

BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN JOAQUIN,
STATE OF CALIFORNIA

ORDINANCE NO. 4638

AN ORDINANCE OF THE COUNTY OF SAN JOAQUIN APPROVING THE AMENDMENT TO THE 2005 DEVELOPMENT AGREEMENT PA-2300236 BY AND BETWEEN COUNTY OF SAN JOAQUIN AND PEGASUS-MH VENTURES I, LLC, AS SUBSEQUENTLY ASSIGNED IN TOTALITY TO RURKA CAPITAL, LLC RELATIVE TO THE DEVELOPMENT OF CERTAIN PROPERTY WITHIN THE MOUNTAIN HOUSE COMMUNITY

THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DO ORDAIN AS FOLLOWS:

Section 1. This Ordinance incorporates as Exhibit “A” and by this reference makes a part hereof, the amendment to the development agreement by and between county of San Joaquin and Pegasus-MH Ventures I, LLC, as subsequently assigned in totality to Rurka Capital, LLC relative to the development of certain property within the Mountain House Community (the “Amendment to the 2005 Development Agreement”).

Section 2. On November 2, 2023, the San Joaquin County Planning Commission held a public hearing on the Amendment to the 2005 Development Agreement and forwarded the Amendment to the Board of Supervisors with recommendation of approval.

Section 3. This Ordinance is adopted under the authority of Government Code Section 65864 et. seq. (The “Development Agreement Legislation”) and pursuant to Division 13 (commencing with Section 9.1300.1) of Title 9 of the Ordinance Code of San Joaquin County establishing procedures and requirements for consideration of development agreements pursuant to Government Code Section 65864 et. seq. (the “Development Agreement Regulations”).

Section 4. In accordance with the Development Agreement Legislation and the Development Agreement Regulations, the Board of Supervisors hereby finds and determines the following: the Amendment to the 2005 Development Agreement (Exhibit A) is consistent with the General Plan of the County, the Master Plan for the Mountain House Community, Specific Plan I, the Mountain House Development Title of the Ordinance Code of San Joaquin

County, and the Public Financing Plan, and that the Amended Development Agreement will promote the public health, safety and general welfare.

Section 5. The Board of Supervisors hereby finds that pursuant to Section 15061(b)(3) the proposed Amendment activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity is not subject to CEQA and is therefore exempt from further evaluation.

Section 6. The Board of Supervisors of the County of San Joaquin hereby approves the Amendment to the 2005 Development Agreement and the Chairman of the Board of Supervisors is hereby authorized and directed to execute the Amended Development Agreement on behalf of the County of San Joaquin.

Section 7. The Ordinance shall be in full force and effect thirty (30) days after its passage and adoption.

Section 8. Within ten (10) days after execution of the Amended Development Agreement on behalf of the County, the Community Development Director or their designee shall record the Amended Development Agreement and this Ordinance with the Recorder of the County of San Joaquin.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of San Joaquin, State of California, on this 7th of November 2023 to wit:

AYES: **Villapudua, Canepa, Patti, Rickman**

NOES: **None**

ABSENT: **Ding**

ABSTAIN: **None**

Robert Rickman

ROBERT RICKMAN
Chairman, Board of Supervisors
County of San Joaquin
State of California

ATTEST: RACHÉL DeBORD
Clerk of the Board of Supervisors
County of San Joaquin
State of California



By:

Rachél DeBord

EXHIBIT A

AMENDMENT TO THE 2005 DEVELOPMENT AGREEMENT PA-2300236 BY AND BETWEEN COUNTY OF SAN JOAQUIN AND RURKA CAPITAL, LLC RELATIVE TO THE DEVELOPMENT OF CERTAIN PROPERTY WITHIN THE MOUNTAIN HOUSE COMMUNITY

THIS AMENDMENT OF THE 2005 DEVELOPMENT AGREEMENT PA-XX BY AND BETWEEN THE COUNTY OF SAN JOAQUIN AND RURKA CAPITAL, LLC RELATIVE TO THE DEVELOPMENT OF CERTAIN PROPERTY WITHIN THE MOUNTAIN HOUSE COMMUNITY ("Amendment") is by and between Rurka Capital, LLC ("Rurka") a California limited liability company, Rurka's predecessors in interest, Pegasus-MH Holdings LLC and the County of San Joaquin ("County"), referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. County and Pegasus-MH Holdings, LLC ("Pegasus") entered into a Development Agreement ("DA") A-05-1004 dated November 22, 2005, approved and adopted by Ordinance #4281 and recorded in the Official Records of San Joaquin County on December 20, 2005, as Instrument No. 2005-316006, governing the development of certain property (the "Property") within the Mountain House Community (the "Development Agreement.")
- B. In 2008, due to default on the mortgage the Property became subject to trustee's sale. North State Title Company conveyed the property to Charles Spatafore Jr and Margaret Spatafore, co-trustees of the Charles Spatafore Jr. and Margaret Spatafore Family Trust. Consistent with the Development Agreement's provisions regarding sale via deed in lieu

of foreclosure, assignment of the Development Agreement was not required.

- C. In 2011, Margaret Spatafore as trustee of the Charles Spatafore Jr. and Margaret Spatafore Family Trust conveyed the Property to the Margaret Spatafore Survivor's Trust, the Charles Spatafore Jr. Bypass Trust and the Charles Spatafore Jr. Marital Trust. This transfer was an inter-family transfer. Consistent with the Development Agreement's provisions regarding close transfer where the developer remains the same, assignment of the Development Agreement was not required.
- D. In 2017, the trustees of the Margaret Spatafore Survivor's Trust, the Charles Spatafore Jr. Bypass Trust and the Charles Spatafore Jr. Marital Trust conveyed the property to Pinderjit Sandhu. The trusts now function as the assignor of their interest in the Development Agreement to which Pinderjit Sandhu is the assignee.
- E. On July 14, 2023, Pinderjit Sandhu conveyed the property to Rurka Capital, LLC. Pinderjit Sandhu now functions as the assignor of his interest in the Development Agreement to which Rurka Capital, LLC is the assignee.
- F. The Property is subject to a Major Subdivision Map approval (the "Tentative Map") which was granted by the Board of Supervisors on November 22, 2005 as application PA-0300368, referred to as Tract No. 3414. The State of California granted many time extensions since the original approval in 2005. These Statute authorized time extensions resulted in adding additional life to the original map which was set to expire on November 22, 2017.
- G. The Board of Supervisors on October 24, 2017, took action to approve a County initiated six-year extension on the Tentative Map for Tract No. 3414 by Board Order No. B-17-687 and Resolution R-17-137. By Board action the new Tentative Map expiration date was established as November 22, 2023.
- H. The Development Agreement, as amended, will expire on December 22, 2030, while the Tentative Map will expire on November 22, 2023, as stated above.
- I. Given current circumstances in the housing construction industry, Rurka requires more time to obtain approval of a final map for Tract No. 3414 than is currently provided by the existing November 22, 2023, expiration date for the Tentative Map.
- J. As such, the Parties desire to amend the Development Agreement such that the Tentative Map will have the same expiration date as the Development Agreement, which is December 22, 2030, without the extensions allowed in Development Agreement Section 1.5.2.A.

NOW, THEREFORE, RURKA AND COUNTY HEREBY AGREE AS FOLLOWS:

1. The term of the Tentative Map for Tract. No. 3414 during which the Tentative Map shall be deemed a valid existing entitlement, shall be December 22, 2030, which is the same term set forth in Section 1.5.2.A. of the Development Agreement without the extensions allowed in that section.
2. Section 3.7.2. of the 2005 Development Agreement shall be deleted in its entirety.
3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective heirs, successors and assigns.

IN WITNESS HEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

RURKA Capital, LLC

By:

Date

Karnail Sandhu

Consented to by the County of San Joaquin on: _____

Date

By: _____

County of San Joaquin