

**INSUBSTANTIAL AMENDMENT TO THE DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF HEALDSBURG AND SONOMA LUXURY RESORT,
LLC, DATED APRIL 11, 2011**

On April 11, 2011, the City of Healdsburg ("City") and Sonoma Luxury Resort, LLC ("Developer") entered into a Development Agreement for the Saggio Hills Project. Section 9.3 of the Development Agreement defines "Insubstantial Amendments" to the Development Agreement and provides that

"any Amendment to this Agreement that does not relate to (a) the Term as provided in Section 4.2 above; (b) permitted uses of the Project as provided in Section 6.1 above; (c) any provision for a 'significant' reservation or dedication of land; (d) the location and maintenance of on-site and off-site improvements; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings; or (g) monetary contributions by the Developer as provided in this Agreement, shall not, except to the extent otherwise required by law, require notice or public hearing before either the Planning Commission or the City Council before the Parties may execute an amendment hereto. Any amendment described in this Section 9.3 may be made by written agreement executed by the Developer and the City Manager."

The City and the Developer have agreed to the following amendments to the Development Agreement:

The Development Agreement envisioned that the First Final Map would establish separate legal parcels for Parcels 1 (Resort Parcel); 2A, 2B, 2C, 2D, 3A, 3B, 3C, 4A, 4B (Residential Parcels); 5, 6 (Affordable Housing Land); 7 (Resort Parcel); 8 (Public Park Land); 9 (Pump Station Land); and 10 (Fire Station Land).

The First Final Map being submitted to the City establishes separate legal parcels for Parcels 1 (Resort Parcel); Parcel 2 (Residential Parcel); Parcel 3 (Residential Parcel); Parcel 4 (Residential Parcel); Parcel 5 (Residential Parcel); Parcel 6 (Residential Parcel); Parcel 7 (Resort Parcel); Parcel 8 (Community Park); Parcel 9 (Pump Station); Parcel 10 (Fire Station); and Parcel 11 (Access).

This change is insubstantial as, although dividing the site into fewer parcels, it does establish the parcels that will ultimately be transferred to the City for the fire station, community park and affordable housing. Future maps will further divide Residential Parcels 2, 3, and 4 per the approved Tentative Map of Saggio Hills (TM 06-04).

The City Manager has reviewed the amendments to the Development Agreement and determined that the amendments are Insubstantial Amendments as defined by Section 9.3 of the Development Agreement. Now, therefore, by and through this written agreement, the City and the Developer agree to amend the Development Agreement as set forth above, effective as of the date of the last signature on this agreement.

CITY OF HEALDSBURG

Date: 4/5/16

By: 

Its City Manager
2597723.1

SONOMA LUXURY RESORT, LLC

Date: MARCH 30, 2016

By: 

Its AUTHORIZED REPRESENTATIVE