unit has been calculated based on 1,000 units with the intent of excluding the deed-restricted affordable apartments in the HDR-1 site from the CFD obligation such that the HDR-1 site shall have no City CFD maintenance obligations. In determining the final CFD obligation up to $385, the Rate and Method of Apportionment shall allocate the maintenance costs up to $385 per unit for the following Project areas:

A. Approximately 7.8 acres of Project greenbelt areas and approximately 4.1 acres of Project linear greenbelt generally consisting of landscaping strips adjacent to Project roads and sidewalks as well as Project street lights and sidewalks identified for CFD funding in Exhibit L-1.

B. Park maintenance based on an approximate allocation to the Project of 40% of the park maintenance costs attributable to the neighborhood-serving component of the Project parks based on the General Plan standard establishing the Project's parkland dedication (Quimby Act) obligation of 15.375 acres and the General Plan standard for park acreage intended to serve as Neighborhood Parks and Mini Parks in Table 14 of the City General Plan, which is 1.8 acres of Neighborhood Parks and 0.2 acres of Mini Parks for each 5 acres of parks or 40% of the parkland dedication requirement. City and Developer agree that such proportional maintenance funding recognizes that the Project parks will serve Project residents as well as the greater City based on the inclusion of numerous citywide amenities designed for youth and league sports.

C. In addition to the per acreage funding for greenbelts, linear greenbelts, and parks, an additional annual tree maintenance funding of $100 per tree for all Project trees that are within the greenbelt, linear greenbelt, parks, and other Project areas maintained by City Public Works. The maintenance CFD would not be required to include trees planted on private residential lots, in areas maintained by an HOA, trees maintained by City Open Space as such funding is covered through existing special assessments, or any other trees that have a maintenance funding source independent of this Agreement. The final count of trees subject to this annual maintenance amount shall be determined based on the approved landscape plan. Based on the preliminary tree plan, City and Developer anticipate approximately 740 trees would be subject to this annual maintenance cost for a total approximate annual CFD maintenance funding obligation of $74,000. This component of the CFD maintenance funding is the only component that could result in the maximum $385 per unit being exceeded if more than 740 trees require maintenance funding under this section and the $100 per additional tree results in exceeding the annual total $385,000 maintenance funding. The final tree count subject to maintenance CFD funding and total funding at $100 per tree shall be determined based on the approved landscape plan.

Commencing June 1, 2027 and annually thereafter until CFD formation, the not to exceed of $385 per unit for the maintenance CFD shall be adjusted based on an agreed-upon published index. Other than adjustments for inflation tied to a published index agreed to by the Parties and established at the time of CFD formation and for additional trees subject to CFD maintenance as identified above, City and Developer agree that the CFD maintenance obligations will not be increased beyond the scope or maximum amount identified above.

7. CREATION OF FINANCING MECHANISMS

City agrees to cooperate with Developer in the formation and implementation of any financing district(s). City and Developer acknowledge and agree that Project facilities eligible to be financed through the financing district(s) may include, without limitation, improvements required in the Project Approvals as well as any and all fees applicable to the Project. City and Developer shall use their best efforts to cause to be formed any such financing district(s) provided that such formation is consistent with this Agreement and any applicable City Codes or adopted policies regulating such matters. City agrees that any Fee Credits or reimbursements owed to Developers shall not be affected or reduced because improvements for which Fee Credits or reimbursements are due were financed with any special taxes or bond proceeds.

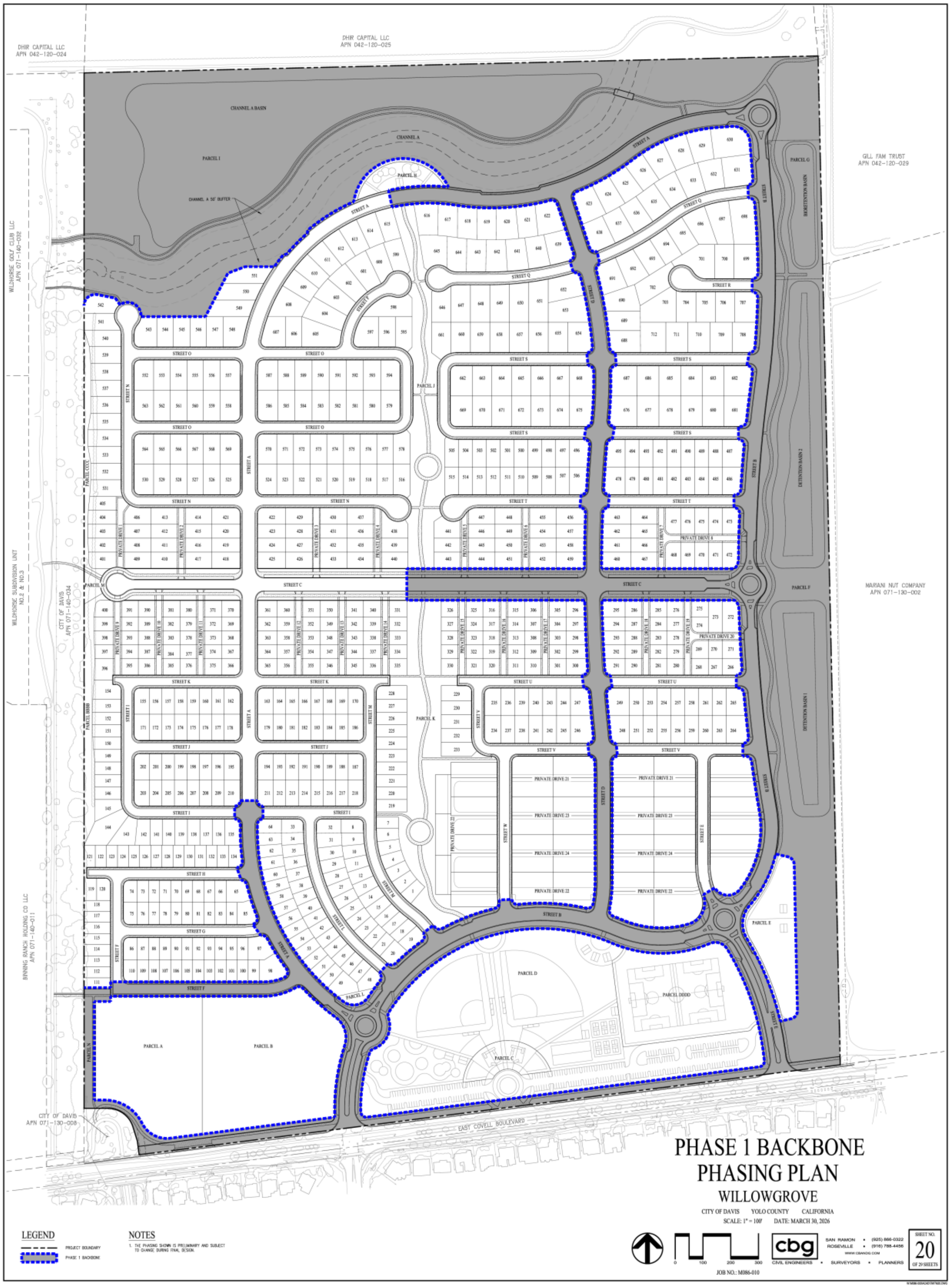
EXHIBIT L-1

SHARED AREA OWNERSHIP AND MAINTENANCE

EXHIBIT M

PHASING PLANS

The phasing plans depicted below are from the Vesting Tentative Subdivision Map and are included for illustrative purposes herein. Phased final maps may be recorded and the phasing may differ from the depictions or numbering below unless otherwise required in this Agreement or the conditions of approval.


DHIR CAPITAL LLC
APN 042-120-025
GILL FAM TRUST
APN 042-120-029
MARIANI NUT COMPANY
APN 071-130-002
EAST COVELL BOULEVARD
PHASE 1 BACKBONE
PHASING PLAN
WILLOWGROVE
CITY OF DAVIS YOLO COUNTY CALIFORNIA
SCALE: 1" = 100' DATE: MARCH 30, 2026
LEGEND
NOTES
cbg
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SHEET NO.
20


PHASE 2 BACKBONE
PHASING PLAN
WILLOWGROVE
CITY OF DAVIS   YOLO COUNTY   CALIFORNIA
SCALE: 1" = 100'   DATE: MARCH 30, 2026
LEGEND
PROJECT BOUNDARY
PHASE 2 BACKBONE
NOTES
1. THE PHASING SHOWN IS PRELIMINARY AND SUBJECT TO CHANGE DURING FINAL DESIGN.
cbg
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON (925) 866-0322
ROSEVILLE (916) 788-4456
SHEET NO. 21 OF 29 SHEETS
JOB NO.: M086-010
DHIR CAPITAL LLC APN 042-120-025
GILL FAM TRUST APN 042-120-029
MARIANI NUT COMPANY APN 071-130-002
CITY OF DAVIS APN 071-130-008
EAST COVELL BOULEVARD

Ordinance No. 2689
Exhibit A


DHIR CAPITAL LLC
APN 042-120-024
DHIR CAPITAL LLC
APN 042-120-025
GILL FAM TRUST
APN 042-120-029
MARIANI NUT COMPANY
APN 071-130-002
CHANNEL A BASIN
PARCEL I
CHANNEL A
2A
2B
2C
2D
STREET A
STREET C
PARCEL D
PARCEL C
PARCEL A
PARCEL B
EAST COVELL BOULEVARD
CITY OF DAVIS
APN 071-130-008
PHASE 2 DEVELOPMENT
PHASING PLAN
WILLOWGROVE
CITY OF DAVIS
YOLO COUNTY
CALIFORNIA
SCALE: 1" = 100'
DATE: MARCH 30, 2026
LEGEND
PROJECT BOUNDARY
PHASE 2 RESIDENTIAL DEVELOPMENT
PHASE 2 PARK/RETAIL
NOTES
1. THE PHASING SHOWN IS PRELIMINARY AND SUBJECT TO CHANGE DURING FINAL DESIGN.
2. ADDITIONAL SUB-PHASES MAY BE ADDED DURING FINAL DESIGN.
cbg
SAN RAMON • (925) 866-0322
ROSEVILLE • (916) 788-4456
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SHEET NO.
23
OF 29 SHEETS
JOB NO.: M086-010

EXHIBIT N

COMMUNITY BENEFITS

This exhibit memorializes the community benefits provided by the Willowgrove project. The Project includes a comprehensive set of public and community benefit commitments that enhance the long-term sustainability, livability, inclusivity, recreation opportunities, and fiscal health of City. The following sections summarize the Project's community benefits that go beyond what is required by environmental documents or any existing code, standards, or specifications that may be imposed on the Project as of the Effective Date of this Agreement.

1. SUMMARY OF COMMUNITY BENEFITS

A. Over $15.1 million investment beyond City requirements to fund and construct park and recreation improvements, including lighted sports fields and a new gym

B. Housing for individuals with intellectual and/or developmental disabilities

C. Building deed-restricted affordable housing exceeding City Code requirements

D. Providing affordable homeownership opportunities

E. Developing an all-electric community

F. Habitat uplift and open space (UATA) exceeding City Code requirements

G. Connecting and expanding City trail network

H. Edible landscaping

I. Advancing funding for public safety facilities

J. Creating excess stormwater capacity to address existing downstream flooding

K. Generating additional sales tax revenue for City

2. DETAILED COMMUNITY BENEFIT COMMITMENTS

A. Over $15.1 million investment beyond City requirements to fund and construct park and recreation improvements, including lighted sports fields and a new gym

The Project will invest over $15.1 million above its City Code requirements to build City park and recreation opportunities, including funding and constructing a new community gym and lighted athletic fields supporting a variety of programming, including girls' and women's sports.

Developer will fund the new gymnasium that will meet an existing need in youth sports and teen center space and may also be used as a resiliency hub during emergencies. This Agreement further provides for the over $20.8 million park investment to be increased annually to ensure funding keeps pace with inflation.

B. Housing for individuals with intellectual and/or developmental disabilities

The Project is partnering with Alta California Regional Center to set precedent in Davis as the first development designed with inclusivity as a core of the community with at least 20 affordable units serving individuals with intellectual and/or developmental disabilities. The Community Park will also provide the largest inclusive park in Davis for all ages and abilities.

C. Building deed-restricted affordable housing exceeding City Code requirements

The Project will fund and build 177% of City Code requirement with 106 units above the 141 required affordable units for a total of 250 deed-restricted units. The affordable units are planned for construction in a single phase with milestones to expedite construction and will achieve a greater depth of affordability than required.

D. Providing affordable homeownership opportunities

In addition to building 250 deed-restricted rental units, the Project will provide $1.8 million to the City Housing Trust Fund for approximately 20 affordable homeownership opportunities.

E. Developing an all-electric community

The Project commits to building an all-electric community with no use of natural gas. This commitment aligns with City's adopted Climate Action and Adaptation Plan's goal to transition to high-efficiency, zero-carbon homes and buildings. It implements a voluntary task identified as part of achieving this goal.

F. Habitat uplift and open space (UATA) exceeding City Code requirements

The Project has committed to planting over 2,500 new trees and providing $75,000 in funding for habitat uplift within the Wildhorse Buffer. The Project is providing more than double the required open space (UATA) that will allow for the return of habitat from current farming operations. The Project will also prohibit development north of Channel A.

G. Connecting and expanding City trail network

The Project will add over 3 miles of new trails with connections to the existing Wildhorse trail, Gill trail, and existing East Covell Boulevard undercrossing at the southwest corner of the Project site.

H. Edible landscaping

Developer will encourage the use of edible landscaping on Project private property.

I. Advancing funding for public safety facilities

The Project is advance funding $3.5 million for public safety facilities to provide City with more immediate funding to address public safety needs.

J. Creating excess stormwater capacity to address existing downstream flooding

The addition of the Channel A basin will provide floodwater storage volume during peak flow events to reduce the amount of downstream flooding that currently occurs unrelated to the Project. The Channel A basin is designed to emulate floodplain functions by providing storage volume when floodwaters downstream of the site back up through Channel A.

K. Generating additional sales tax revenue for City

To the extent permitted by federal, state, and local law and upon approval of the Project, Developer shall designate the Property as the "Place of Sale" for the purposes of designating the retail sales location and calculating the sales tax obligations. A covenant or other instrument acceptable to the City Manager and City Attorney shall be recorded recognizing this commitment.

3. IMPLEMENTATION AND MONITORING

The Project's community benefits shall be implemented consistent with the phasing plan set forth in Exhibit M to this Agreement. Developer shall provide periodic reporting to City staff documenting compliance with community benefit obligations and work cooperatively with City to monitor implementation.