

ORDINANCE NO. 2596
(Uncodified)

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO
APPROVING DEVELOPMENT AGREEMENT 23-01 BETWEEN THE CITY OF
CHICO AND THE CASINO CHICO CARDROOM (SCOTT)**

WHEREAS, the use permit approved for the Casino Chico cardroom (UP 22-09) included a condition of approval requiring the applicant, Casino Chico, enter into a Development Agreement with the City of Chico (the “Development Agreement” or “DA”); and

WHEREAS, the primary purpose of the DA is to facilitate the development of an approved project, preserve the effectiveness of UP 22-09 by satisfying a required condition of approval, and serve as a mechanism for the City to collect the equivalent of five (5) percent of gross receipts generated from card game participation fees for the benefit of the downtown area; and

WHEREAS, the Planning Commission has considered the DA, staff report, and public comments provided at a public hearing, duly noticed and held in the manner required by law; and

WHEREAS, on November 16, 2023, the Planning Commission considered the proposed development agreement, staff report, and comments at a duly noticed public hearing held in the manner required by law and forwarded a recommendation of approval to the Council.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Chico that:

Section 1. With regard to the Development Agreement, this Council, in exercising its independent judgment, finds that:

- A. The Project is categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities) and 15332 (In-Fill Development Projects) and none of the exceptions under CEQA Guidelines Section 15300.2 apply.
- B. The DA would be in the best interest of the City as it would implement General Plan policies, facilitate the development of an approved project, and preserve the effectiveness of UP 22-09 by satisfying a required condition of approval. The establishment of a cardroom in Downtown Chico will provide residents and visitors a new and exclusive

1 source of entertainment, generate additional revenue for the City, and help to maintain and
2 enhance the vitality and economic well-being of Downtown to support its status as the
3 City's center.

4 C. The DA would promote the public interest and welfare of the City by facilitating the
5 development of an approved project that will result in the diversification of land uses in
6 Downtown Chico, create a new entertainment use complementary to surrounding uses,
7 increase pedestrian traffic, and attract residents and visitors to the Downtown area. The
8 proposed DA does not grant Casino Chico any deviations from the City's applicable
9 development standards and has been prepared at the applicant's request as a mechanism to
10 enable the collection of the proposed annual contribution, volunteered by the applicant for
11 the benefit of the downtown area.

12 **Section 2.** That the Casino Chico Development Agreement (DA 23-01), as set forth in
13 Exhibit "I" hereto, is hereby approved. The City Council hereby authorizes the Mayor to execute
14 DA 23-01 on behalf of the City consistent with this Ordinance. The City Manager is also
15 authorized to execute such other ancillary documents reasonably necessary to effectuate the intent
16 of this Ordinance in a form approved by the City Attorney.

17 **Section 3.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance
18 is for any reason held out to be invalid or unconstitutional by the decision of any court of competent
19 jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.
20 The City Council hereby declares that it would have adopted this Ordinance and each section,
21 subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that
22 any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof, be
23 declared invalid or unconstitutional.

24 **Section 4.** The City Clerk shall certify to the adoption of this Ordinance and cause the same
25 to be posted at the duly designated posting places within the City and published once within fifteen
26 (15) days after passage and adoption as required by law, or in the alternative, the City Clerk may
27 cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance
28

1 shall be posted in the Office of the City Clerk five (5) days prior to the date of adoption of this
2 Ordinance, and, within fifteen (15) days after adoption, the City Clerk shall cause to be published
3 the aforementioned summary and shall post a certified copy of this Ordinance, together with the
4 vote for and against the same, in the Office of City Clerk.

5 **Section 5.** This Ordinance shall be effective thirty (30) days following its adoption.

6 THE FOREGOING ORDINANCE WAS ADOPTED at a meeting of the City Council of
7 the City of Chico held on February 6, 2024, by the following vote:

8
9 AYES: Bennett, Morgan, Tandon, van Overbeek, Winslow, Reynolds, Coolidge

10 NOES: None

11 ABSENT: None

12 ABSTAINED: None

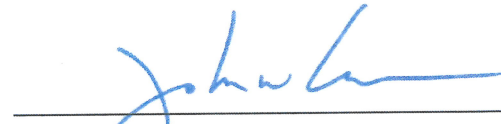
13 DISQUALIFIED: None

14
15 ATTEST:

16 
17 _____

18 Deborah R. Presson
19 City Clerk

APPROVED AS TO FORM:

20 
21 _____

22 John W. Lam, City Attorney*
23 *Pursuant to The Charter of
24 the City of Chico, Section 906(E)

2024-0011967

Butte

Keaton Denlay
County Clerk-Recorder

05/03/2024 10:19 AM

CONFORMED COPY

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Has not been compared with original.

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AND WHEN RECORDED MAIL TO

City of Chico
411 Main Street
P.O. Box 3420
Chico, Ca 95927

Attn: Community Development Dept.

- Kelly Murphy

Space Above This Line for Recorder's Use
(Exempt from Recording Fees per Gov't Code § 27383)

DEVELOPMENT AGREEMENT NO. 23-01

BY AND BETWEEN

THE CITY OF CHICO,

and

RICHARD SCOTT, DBA "CASINO CHICO"

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DEVELOPMENT AGREEMENT NO. 23-01

THIS DEVELOPMENT AGREEMENT NO. 23-01 (this "Agreement") is dated for reference purposes only as of May 2, 2024 and entered into by and between the CITY OF CHICO, a California municipal corporation and charter city existing under the Constitution of the State of the California ("City"), and Richard Scott, doing business as Casino Chico ("Developer"). The City and Developer are occasionally referred to herein collectively as the "Parties." This Agreement is entered into with reference to the following:

RECITALS:

- A. California Government Code Sections 65864-65869.5 (the "Development Agreement Act") authorize City to enter into a binding development agreement for the development of real property within its jurisdiction with persons having a legal or equitable interest in such real property.
- B. The property that is the subject of this Agreement is located in the City of Chico, County of Butte, California, and is described on Exhibit A and depicted on the Site Map Exhibit B attached hereto (the "Property").
- C. Developer currently owns the Property.
- D. The Developer's proposed project involves the relocation and operation of a seven-table card room named Casino Chico from its current shared premises at 768 East Avenue to its own building located at 325 Broadway Street, Chico, California (the "Project").
- E. Developer has submitted to the City applications for a conditional use permit (UP 22-09) which was granted by the Chico Planning Commission on June 1, 2023, contingent upon approval of this Development Agreement..
- F. Among other purposes, this Agreement is intended to be, and shall be construed as, a development agreement within the meaning of the Development Agreement Act. This Agreement will eliminate uncertainty and ensure orderly development of the Project, ensure a desirable and functional community environment, provide effective and efficient development of public facilities, infrastructure, and services appropriate for the development of the Project, and assure attainment of the maximum effective utilization of resources within City, by achieving the goals and purposes of the Development Agreement Act. In exchange for these benefits to City, Developer desires to receive the assurance that it may proceed with development and operation of the Project in accordance with the terms and conditions of this Agreement and the Development Approvals, all as more particularly set forth herein.
- G. All actions taken by City have been duly taken in accordance with all applicable legal requirements, including the California Environmental Quality Act (California Public Resources Code Sections 21000, *et seq.*) ("CEQA"), and all other requirements for notice, public hearings,

findings, votes and other procedural matters. The City approved the conditional use permit (UP 22-09) for the Project on June 1, 2023.

H. The City Council of the City of Chico has found that this Agreement is in the best public interest of the City and its residents. The City Council has determined that the Project and this Agreement are consistent with City's General Plan, including the goals and objectives thereof. On January 16, 2024, the City Council introduced Ordinance No. 2596, and on February 6, 2024, the City Council adopted Ordinance No. 2596 approving this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. DEFINITIONS.

1.1. Definitions.

This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized when used in this Agreement. The defined terms include the following:

“*Agreement*” means this Development Agreement.

“*City*” means the City of Chico, a California charter city and municipal corporation.

“*City Council*” means the City Council of City.

“*Development*” means the improvement of the Property for the purposes of completing the improvements and facilities comprising the Project, including, but not limited to: interior tenant improvements to create a commercial kitchen to support the food sales component of the cardroom business, and minor exterior updates such as new building signage and paint. “*Development*” also includes the continuing operation, repair and maintenance of the Development in a safe, clean, lawful and commercially reasonable manner.

“*Development Approvals*” means any and all permits, licenses, consents, rights and privileges, and other actions approved or issued by City in connection with the Development on or before the Effective Date, including but not limited to:

- i) General plans and general plan amendments;
- ii) Specific plans and specific plan amendments
- iii) Zoning, rezoning, change of zone, zoning amendments, Development Agreement and use permits;

- iv) Approved conceptual site design and architectural plans for the Project, with conditions;
- v) Tentative and final parcel maps;
- vi) Applicable environmental documentation and mitigation measures pursuant to the California Environmental Quality Act;
- vii) Grading and building-related permits;
- viii) Business licenses and Business permits.

“*Development Requirement*” means any requirement of City in connection with or pursuant to any Development Approval for the dedication of land, the construction or improvement of public facilities, the payment of fees or assessments in order to lessen, offset, mitigate or compensate for the impacts of the Development on the environment, or the advancement of the public interest.

“*Developer*” means Richard Scott doing business as Casino Chico where specified in this Agreement, and its successors in interest to all or any part of the Property.

“*Effective Date*” means the date that this Agreement shall take effect as defined in Section 3.2 of this Agreement.

“*Environmental Assessment*” means the environmental impact report, mitigated negative declaration, negative declaration, exemption or other environmental document approved for the Project pursuant to the California Environmental Quality Act (“CEQA”).

“*Existing Land Use Regulations*” means all ordinances, resolutions, codes, rules, regulations and official policies of City, including but not limited to City’s development impact fees, adopted and effective on or before the Effective Date governing the Development and use of the Property, including, without limitation, the permitted use of land, the density or intensity of use, the rate of development of land, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the Development, including, but not limited to, the Development Approvals.

“*Mortgagee*” means a mortgagee as defined in Section 7.2 of this Agreement.

“*Off-Site Improvements*” means the Perimeter Improvements and all off-site improvements required for the Project including, but not limited to, perimeter roadway improvements, sewer lines and storm drains.

“*Perimeter Improvements*” means the design, approval, construction, installation and maintenance of roadways, curbs, gutters, sidewalks, street trees, street lights, landscaping, all approved plant material, irrigation systems and walls located on the perimeter of the Property.

“*Project*” means the Development consistent with the Development Approvals and as described in Recital D.

“*Property*” means the real property and structures located at 325 Broadway Street, Chico, California, APN 004-151-010-000 depicted on the Site Map attached hereto as Exhibit “B”.

“*Reservation of Authority*” means the rights and authority excepted from the assurances and rights provided to Developer under this Agreement and reserved to City under Section 2.8.

“*Site Map*” means the site map attached hereto as Exhibit B.

“*Subsequent Development Approvals*” means all Development Approvals issued subsequent to the Effective Date in connection with the Development.

“*Subsequent Land Use Regulations*” means any Land Use Regulations adopted and effective after the Effective Date governing development and use of the Property.

2. GENERAL TERMS AND DEVELOPMENT STANDARDS AND LIMITATIONS.

2.1. Term.

The term of this Agreement shall commence on the Effective Date and shall continue for so long as the Property is used for card club purposes (the “Term”), unless said term is otherwise terminated, modified, or extended by circumstances set forth in this Agreement or by mutual written agreement of the Parties hereto after the satisfaction of all applicable public hearing and related procedural requirements.

2.2. Effective Date.

This Agreement shall be effective, and the obligations of the Parties hereunder shall be effective, on the date this Agreement is recorded on the Property in the Official Records of Butte County, California.

2.3. Binding Effect of Agreement.

From and following the Effective Date, the Development, and City actions on applications for Subsequent Development Approvals affecting the Property, shall be subject to the terms and provisions of this Agreement.

2.4. Property Interest.

City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Property through a written lease agreement with the owner of the Property and thus Developer is qualified to enter into and be parties to this Agreement under the Development Agreement Law.

2.5. Amendment or Cancellation.

Except as expressly stated to the contrary herein, this Agreement may be amended or canceled in whole or in part only by mutual written consent of the Parties and in the manner provided for in California Government Code Sections 65867-65868.

2.6. Termination.

Unless terminated earlier, pursuant to the terms hereof, this Agreement shall automatically terminate and be of no further effect upon the expiration of the Term. Termination of this Agreement, for any reason, shall not, by itself, affect any right or duty arising from entitlements or approvals set forth under the Development Approvals. Except as provided in Section 4.7 of this Agreement, Operating Contributions shall be due for any year, or portion thereof, during which the Project, in any form, continues in operation regardless of the expiration date of this Agreement.

2.7. Intent.

City acknowledges that Developer has reasonably entered into this Agreement and will proceed with the Project on the assumption that City has adequately provided for the public health, safety and welfare through the Land Use Regulations. In the event that any future, unforeseen public health or safety emergency arises, City agrees that it shall attempt to address such emergency in such a way as not to impact the Development in accordance with the Development Approvals, and if that is not possible, to select that option for addressing the emergency which has the least adverse impact on the Development in accordance with the Development Approvals.

2.8. Reservation of Authority by City.

Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development:

- (a) Processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for Development Approvals.
- (b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matters of procedure.
- (c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by City as Subsequent Land Use Regulations.
- (d) Regulations that may be in conflict with the Development Approvals but which are reasonably necessary to protect the public health, safety, and welfare.
- (e) Regulations that are not in conflict with the Development Approvals and this Agreement.
- (f) Regulations that are in conflict with the Development Approvals provided Developer has given written consent to the application of such regulations to the Development.
- (g) Federal, State, County, and multi-jurisdictional laws and regulations which City is required to enforce as against the Property or the Development.

2.9. Future Discretion of City.

Notwithstanding any other provision of this Section 2.9, this Agreement shall not prevent City, in acting on Subsequent Development Approvals, from applying Subsequent Land Use

Regulations which do not conflict with the Development Approvals, nor shall this Agreement prevent City from denying or conditionally approving any Subsequent Development Approval on the basis of the existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Approvals.

2.10. Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law.

In the event that Federal, State, County, or multi-jurisdictional laws or regulations, enacted after the Effective Date, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such Federal, State, County, or multi-jurisdictional laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce.

2.11. Regulation by Other Public Agencies.

It is acknowledged by the Parties that other public agencies not subject to control by City may possess authority to regulate aspects of the Development, and this Agreement does not limit the authority of such other public agencies.

2.12. Additional Applicable Codes and Regulations.

Notwithstanding any other provision of this Agreement, City also reserves the right to apply the following to the Development:

(a) Building, electrical, mechanical, fire and similar building codes based upon uniform codes adopted in, or incorporated by reference into, the Chico Municipal Code, as existing on the Effective Date or as may be enacted or amended thereafter, applied to the Project in a nondiscriminatory manner.

2.13. Amendment to Applicable Ordinances.

In the event the City Zoning Code is amended by the City in a manner which provides more favorable site development standards than those in effect as of the Effective Date, Developer shall have the right to notify City in writing of its desire to be subject to the new standards for the remaining term of this Agreement. If City agrees, by resolution of the City Council or by action of a City official whom the City Council may designate, such new standards shall become applicable to the Project. Should City thereafter amend such new standards, upon the effective date of such amendment, the original new standards shall have no further application to the Project, but Developer may notify City and City may agree by resolution to apply such amended new standards to the Project.

2.14. Application of New Rules, Regulations and Policies.

This Agreement shall not prevent City in subsequent actions applicable to the Project from applying new rules, regulations and policies which do not conflict with those rules, regulations, and policies applicable to the Project and set forth herein; nor shall this Agreement prevent City from denying or conditionally approving any subsequent development project application on the basis of such existing or new rules, regulations, and policies.

2.15. Changes in State and Federal Rules and Regulations.

Nothing in this Agreement shall preclude the application to the development of the Project of changes in the City's laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations as provided in Government Code Section 65869.5.

2.16. Supersedure of Subsequent Laws or Judicial Action.

The provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with any new law or decision issued by a court of competent jurisdiction, enacted or made after the effective date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement.

2.17. Processing Fees.

This Agreement shall not be construed to limit the authority of the City to charge processing fees for land use approvals, building permits or other similar permits or entitlements which are in force and effect on a City-wide basis at the time application is made for such permits or entitlements.

3. DEVELOPER'S RIGHTS AND LIMITATIONS REGARDING DEVELOPMENT OF THE PROJECT.

3.1. Project.

The Project consists generally of the development, operation and maintenance of a seven table card room located at 325 Broadway Street. The Project is defined and described in City of Chico Use Permit No. 22-09 which specify all of the following aspects of the Project: (i) proposed uses of the Property, (ii) height and size of buildings to be used for the card room on the Property, (iii) density and intensity of use of the property, and (iv) requirements for reservation or dedication of portions of the Subject Property for public purposes.

3.2. Right to Develop.

Developer shall have a vested right to develop the Property in accordance with, and to the extent of, the Development Approvals and this Agreement.

3.3. Effect of Agreement on Land Use Regulations.

The rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the rate or timing of development, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to the Development, shall be those contained in the City's Zoning Code, Land Use Regulations and the Development Approvals which were in full force and effect as of the Effective Date. The City is bound with respect to the uses permitted by this Agreement, and as set forth in the Development Approvals, insofar as this Agreement and Use Permit No. 22-09 so provide or as otherwise set forth in applicable laws, ordinances, rules or regulations.

3.4. Subsequent Development Approvals.

City shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters, and all requisite development fees shall be calculated and paid at such time as payment for such fees is due and payable, for all or a portion of the Property. City further agrees that, unless otherwise requested by Developer, it shall not, without good cause, amend or rescind any Subsequent Development Approvals respecting the Property after City has granted the same.

3.5. Development In Accordance With Agreement and Applicable Law.

Developer shall commence and complete the Development in accordance with this Agreement (including, without limitation, the Land Use Regulations and the Development Approvals) and in compliance with all laws, regulations, rules, and requirements of all non-City governing entities with jurisdiction over the Property.

3.6. Changes and Amendments.

The Parties acknowledge that although the Development will likely require Subsequent Development Approvals, the Development shall be in strict compliance with the Development Approvals. The above notwithstanding, Developer may determine that changes are appropriate and desirable in the existing Development Approvals. In the event Developer finds that such a change is appropriate or desirable, Developer may apply in writing for an amendment to prior Development Approvals to effectuate such change. The Parties acknowledge that City shall be permitted to use its sole and absolute discretion in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing sole and absolute discretion, City shall not apply a standard different than used in evaluating requests of other developers. Accordingly, under no circumstances shall City be obligated in any manner to approve any amendment to the Development Approvals. Any change in the Development Approvals made pursuant to Developer's application and deemed a major modification by the City's Community Development Department Director, in his or her sole discretion, shall require an amendment to this Agreement. Any such amendment shall be solely for the purpose of acknowledging the change to the Development Approvals.

4. DEVELOPER'S OBLIGATIONS.

4.1. Plan, Design, Construct and Operate the Project.

Developer shall plan, design, construct and operate the project in a timely manner in accordance with the "Schedule of Performance" attached hereto as Exhibit C.

4.2. Cooperation By Developer.

Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder, and cause Developer's planners, engineers, and all other consultants to submit in a timely manner all required materials and documents therefore.

4.3. Other Governmental Permits.

Developer shall apply in a timely manner for such other permits and approvals from other governmental or quasi-governmental agencies having jurisdiction over the Subject Property as may be required for the development of, or provision of services to, the Project.

4.4. Reimbursement for City's Efforts on Behalf of Developer.

To the extent that City, on behalf of Developer, attempts to enter into binding agreements with other entities in order to assure the availability of certain permits and approvals or services necessary for development of the Project as described in this Agreement, Developer shall reimburse City for all costs and expenses incurred in connection with seeking and entering into any such agreement. Any fees, assessments or other amounts payable by City pursuant to any such agreement described herein shall be borne by Developer except where Developer has notified City in writing, prior to City entering into such agreement, that it does not desire for City to execute such agreement. Developer shall defend City in any challenge by any person to any such agreement, and shall reimburse City for any costs and expenses incurred by City in enforcing any such agreement.

4.5. Conditions of Approval.

The Developer shall comply with the conditions of Conditional Use Permit No. 22-09 and all Development Approvals for the Project.

4.6. Dedications and Improvements.

Developer shall offer dedications to City or other applicable public agency, or complete those public improvements in connection with the Project, as specified in the Development Approvals or Conditions of Approval.

4.7. Operating Contribution

Developer agrees to contribute to City, in order to enable City to promote, protect, and enhance the health, safety, and welfare of the community and its residents and its quality of life, five (5) percent of gross receipts generated from card game "participation fees". "Participation fees" are defined as the fees collected by the cardroom for facilitating gambling between or amongst patrons. The Operating Contribution shall be calculated annually as of December 31 for each year of operations, or portion thereof, commencing upon operation of the Project. The Operating Contribution shall be due not later than January 31 of each operating year. Operating Contributions shall be due for any year, or portion thereof, during which the Project, in any form, continues in operation regardless of the expiration date of this Agreement. However if this Agreement is terminated for cause or by mutual written agreement of the Parties, then the Operating Contribution shall cease.

4.8. Indemnification.

(a) Developer agrees to and shall indemnify, hold harmless, and defend, City and its respective officers, officials, members, agents, employees, and representatives, from liability or claims for death or personal injury and claims for property damage which may arise from the acts, errors, and/or omissions of Developer or its contractors, subcontractors, agents, employees or other persons acting on its behalf in relation to the Project and/or in any manner arising from this Agreement. The foregoing indemnity applies to all deaths, injuries, and damages, and claims therefor, suffered or alleged to have been suffered by reason of the acts, errors, and/or omissions referred to in this Section 4.7, regardless of whether or not City prepared, supplied, or approved plans or specifications, or both. In the event of litigation, City agrees, at no cost to City, to cooperate with Developer.

(b) In the event of any court action or proceeding challenging the validity of this Agreement, any of the Development Approvals or the Environmental Assessment prepared and adopted for the Project, Developer shall defend, at its own expense, the action or proceeding. In addition, Developer shall reimburse City for City's costs in defending any court action or proceeding challenging the validity of this Agreement, any of the Development Approvals or the Environmental Assessment. Developer shall cooperate with City in any such defense as City may reasonably request and may not resolve such challenge without the agreement of City. In the event Developer fails or refuses to provide such defense of any challenge to this Agreement, the Development Approvals or the Environmental Assessment, City shall have the right not to defend such challenge, and to resolve such challenge in any manner it chooses in its sole discretion, including termination of this Agreement.

4.9. Nexus/Reasonable Relationship Challenges.

The Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions, requirements, policies or programs required by the Existing Land Use Regulations or this Agreement including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

5. CITY'S OBLIGATIONS.

5.1. Processing.

Upon satisfactory completion by Developer of all required preliminary actions and payments of appropriate processing fees, if any, City shall promptly commence and diligently proceed to complete all required steps necessary for the implementation of this Agreement and the development by Developer of the Project Site in accordance with the Development Approvals including, but not limited to, the following:

(a) The holding of all required public hearings; and

(b) The processing and approval of all Ministerial Approvals and related matters as necessary for the completion of the development of the Project. In this regard, Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder and shall cause Developer's planners, engineers and all other consultants to submit in a timely manner all required materials and documents therefore.

5.2. Scope of Subsequent Review/Confirmation of Compliance Process.

Nothing set forth herein shall impair or interfere with the right of City to require the processing of building permits as required by law pursuant to the applicable provisions of the Chico Municipal Code and the provisions of City's Fire Codes and ordinances, Health and Safety Codes and ordinances, and Building, Electrical, Mechanical, and similar building codes.

5.3. Project Approvals Independent.

All approvals required for the Project which may be or have been granted, and all land use entitlements or approvals generally which have been issued or will be issued by City with respect to the Project, constitute independent actions and approvals by City. If any provision of

this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement terminates for any reason, then such invalidity, unenforceability or termination of this Agreement or any part hereof shall not affect the validity or effectiveness of any such Project approvals or other land use approvals and entitlements. In such cases, such approvals and entitlements will remain in effect pursuant to their own terms, provisions, and the Conditions of Approval. It is understood by the Parties to this Agreement that pursuant to existing law, if this Agreement terminates or is held invalid or unenforceable as described above, such approvals and entitlements shall not remain valid for the Term, but shall remain valid for the term(s) of such approvals and entitlements.

5.4. Standard of Review.

The rules, regulations and policies that apply to any Ministerial Approvals which must be secured prior to the construction of any portion of the Project shall be the Existing Land Use Regulations, except as otherwise provided in this Agreement. Any Ministerial Approval, including without limitation a building permit, shall be approved by the City within a reasonable period of time after application is made therefore.

5.5. Contract Services.

If requested by Developer, at Developer's expense, City shall obtain outside contractual services as necessary to ensure prompt processing of all development approvals.

5.6. Review for Compliance.

City shall review this Agreement at least once during every twelve (12) months following the Effective Date during the Term of this Agreement. During such periodic review by City, Developer, upon written request from City, shall be required to demonstrate, and hereby agrees to furnish, evidence of good faith compliance with the terms hereof; provided, however, that Developer will not be required to disclose confidential or trade secret business information for such review. The failure of City to conduct or complete the annual review as provided herein or in accordance with the Development Agreement Act shall not impact the validity of this Agreement. If, at the conclusion of the annual review provided for herein, Developer shall have been found in compliance with this Agreement, City, through the City's Planning Department, shall, at Developer's written request, issue a Certificate of Compliance to Developer stating that: (1) this Agreement remains in full force and effect; and (2) Developer is in compliance with this Agreement. The Certificate of Compliance shall be in recordable form, and shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer, at its option and sole cost, may record such Certificate of Compliance. The costs incurred by City in connection with the annual review shall be borne by Developer.

6. DEFAULT; REMEDIES; DISPUTE RESOLUTION.

6.1. Events of Default.

Subject to any extensions of time by mutual consent in writing, and subject to the provisions of the Section regarding Permitted Delays, the failure or unreasonable delay by either party to perform any material term or provision of this Agreement for a period of thirty (30) days after the dispatch of a written notice of default from the other party shall constitute a default

under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

6.2. Notice of Default.

Any Notice of Default given hereunder shall be in writing and specify in detail the nature of the alleged Event of Default and the manner in which such Event of Default may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

6.3. Cure Period.

During the time periods herein specified for cure of an Event of Default, the party charged therewith shall not be considered to be in default for purposes of termination of this Agreement, institution of legal proceedings with respect thereto, or issuance of any building permit with respect to the Project.

6.4. General Default Remedies.

After notice and expiration of the 30-day period without cure, the non-defaulting party shall have such rights and remedies against the defaulting party as it may have at law or in equity, including, but not limited to, the right to terminate this Agreement pursuant to Government Code Section 65868 or seek mandamus, specific performance, injunctive or declaratory relief.

6.5. Remedies Cumulative.

Any rights or remedies available to non-defaulting party under this Agreement and any other rights or remedies that such party may have at law or in equity upon a default by the other party under this Agreement shall be distinct, separate and cumulative rights and remedies available to such non-defaulting party and none of such rights or remedies, whether or not exercised by the non-defaulting party, shall be deemed to exclude any other rights or remedies available to the non-defaulting party. The non-defaulting party may, in its discretion, exercise any and all of its rights and remedies, at once or in succession, at such time or times as the non-defaulting party considers appropriate.

6.6. Legal Action.

Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy a default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation hereof, or enforce by specific performance the obligations and rights of the parties hereto.

6.7. No Damages Relief Against City.

The parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Developer for any breach thereof. As such, the parties agree that in no event shall Developer be entitled to recover damages against City for breach of this Agreement.

6.8. Developer Default.

No operating permit shall be issued or operating permit application accepted for any structure on the Property after Developer is determined by City, to be in default of the terms and

conditions of this Agreement, and until such default thereafter is cured by the Developer or is waived by City.

7. MORTGAGEE PROTECTION; CERTAIN RIGHTS TO CURE.

7.1. Encumbrances on the Project.

This Agreement shall not prevent or limit Developer from encumbering the Property or any portion thereof or any improvements thereon with any mortgage, deed of trust, sale and leaseback arrangement, or any other form of conveyance ("Mortgage") in which the Property, or a portion thereof or interest therein, is pledged as security, and contracted for in good faith and fair value in order to secure financing with respect to the construction, development, use or operation of the Project.

7.2. Mortgage Protection.

This Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Property or any portion thereof by a holder of a beneficial interest under a Mortgage, or any successor or assignee to said holder ("Mortgagee"), whether pursuant to foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination or otherwise, shall be subject to all of the terms and conditions of this Agreement.

7.3. Mortgagee Not Obligated.

No Mortgagee will have any obligation or duty under this Agreement to perform the obligations of Developer or other affirmative covenants of Developer hereunder, or to guarantee such performance. In addition, the Mortgagee shall have no right to develop or operate the Property, and to the extent that any covenant to be performed by Developer is a condition to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder.

7.4. Notice of Default to Mortgagee: Right of Mortgagee to Cure.

City shall, upon written request to City, deliver to each Mortgagee a copy of any notice of default given to Developer under the terms of this Agreement, at the same time such notice of default is provided to Developer. The Mortgagee shall have the right, but not the obligation, to cure, correct, or remedy the default, within ten (10) days after the receipt of such notice from City for monetary defaults, or within thirty (30) days for non-monetary defaults, or, for such defaults that cannot reasonably be cured, corrected, or remedied within such period, the Mortgagee may cure, correct, or remedy the default if the Mortgagee commences to cure, correct, or remedy such default within such ten (10) day or thirty (30) day period, and continuously and diligently prosecutes such cure to completion. If the default is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession of the Property, such Mortgagee shall have the right to seek to obtain possession with diligence and continuity through foreclosure, a receiver or otherwise, and shall be permitted thereafter to remedy or cure the default within such time as is reasonably necessary to cure or remedy said default but in no event more than thirty (30) days after obtaining possession. If any such default cannot, with diligence, be remedied or cured within such thirty (30) day period, then such period

shall be extended to permit the Mortgagee to effect a cure or remedy so long as Mortgagee commences said cure or remedy during such thirty (30) day period, and thereafter diligently pursues such cure to completion.

8. TRANSFERS OF INTEREST IN PROJECT OR AGREEMENT.

8.1. City's Intent.

Developer has demonstrated, and the City finds that Developer possesses, the experience, reputation and financial resources to develop and maintain the Project in the manner contemplated by this Agreement. It is because of such qualifications, which assure the development of the Project to a high-quality standard contemplated by the General Plan that the City is entering into this Agreement. Accordingly, restrictions on the right of Developer to assign or transfer the rights and privileges contained in this Agreement are necessary in order to assure the achievement of the objectives of the City's anticipated General Plan and this Agreement.

8.2. Developer's Right to Assign or Transfer.

Developer may not assign or transfer any of its rights or interests under this Agreement without the prior written consent of City, which consent shall not be unreasonably withheld or delayed.

8.3. Restriction on Assignment Does Not Constitute an Unreasonable Restraint on Alienation.

Developer agrees that the restriction on its right to transfer any of its rights or interests under this Agreement is not repugnant or unreasonable in that such a restriction is a material inducement to the City to enter into this Agreement since the restriction reserves for the City the power to prevent the transfer of any of the rights and obligations hereunder to an unreliable developer.

8.4. Request Procedure.

City shall administer the provisions of this Section through its Director of Community Development. Developer shall notify the Director and the City Manager in writing of its request for City's consent to an assignment or transfer under this Section, together with a statement that if the Director does not notify Developer within forty-five (45) days of receipt of the request, the request will be deemed approved.

8.5. 45 Day Period.

If, within such 45-day period the Director does not so notify Developer, the request for consent shall automatically be deemed approved and no further action by Developer or the City shall be necessary. If, within such 45-day period, the Director notifies Developer that the request will be considered and acted upon by City, Developer shall furnish such additional information as the Director may reasonably request at the time of such notice, and City shall proceed to consider and act upon the Developer's request for City's consent to the proposed assignment or transfer. Failure by the City to act within thirty (30) days of giving such notice or of receiving the additional requested information shall automatically be deemed an approval of the request.

8.6. City Council Approval.

In the event the Director determines that the assignment or transfer should be acted upon by the City Council, and the Director so notifies Developer within fifteen (15) days of giving the notice or receiving the information described herein, the matter shall be referred to the City Council. The City Council shall have forty-five (45) days from the date of such notice to approve or deny the requested transfer or assignment. Failure of City to act within the forty-five (45) day period shall automatically be deemed an approval of the request.

8.7. Assignment.

The management control and responsibility of Developer and the expertise, competence, and financial strength of Developer are integral components of the consideration for City entering into this Agreement. In order to preserve such consideration for City and for City to receive full value, the parties hereto agree that the occurrence of any of the following events constitute, for purposes of this provision, an assignment:

- (i) A change in the composition of ownership interests in and control of Developer, the result of which diminishes Developer's ownership interest to less than fifty-one percent (51%).
- (ii) A change in the composition of ownership interests in and control of the Project such that Developer's equity in the Project is reduced to less than fifty-one percent (51%).

8.8. Minor Assignments.

The following transfers shall be considered minor assignments which shall not be subject to this Section:

- (a) Any transfer of ownership interest in Developer in which Richard Scott retains 51% interest and control.
- (b) Change in entity status of Developer by which Richard Scott Retians 51% interest and control of the new entity form.
- (c) Mortgage or deed of trust secured by the Property or the Leasehold interest which is used only for the purpose of development, improvement or operation of the Project.

8.9. Notice of Proposed Assignment.

Developer must provide City with adequate evidence that the proposed assignee, buyer or transferee is qualified using the standards and conditions described in this Section, and ability to comply with these standards and conditions will be the test of reasonableness.

8.10. Conditions and Standards.

The conditions and standards referred to above are as follows:

- (a) Such assignee or transferee possesses the experience, reputation and financial resources to cause the Project to be developed and maintained in the manner contemplated by the City's General Plan and this Agreement;
- (b) Such assignee or transferee enters into a written assumption agreement, in form and content satisfactory to the City Attorney, expressly assuming and agreeing to be bound by the provisions of this Agreement;

(c) Such assignment or transfer will not impair the ability of City to achieve the objectives of its general Plan and this Agreement;

(d) Good cause exists for Developer to make such assignment or transfer. For purposes of this subsection, good cause shall include but is not limited to such causes as business reorganizations, financing arrangements for the development of the Project, and exigent circumstances creating the need to generate capital to offset material business losses.

8.11. Financing Exemption.

Mortgages, deeds of trust, sales and lease-backs, or other forms of conveyance required for any reasonable method of financing requiring a security arrangement with respect to the Project are permitted without the consent of the City, provided the City receives prior notice of such financing (including the name and address of the lender and the person or entities acquiring any such secured interest) and Developer retains the legal and equitable interest in the Property and remains fully responsible hereunder. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction and land development.

8.12. Notice of Assignment.

Upon receiving approval of an assignment, Developer shall provide City with written notice of such assignment and as part of such notice the assignee must execute and deliver to City an assumption agreement in which the name and address of the assignee is set forth and the assignee expressly and unconditionally assumes the obligations of all the provisions set forth in the Agreement.

8.13. Unapproved Assignments.

If City reasonably makes the determination not to consent to the assignment or transfer of the rights and privileges contained in this Agreement, and Developer conveys the Project to a third party, in whole or in part, Developer shall remain liable and responsible for all of the duties and obligations of this Agreement.

9. RELATIONSHIP OF PARTIES.

9.1. Project as a Private Undertaking.

It is specifically understood and agreed by and between the parties hereto that the development of the Project Site is a separately undertaken private development.

9.2. Independent Contractors.

The parties agree that the Project is a private development and that neither party is acting as the agent of the other in any respect hereunder.

9.3. No Joint Venture or Partnership.

City and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Developer joint venturers or partners.

10. MISCELLANEOUS.

10.1. Notices.

All notices permitted or required hereunder must be in writing and shall be effected by: (i) personal delivery; (ii) first class mail, registered or certified, postage fully prepaid; or (iii) reputable same-day or overnight delivery service that provides a receipt showing date and time of delivery, addressed to the following Parties, or to such other address as any party may from time to time designate in writing in the manner as provided herein:

To City: City of Chico
P.O. Box 3420
Chico, CA. 95927
Attn: City Manager

With a copy to: Alvarez-Glasman & Colvin
13181 Industry Parkway North, Ste. 400
Industry, CA 91746
Attn: Chico City Attorney

To Developer: Richard Scott, dba "Casino Chico"
P.O. Box 4191
Chico, CA 95927

With a copy to: Rob McWhorter Buchalter
500 Capitol Mall
Sacramento, CA 95814

Any written notice, demand or communication shall be deemed received immediately if personally delivered or delivered by delivery service, and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

10.2. Force Majeure.

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or failures to perform are due to the elements, fire, earthquakes or other acts of God, strikes, labor disputes, lockouts, acts of the public enemy, riots, insurrections, or governmental restrictions imposed or mandated by other governmental entities ("Permitted Delay"). City and Developer may also extend times of performance under this Agreement in writing. Notwithstanding the foregoing, Developer is not entitled pursuant to this Section 10.2 to an extension of time to perform because of past, present, or future difficulty in obtaining suitable construction financing or permanent financing for the Development, or because of economic or market conditions. Any court action or proceeding

brought by any third party to challenge this Agreement, or any other permit or approval required from City or any other governmental entity for development or construction of all or any portion of the Project, whether or not Developer is a party to or real party in interest in such action or proceeding, shall constitute a Permitted Delay under this Section.

10.3. Binding Effect.

This Agreement, and all of the terms and conditions hereof, shall be binding upon and inure to the benefit of the Parties, any subsequent owner of all or any portion of the Project or the Property, and their respective assigns, heirs or successors in interest, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

10.4. Independent Entity.

The Parties acknowledge that, in entering into and performing this Agreement, each of Developer and City is acting as an independent entity and not as an agent of the other in any respect.

10.5. Agreement Not to Benefit Third Parties.

This Agreement is made for the sole benefit of the Parties, and no other person shall be deemed to have any privity of contract under this Agreement nor any right to rely on this Agreement to any extent for any purpose whatsoever, nor have any right of action of any kind on this Agreement nor be deemed to be a third party beneficiary under this Agreement, other than as expressly provided in this Agreement.

10.6. Covenants.

The provisions of this Agreement shall constitute mutual covenants which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto for the term of this Agreement.

10.7. Nonliability of City Officers and Employees.

No official, officer, employee, agent or representative of City, acting in his/her official capacity, shall be personally liable to Developer, or any successor or assign, for any loss, costs, damage, claim, liability, or judgment, arising out of or connection with this Agreement, or for any act or omission on the part of City.

10.8. Covenant Against Discrimination.

Developer and City covenant and agree, for themselves and their respective successors and assigns, that there shall be no discrimination against, or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry, or any other impermissible classification, in the performance of this Agreement. Developer shall comply with the Americans with Disabilities Act of 1990, as amended (42 U.S.C. Sections 12101, et seq.).

10.9. Amendment of Agreement.

This Agreement may be amended from time to time by mutual consent of the Parties in accordance with the provisions of the Development Agreement Resolution and California Government Code Sections 65867 and 65868.

10.10. No Waiver.

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought and referring expressly to this Section 9.10. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof, except as expressly provided herein. No waiver by either party of any of the covenants or conditions to be performed by the other party shall be construed or deemed a waiver of any succeeding breach or nonperformance of the same or other covenants and conditions hereof.

10.11. Severability.

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, to the extent that the invalidity or unenforceability does not impair the application of this Agreement as intended by the Parties.

10.12. Cooperation in Carrying Out Agreement.

Each party shall take such actions and execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

10.13. Estoppel Certificate.

Any party hereunder may, at any time, deliver written notice to any other party requesting such party to certify in writing that, to the best knowledge of the certifying party: (i) this Agreement is in full force and effect and a binding obligation of the parties; (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature and amount of any such defaults; and (iv) any other reasonable information requested. A party receiving a request hereunder shall execute and return such certificate within ten (10) days following approval of the proposed estoppel certificate by the City Attorney, which approval shall not be unreasonably withheld or delayed. The City Manager or his or her designee is authorized to sign and deliver an estoppel certificate on behalf of City. City acknowledges that transferees, successors and assigns, and Mortgagees may rely upon an estoppel certificate hereunder.

10.14. Construction.

This terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply. As used in this

Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

10.15. Recordation.

This Agreement shall be recorded with the County Recorder of Butte County at Developer's cost, if any, within the period required by California Government Code Section 65868.5. Amendments approved by the Parties, and any cancellation or termination of this Agreement, shall be similarly recorded. If Developer holds a leasehold interest in the Property this Agreement shall only affect the leasehold interest of Developer. However, if at any time Developer obtains a fee title interest in the Property, this Agreement shall affect the entire fee title interest of Developer in the Property.

10.16. Captions and References.

The captions of the sections of this Agreement are solely for convenience of reference, and shall be disregarded in the construction and interpretation of this Agreement. Reference herein to a section or exhibit are the sections and exhibits of this Agreement.

10.17. Time.

Time is of the essence in the performance of this Agreement and for each and every term and condition hereof as to which time is an element.

10.18. Recitals & Exhibits Incorporated: Entire Agreement.

The Recitals to this Agreement and all of the exhibits attached to this Agreement are, by this reference, incorporated into this Agreement and made a part hereof. This Agreement, including all exhibits attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and this Agreement supersedes all previous negotiations, discussions and agreements between the Parties, and no parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof.

10.19. Counterpart Signature Pages.

For convenience the Parties may execute and acknowledge this Agreement in counterparts and when the separate signature pages are attached hereto, shall constitute one and the same complete Agreement.

10.20. Authority to Execute.

Developer warrants and represents that: (i) it is duly organized and existing; (ii) it is duly authorized to execute and deliver this Agreement; (iii) by so executing this Agreement, Developer is formally bound to the provisions of this Agreement; (iv) Developer's entering into and performance of its obligations set forth in this Agreement do not violate any provision of any other agreement to which Developer is bound; and (v) there is no existing or threatened litigation or legal proceeding of which Developer is aware which could prevent Developer from entering into or performing its obligations set forth in this Agreement.

10.21. Governing Law; Litigation Matters.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement without regard to conflicts of law principles. Any action at law or in equity brought by any party hereto for the purpose of enforcing, construing, or interpreting the validity of this

Agreement or any provision hereof shall be brought in the Superior Court of the State of California in and for the County of Butte, or such other appropriate court in said county, and the Parties hereto waive all provisions of law providing for the filing, removal, or change of venue to any other court. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside of California. In the event of any action between the Parties hereto seeking enforcement of any of the terms of this Agreement or otherwise arising out of this Agreement, the prevailing party in such litigation shall be awarded, in addition to such relief to which such party is entitled, its reasonable attorney's fees, expert witness fees, and litigation costs and expenses.

10.22. No Brokers.

Each of City and Developer represents to the other party that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of this Agreement, and agrees to hold harmless the other party from such commissions or fees as are alleged to be due from the party making such representations.

[INTENTIONALLY LEFT BLANK; SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Developer and City have executed this Agreement as of the Reference Date.

“DEVELOPER”

Richard Scott, doing business as Casino Chico

By: _____ *
Name: Richard Scott
Its: Owner

“CITY”

CITY OF CHICO, a California municipal corporation

By: _____ *
Andrew Coolidge, Mayor

APPROVED AS TO FORM:

John W. Lam
John W. Lam (Apr 30, 2024 14:08 PDT)
John Lam, City Attorney

Approved pursuant to City of Chico City Council Ordinance No. 2596, adopted February 6, 2024.

*Signatures to be acknowledged.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Butte

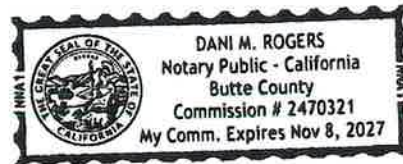
On 5/1/24 before me, Dani M. Rogers, Notary Public
(insert name and title of the officer)

personally appeared Richard Scott,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Dani M. Rogers (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Butte

On 5/2/24 before me, Dani M. Rogers, Notary Public
(insert name and title of the officer)

personally appeared Andrew Coolidge
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Dani M. Rogers (Seal)

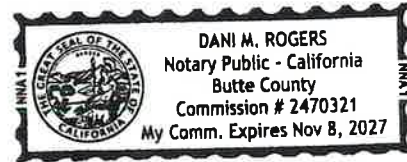


EXHIBIT A
Legal Description of the Property

BEING A PART OF LOT 6 IN BLOCK 15, AS SHOWN ON THAT CERTAIN MAP ENTITLED, CITY (FORMERLY TOWN) OF CHICO", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF BUTTE, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHERE THE LINE BETWEEN LOTS 6 AND 7 OF SAID BLOCK 15 INTERSECTS THE NORTHEASTERLY LINE OF BROADWAY AS SHOWN ON SAID MAP; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF BROADWAY, A DISTANCE OF 44 FEET MORE OR LESS, TO THE SOUTH LINE OF THEATER BUILDING, KNOWN AS THE, AND CALLED THE BROADWAY THEATER, AND ESTABLISHED AS PROPERTY LINE BY AGREEMENT DATED February 5, 1910 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY OF BUTTE, IN BOOK "H" OF COVENANTS, AT PAGE 118; THENCE NORTHEASTERLY ALONG THE SOUTH LINE OF SAID THEATER BUILDING, A DISTANCE OF 100 FEET; THENCE NORTHWESTERLY AND PARALLEL WITH THE NORTHEASTERLY LINE OF BROADWAY, A DISTANCE OF 44 FEET MORE OR LESS TO THE NORTHWESTERLY LINE OF SAID LOT 6; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 6, A DISTANCE OF 100 FEET TO THE POINT OF BEGINNING.

APN: 004-151-010

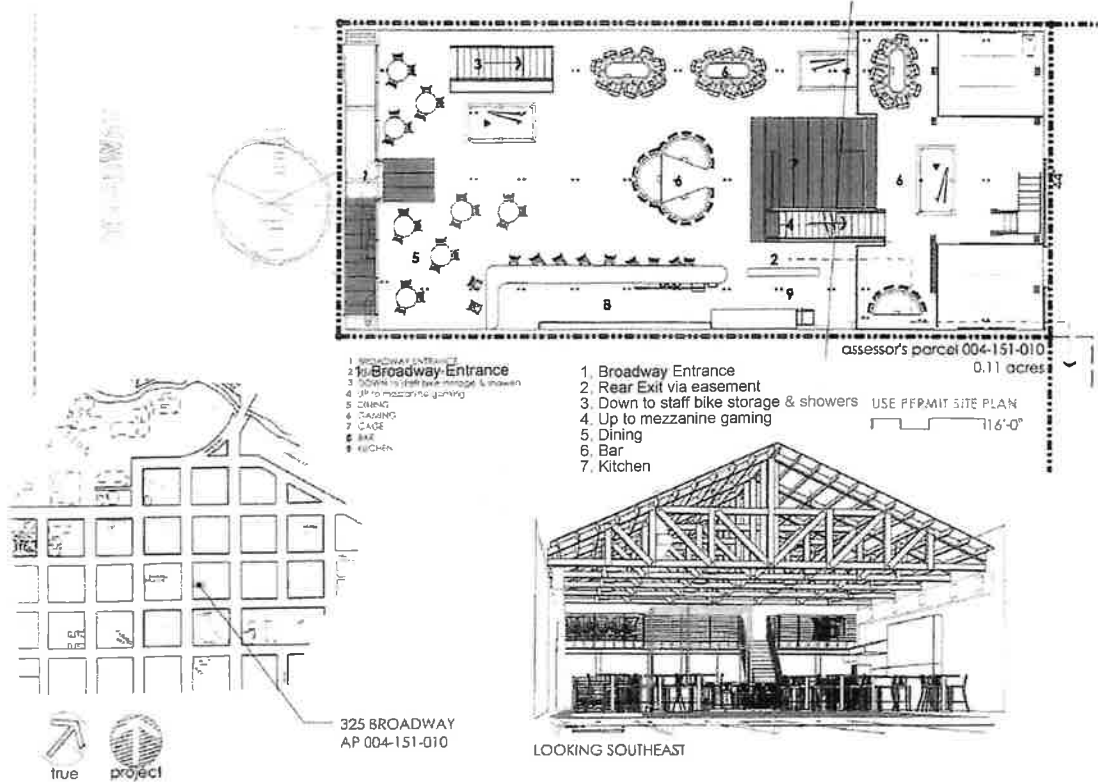


EXHIBIT B
Site Map

USE PERMIT APPLICATION SITE PLAN

CASINO CHICO
325 BROADWAY Chico California

GRIFFITH ARCHITECTS

EXHIBIT C
Schedule of Performance

EVENT	DATE/TIME	ACTUAL DATE
Obtain Use Permit Approval	06/01/2023	Approved 06/01/2023 Effective 06/12/2023 @ 5pm
Obtain building permits if necessary	01/01/2024	
Transfer existing business license to new location	06/01/2024	
Transfer existing City card room permit to new location	06/01/2024	
Transfer existing State card room permit to new location	06/01/2024	
Obtain Development Agreement Approval	01/01/2024	02/06/2024
Obtain Certificate of Occupancy approval	05/01/2024	
Commence card room operations	06/02/2024	




DA 23-01 Casino Chico

Final Audit Report

2024-04-30

Created:	2024-04-30
By:	Stina Cooley (stina.cooley@chicoca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVTa2IjqU9In6GqixEo7Tl_Y3nU91f17Q

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-  Document created by Stina Cooley (stina.cooley@chicoca.gov)
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