

## AGREEMENT

This Agreement is made on \_\_\_\_\_, 2017, by and between Truckee Tahoe Airport District (“TTAD”) and RPL Properties, LLC, a California Limited Liability Company (“RPL”), with reference to the following facts:

### RECITALS

- A. There is a dire need for affordable housing in the Truckee-North Tahoe area.
- B. As a result of that housing need, TTAD and other public agencies have encountered difficulties in hiring and retaining employees that are able to live in or near that agency’s offices. This results not only in continual replacement of employees, but also an inability on the part of employees to promptly respond to emergent situations related to their public agency work.
- C. RPL desires to construct housing units on the eastern portion of Sierra Drive in Truckee, California (“Lizondo Parcel”) as fully set forth in Exhibit A, attached hereto and incorporated herein by reference and a nearby lot, identified on Exhibit “B”, attached hereto and incorporated by reference.
- D. In order for that development to be economically feasible, it is necessary to have monetary contributions for development and construction costs from TTAD or other public agencies.
- E. TTAD therefore agrees to make certain monetary contributions in return for a right of first refusal, all as set forth below.

### NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

- 1. All of the above recitals are true and correct.
- 2. RPL agrees to diligently pursue and construct up to 11 single family dwellings with attached secondary residential units (collectively referred to as “units”) on the Lizondo property and the nearby lot, (Exhibit “B”).
  - A. RPL contemplates constructing the total of 11 units (for a total of 22 dwellings) in 4 phases, Phase 1 to consist of 1 such unit, Phase 2 to consist of 2 units and Phase 3 to consist of 6 units and Phase 4 to consist of 2 units.
  - B. RPL may, at RPL’s sole and absolute discretion, construct any of the phases concurrently.
  - C. Each unit shall have 2 separate dwellings, a 2 bedroom dwelling and either a 3 or 4 bedroom dwelling.

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- D. Upon receipt of a Certificate of Occupancy for each dwelling, TTAD shall contribute and pay RPL the sum of \$30,000 per dwelling, which is \$60,000 for each unit in order to reimburse RPL for development and construction costs. Said payment shall be made within 15 days of RPL providing TTAD a copy of that Certificate of Occupancy.
3. In return for the payment from TTAD to RPL described above, RPL agrees to the following:
- a. Employees of TTAD shall have a right of first refusal to rent the units of phase 1; that initial right shall expire after 30 days after RPL has given notice written notice to TTAD that the Certificate of Occupancy for Phase 1 has been issued.
  - b. Whenever a dwelling becomes available from any Phase and during the entire term of this Agreement, RPL shall give written notice to TTAD so that TTAD, its employees and designated assignees shall have a right of first refusal provided that right of first refusal must be exercised in writing within 30 days of written notice from RPL.
  - c. All units constructed, for a period of 15 years from the issuance of the Certificate of Occupancy for that dwelling or unit, shall only be rented to persons who are employed within the current jurisdictional boundaries of TTAD. If those boundaries are enlarged, persons living in that newly-annexed area shall also be able to rent from RPL. In the event any area is de-annexed, persons living in the de-annexed area shall still be able to rent from RPL.
  - d. For all units constructed, for a period of 15 years from the issuance of the Certificate of Occupancy for that dwelling or unit, the monthly rent for that dwelling or unit shall not exceed \$750 per bedroom, subject to adjustment as set forth below.
  - e. If RPL determines in RPL's sole discretion to not construct phases 2, 3 or 4, RPL may terminate the Agreement with respect to the construction of phases 2, 3 and 4.
  - f. TTAD may terminate this Agreement in either of the following circumstances by giving written notice to RPL within 30 days of the occurrence giving rise to the right of TTAD to terminate this Agreement:
    - i. If RPL has not obtained Certificates of Occupancy for Phase 1 within one year of the date of this Agreement, or
    - ii. If RPL has not obtained Certificates of Occupancy for all of the units in Phases 2, 3 and 4, within three years and six months of the Certificate of Occupancy being obtained for Phase 1.

The failure of TTAD to exercise such termination right in a timely manner shall constitute a waiver of such right with respect to such occurrence. TTAD's sole remedy

for un-built units shall be termination of this Agreement and no payment of funds for un-built units. RPL's obligations, as set forth in this Article 3 of this Agreement for renting units that have been constructed shall survive such termination of this Agreement if such termination results from un-built units.

- g. For the first 15 years after the issuance of the Certificates of Occupancy for any dwelling or unit, the rent of \$750 per month per bedroom may be adjusted by the cost of living, B/C west coast index. Any adjustment of rent shall occur on January 1<sup>st</sup> of each year; however, no rent increase shall occur on any individual dwelling for at least 12 months after that tenant's initial occupancy of their dwelling.
- h. TTAD has a right to inspect RPL's records to confirm both that the rents being charged are in compliance with this Agreement and that a tenant in each dwelling is an employee within TTAD's jurisdictional boundaries. Any leasing or subleasing engaged in by RPL shall be restricted to tenants that are employed within TTAD's current or expanded jurisdictional boundaries.
- i. In the event RPL constructs either phase 2, 3 or 4, employees of TTAD shall have a right of first refusal to rent those newly constructed units. RPL shall give written notice to TTAD at any time during construction at least 90 days prior to an expected completion date (issuance of the Certificate of Occupancy). The right of first refusal for the newly constructed unit shall then expire 60 days before the identified expected completion date. If the Certificate of Occupancy for those units have not been issued within 40 days of the identified expected completion date, the amount paid by TTAD to RPL shall be reduced by \$5,000 per dwelling (\$10,000 per unit).

4. If this Agreement has not been sooner terminated by either party as provided above, all of the rights and obligations of either party shall terminate and expire 15 years after the issuance of the Certificate of Occupancy for that dwelling or unit.

#### MISCELLANEOUS PROVISIONS

A. Waiver/Timeliness. No waiver of any term, condition, or covenant of this Agreement shall be presumed or implied. Any such waiver must be expressly made in writing by the party waiving the term, condition, or covenant.

B. Headings. Headings are inserted for convenience of reference only and shall not be used to construe, limit or define the provisions of this Agreement

C. **Invalidity.** In the event any covenant, condition or provision herein is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of such covenant, condition or provision does not materially prejudice either TTAD or RPL in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

D. **Notices.** All notices required herein shall be in writing and may be given by personal delivery or by first-class mail, postage prepaid, and addressed to TTAD at 10356 Truckee Tahoe Airport Road, Truckee, California 96161, and to RPL at RPL Properties, PO Box 1435 Kings Beach, CA 96143.

Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered 3 days after being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

E. **Time.** Time is of the essence of this Agreement and of each and every one of the provisions herein contained.

F. **Tense, Number and Gender.** Each number, tense and gender used in this Agreement shall include any other tense, number or gender where the context and the parties hereto or the context and references therein shall require.

G. **Governing Law.** The construction of this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of California.

H. **Entire Understanding / Ambiguities.** This Agreement contains the entire understanding of the parties. Each of the parties in this Agreement agrees that no other party, agent, or attorney of either party has made any promise, representation, or warranty whatsoever which is not contained in this Agreement. No modification, amendment, or alteration of this Agreement will be valid unless it is in writing and signed by all parties. This Agreement is the result of the mutual negotiations of both the parties and this Agreement shall be interpreted neutrally and fairly and not construed in favor of or against any party.

H. **Attorney's Fees.** In the event any litigation or arbitration is commenced regarding this Agreement, the prevailing party in any such action shall be entitled to an award of its Attorney's fees and costs, in addition to any other remedy or relief granted therein.

**TRUCKEE TAHOE  
AIRPORT DISTRICT**

**RPL PROPERTIES, LLC**

Dated:

Dated:

By: \_\_\_\_\_  
Lisa Wallace, Board President

By: \_\_\_\_\_  
Rick Lee, Managing Partner

Dated:

By: \_\_\_\_\_  
Kevin Smith, General Manager

Approved:

Approved:

Dated:

Dated:

By: \_\_\_\_\_  
Brent P. Collinson, District Counsel

By: \_\_\_\_\_  
\_\_\_\_\_ Counsel for RPL