

### THIRD (ADMINISTRATIVE AGREEMENT) AMENDMENT TO DEVELOPMENT AGREEMENT

THIS THIRD (ADMINISTRATIVE AGREEMENT) AMENDMENT TO DEVELOPMENT AGREEMENT (the "**Third Amendment**") is made and entered into as of December 22, 2022 ("**Third Amendment Effective Date**") by and between the CITY OF HEALDSBURG, a California municipal corporation ("**City**") and CCS HEALDSBURG, LLC, a Delaware limited liability company ("**Developer**"). City and Developer may each be referred to as a "**Party**," and collectively as the "**Parties**."

#### RECITALS

A. On May 6, 2020, the Parties entered into that certain Development Agreement (the "**Original Agreement**"), which Original Agreement was recorded on June 1, 2020 in the Official Records of Sonoma County ("**Official Records**") as Document No. 2020041464, as amended by that certain First Amendment to Development Agreement ("**First Amendment**") dated as of June 21, 2022, and memorialized in that certain Memorandum of First Amendment to Development Agreement dated June 21, 2022, which recorded in the Official Records on September 30, 2022 as Document No. 2022063576, and by that certain Second Amendment to Development Agreement ("**Second Amendment**") dated as of April 18, 2022 and memorialized in the certain Memorandum of Second Amendment to Development Agreement dated April 18, 2022 and recorded in the Official Records on September 13, 2022 as Instrument No. 2022059935 (the Original Agreement, as amended by the First Amendment, the Second Amendment and this Third Amendment shall be referred to as the "**Development Agreement**"). The Development Agreement concerns the development of an approximately 32-acre parcel of land at 16977 Healdsburg Avenue in the City of Healdsburg, defined as the "**Property**" in the Development Agreement, and shown on Exhibit A attached to the Original Agreement. The Development Agreement was assigned in part to KENDAL AT SONOMA, A ZEN INSPIRED COMMUNITY, a California nonprofit public benefit company ("**Kendal**"), pursuant to that certain Partial Assignment of Rights and Assumption of Obligations Under Development Agreement (the "**Partial Assignment**") dated August 20, 2020, which was recorded in the Official Records on August 21, 2020 as Instrument No. 2020071885.

B. The parties agree to modify the Development Agreement pursuant to Government Code Sections 65867 and 65868, and Healdsburg Municipal Code Section 17.20.060D, in order to modify the terms related to the affordable housing conditions as provided below.

C. Section 6.4 of the Development Agreement provides that the City Manager may approve an Administrative Agreement Amendment to the Development Agreement without notice and public hearing if the City Manager determines that such amendment does not have substantial impacts as specified in Section 6.4(a) of the Development Agreement. The City Manager having made such determination hereby approved this Third Amendment as signified by his signature as set forth below.

## AGREEMENT

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants contained herein, Parties consent to this Third Amendment as follows:

1. Defined Terms. All capitalized terms used herein shall have the meanings given in the Development Agreement, except as expressly otherwise defined herein.

2. Enumeration of Specific Deletions and Amendments. The Development Agreement is hereby revised to incorporate the following amendments.

(a) Section 5.1(d) of the Development Agreement is amended by deleting the second sentence thereof and replacing it with the following: "The Affordable Housing Agreement shall be executed by Developer or developer's successor in interest and be recorded against the portion of the Property containing the Affordable/Workforce Housing units prior to City issuance of a final certificate of occupancy for the hotel."

(b) Section 5.2(d) of the Development Agreement is amended by deleting the third sentence thereof and replacing it with the following: "The Middle Income Housing Agreement shall be executed by Developer and be recorded against the portion of the Property containing the Middle Income Housing units prior to City issuance of a final certificate of occupancy for the hotel."

(c) Section 10.9 of the Agreement is hereby updated as follows:

City:

City Manager  
Attn: Jeff Kay  
City of Healdsburg  
401 Grove Street Healdsburg,  
California 95448

Copy to:

City Attorney  
Attn: Samantha Zutler, Esq.  
101 Howard Street, Suite 400  
San Francisco, California 94123

Developer:

CCS Healdsburg, LLC  
Attn: Nick Long  
3760 Kilroy Airport Way, Suite 130  
Long Beach, CA 90806

with copies to:

Lubin Olson & Niewiadomski  
Attn: Robert Miller, Esq.  
600 Montgomery Street, 14<sup>th</sup> Floor  
San Francisco, CA 94111

3. Interpretation. The Development Agreement shall be construed as having been modified by this Third Amendment. Except as expressly modified by this Third Amendment, the Development Agreement remains in full force and effect. In the case of conflict between the provisions hereof and the terms of the Development Agreement, the provisions of this Third Amendment shall control.

4. Recording of Memorandum. Approximately concurrent with the Third Amendment Effective Date, the Parties shall execute, acknowledge and record a Memorandum of this Third Amendment in the Official Records.

*[signature page follows]*

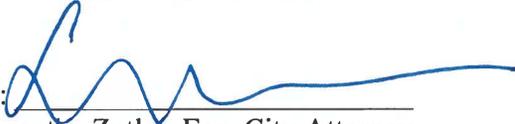
IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

**CITY**

**City of Healdsburg**, a California municipal corporation

By:   
Jeff Kay  
City Manager

APPROVED AS TO FORM:

By:   
Samantha Zutler, Esq. City Attorney

ATTEST:

By:   
Raina Allan City Clerk

**DEVELOPER**

**CCS Healdsburg, LLC, a Delaware limited liability company**

**By: CCS Healdsburg Manager, LLC, a Delaware limited liability company  
Its: Manager**

**By: CCA Management, LLC,  
a California limited liability company  
Its: Manager**

**By: Comstock Crosser & Associates  
Development Company, LLC, a California  
limited liability company  
Its: Manager**

By:   
\_\_\_\_\_  
Nicholas Long, CFO