

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN  
TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITH A COPY TO:

City of Atascadero  
6500 Palma Avenue  
Atascadero, CA 93422  
Attn: City Clerk

**APN(S): 029-347-020 and -033**

[SPACE ABOVE FOR RECORDER’S USE ONLY]

THE UNDERSIGNED GRANTOR DECLARES:

No fee pursuant to Government Code § 6103  
No Documentary Transfer Tax per R&T Code § 11922  
No Recording Fee per Government Code § 27383

**COVENANTS AND CONDITIONS REGARDING PROPERTY  
AND RIGHT OF REVERTER**

The City of Atascadero, a municipal corporation (the “City”) has agreed to sell real property located in the Downtown Commercial Zone at 5901 East Mall, Atascadero, California, legally described in Exhibit A, attached hereto (the “Property”) to Centennial Plaza Walk LLC, a California limited liability company (“Developer” or “Buyer”), for development as a mixed use project pursuant and subject to the terms of an Agreement for Purchase and Sale dated \_\_\_\_\_, 2025 (“Purchase Agreement”). As an express condition of the sale of the Property, the Property and Developer’s use is subject to the following reservation of covenants and conditions and right of reverter (“Covenants and Conditions”) which shall be binding on Buyer and its successors-in-interest and assigns as covenants running with the land. Capitalized terms used herein and not otherwise defined shall have the meaning given in the Purchase Agreement.

1. No Assignment. Buyer may not assign the Purchase Agreement, or ground lease or convey any portion of or interest in the Property, until Buyer completes the Project described in Exhibit B in compliance with the deadlines in Section 3 below.

2. Use of Property. At all times when these Covenants and Conditions are in effect, the Property may only be used for the planning, development, construction and operation of the Project.

3. Milestones. Developer shall process and pay for Construction Permit approvals for the Project so that they can be issued no later than eighteen (18) months after the Closing Date of Buyer's purchase of the Property.

3.1 After the City's issuance of Construction Permits, the Developer shall complete the Project by the following determined milestone dates/deadlines, as may be extended by Excusable Delays:

- (a) Completion of shell buildings and site improvements: three (3) years from issuance of Construction Permits (subject to extension by the City Manager under the first sentence of Section 3.2 below);
- (b) Payment of development impact fees as to shell building: at final inspection.
- (c) Completion of tenant improvements for units with executed leases or to be used by Developer or affiliate: two (2) years from completion of shell buildings; and

Developer shall provide the City with a more detailed schedule after approval of permits by the City, but such schedule may not extend any of the foregoing deadlines, and which schedule Developer shall follow to the extent they shorten any of the above times (but deadlines still may be extended by Excusable Delays).

3.2 Delays. The City Manager may in good faith grant a reasonable extension of the thirty-six (36) month completion deadline, for cause, provided it is in writing. For purpose hereof, Excusable Delay means a City Delay or a Force Majeure Event, both as defined below. In the event of an Excusable Delay, the Developer shall have an extension of time to perform for the pendency of the Excusable Delay Event, provided the Developer provides the City of written notice of the Excusable Delay within a reasonable period after discovery (not to exceed ten business days), and provided such Excusable Delay tolling shall cease when the Excusable Delay period has ended.

(a) A "City Delay" means any unreasonable delay due to the City's approval process that is beyond Developer's control, including delays due to litigation or appeals of any approvals or moratoriums or similar action pending or threatened against the City that would materially impact or delay the development or construction of the Project or the sales of the residences therein. City Delays do not include failure of Developer to make complete or accurate submissions that comply with applicable law, or delays caused thereby.

(b) A "Force Majeure Event" means an event that materially and directly affects a party's performance and is one or more of the following: (1) weather, earthquake or other natural disaster or event considered an "Act of God" occurring at the Project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the Work); (4) pandemics, epidemics or quarantine restrictions; (5) strikes and other organized labor action occurring with regard to the Project that impacts construction, only to the extent such strikes and other organized labor action

are beyond the control of Developer, and to the extent the effects thereof cannot be avoided by prompt use of replacement workers; and (6) a critical supply shortage for construction supplies due to another Force Majeure Event. For purposes of this section, "orders of governmental authorities," include ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of the City in its capacity as a municipal authority.

4. Other Conditions.

4.1 During construction of the Project and thereafter, Developer shall maintain the City-retained Centennial Plaza lot property for public access, including pedestrian pathways and seating areas and the new buildings shall not impede the existing access.

4.2 Developer agrees to incorporate the Adjacent Property, as defined in the Purchase Agreement, into the Project.

5. Default; Remedies and Right of Reverter.

5.1 The following shall constitute a Developer "Event of Default" (subject to any applicable notice and cure period) and a basis for the City to take action against Developer as provided herein:

(a) Developer constructs improvements not consistent with the Project described in the Exhibit B;

(b) Developer fails to diligently pursue permits for the Project;

(c) (i) Developer fails to obtain permits or diligently complete construction of the Project by the deadlines set forth herein, or (ii) Developer abandons or suspends construction prior to completion of the Project for a period of sixty (60) days.

(d) A Transfer occurs, either voluntarily or involuntarily, in violation of Section 1 hereof;

(e) A court having jurisdiction shall have made or entered any decree or order: (i) adjudging Developer to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking its reorganization of Developer or seeking any arrangement for Developer under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (iii) appointing a receiver, trustee, liquidator, or assignee of Developer in bankruptcy or insolvency or for any of their properties; or (iv) directing the winding up or liquidation of Developer, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period will apply under this subsection (f) as well; or (v) Developer has admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive;

(f) Developer shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period shall apply under this subsection as well) or prior to sooner sale pursuant to such sequestration, attachment, or execution;

(g) Developer shall have been dissolved or shall have voluntarily suspended its business;

(h) There shall occur any default declared by any lender under any loan document related to any loans secured by a deed of trust on the Project after the expiration of all applicable cure periods; or

(i) Developer breaches any other material provision of these Covenants and Conditions.

5.2 Remedies. Upon the happening of an Event of Default in 5.1(b) or 5.1(c)(ii) or 5.1(i), the City shall notify Developer in writing of the Event of Default, and Developer shall have thirty (30) days after delivery of such notice to cure (or, if cure cannot reasonably be accomplished within said thirty (30) days, Developer may commence to cure such breach, failure, or act, within such thirty (30) days and must thereafter diligently prosecute the cure to completion within ninety (90) days after delivery of such notice). If Developer fails to so cure, or if another Event of Default described in Section 9.4.5.1 occurs, then the City shall be afforded all of its rights at law or in equity, and the right to exercise any or all of the following remedies:

(a) Prosecuting an action for damages, or specific performance; and

(b) If the uncured default occurs prior to the issuance of a Certificate of Completion for the improvements, exercising the City's rights under Section 5.3 and Section 5.4 hereof; it being understood that the remedies in Section 5.3 will automatically terminate after the issuance of a Certificate of Completion for the Improvements.

### 5.3 Reversion to City.

(a) In lieu of any other remedies, for a Developer Event of Default prior to issuance of a Certificate of Completion for the Improvements, the City shall have the right to exercise its right of termination (right of reverter) by written notice to Developer, and reenter and take possession of the Property and all improvements completed thereon, and to revest in the City the estate of the Developer for such Property, and Developer shall promptly deliver to City an executed and acknowledged grant deed from Developer to City for the Property. City may enforce such reversion and obligation to deliver a grant deed by an action in specific performance, and may file a lis pendens in connection therewith. From and after the issuance of a Certificate of Completion for the Improvements, the remedies set forth in this Section 5.3 shall no longer be available to the City.

(b) If and when the City re-sells the Property, then upon sale, the proceeds shall be retained by City.

(c) Such right to revert the Property to the City, to the extent provided in the Purchase Agreement, shall be subordinate and subject to and be limited by and shall not defeat, render invalid or limit:

(1) Any approved Security Financing Interest permitted by a written financing plan approved by the City Manager in writing; or

(2) Any rights or interest provided in the Purchase Agreement for the protection of the holder of such Security Financing Interests.

(d) If the City elects to execute its right of reverter under this Section 5.3, then Developer shall promptly deliver to the City, within ten (10) days of City's exercise, copies of all plans and specifications for the Project with written consents from the preparers thereof to City's use and assignment thereof, all permits and approvals obtained in connection with the Project, and all applications for permits and approvals not yet obtained but needed in connection with the Project (collectively, the "Documents"). The delivery of the Documents shall be accompanied by an assignment of Developer's right, title and interest in the Documents; provided however, that any use of the Documents by the City or any other person shall be without liability of any kind to Developer and without any representation or warranty of Developer or its employees as to the quality, validity, or usability of the Documents.

5.4 No Consequential Damages. Notwithstanding anything to the contrary elsewhere in these Covenants and Conditions or provided for under any applicable law, neither City or Developer shall, in any event, be liable to the other party, either in contract, tort or otherwise, for any consequential, incidental, indirect, special or punitive damages from such other person, including loss of future revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the default or alleged breach hereof, whether or not the possibility of such damages has been disclosed to the other party in advance or could have been reasonably foreseen by such other party.

6. Waiver of Terms and Conditions. No waiver of any default or breach by Developer hereunder shall be implied from any omission by the City to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by the City to or of any act by Developer requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under these Covenants and Conditions or the Purchase Agreement nor shall it invalidate any act done pursuant to notice of default, or prejudice the City in the exercise of any

right, power, or remedy hereunder or under the Purchase Agreement, unless in the exercise of any such right, power, or remedy all obligations of Developer to City are paid and discharged in full.

7. Title of Parts and Sections. Any titles of the articles, sections or subsections of these Covenants and Conditions are inserted for convenience of reference only and shall be disregarded in construing or interpreting any part of its provision.

8. Runs with the Land. To the fullest extent permitted by law or equity, the covenants and agreements contained these Covenants and Conditions, without regard to technical classification or designation, legal or otherwise, shall be binding on the Developer's successors and assigns and successors-in-interest and run for the benefit and in favor of and shall be enforceable by the City and its successors and assigns for the entire period during which such covenants shall be in force and effect. In the event of any breach of any of such covenants, the City shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. Only the City, its successors and assigns, and the Developer and the successors and assigns of the Developer in and to all or any part of the fee title to the Property shall have the right to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in these Covenants and Conditions, or to subject the Property to additional covenants, easements, or other restrictions. For purposes of this Section 8, successors and assigns of the Developer means only those parties who hold all or any part of the Property in fee title, and does not include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity holding less than a fee interest in the Property.

9. Notices. All notices, requests, demands, and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized courier service such as Federal Express for overnight delivery, duly addressed to the parties as follows:

To City: City of Atascadero  
6500 Palma Avenue  
Atascadero, CA 93422  
Attn: Community Development Director

To Developer: Centennial Plaza Walk LLC  
626 N. Main Street  
Templeton, CA 93465  
Attn: Colin Weyrick

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

10. Attorneys' Fees. In any action between the City and the owner of the Property seeking enforcement of any of the terms and provisions of these Covenants and Conditions, the prevailing party in such action shall be awarded, in addition to damages, injunctive, or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

11. Third Parties. Nothing contained in these Covenants and Conditions, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this document.

12. Severability. If any one or more of the provisions in these Covenants and Conditions shall be held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this document shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

13. Authority of City Manager. The City Manager may give any and all notices, consents, and terminations hereunder on behalf of the City provided they are in writing. The City Manager may enter into non-substantial amendments of these Covenants and Conditions, provided they are in writing, signed by Developer, and recorded.

14. Due Authorization/Execution. Upon execution hereof, each party shall promptly provide to the other party reasonable evidence of its due authorization of these Covenants and Conditions.

15. Termination. These terms shall remain in place subject to modifications per Section 6 or will lapse on the earlier of reversion of the Property to the City after exercise (and if necessary, enforcement) of its rights under Section 5.3 or on the City's issuance of a recordable Certificate of Completion under the Purchase Agreement.

16. Counterparts. This instrument may be executed in counterpart originals, all of which together when executed, shall be deemed to be one (1) instrument.

17. Time of the Essence. Time is of the essence of every provision hereof in which time is a factor.

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IN WITNESS WHEREOF, the Parties hereto executed these Covenants and Conditions on the date first above written.

**CITY:**

CITY OF ATASCADERO, a California municipal corporation

By: \_\_\_\_\_, Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO LEGAL FORM:

By: \_\_\_\_\_  
David Fleishman, City Attorney

**DEVELOPER OR BUYER:**

CENTENNIAL PLAZA WALK LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



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 the document.

STATE OF CALIFORNIA                    )  
COUNTY OF SAN LUIS OBISPO    )

On \_\_\_\_\_, 2025, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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: \_\_\_\_\_

(affix seal in above space)

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 the document.

STATE OF CALIFORNIA                    )  
COUNTY OF SAN LUIS OBISPO    )

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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: \_\_\_\_\_

(affix seal in above space)

EXHIBIT A  
to Covenants and Conditions

**LEGAL DESCRIPTION OF THE PROPERTY**

REAL PROPERTY IN THE CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 15, 16 AND 17 IN BLOCK "OL" OF ATASCADERO, IN THE CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO AMENDMENT "N" TO MAP OF ATASCADERO RECORDED SEPTEMBER 3, 1925 IN OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS AND OIL IN, UNDER OR UPON SAID LOT 15, AS RESERVED BY OSCAR L. WILLETT, AS TRUSTEE IN DEED RECORDED JULY 6, 1926 IN BOOK 14, PAGE 147 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL STREETS, ROADS AND ALLEYS AS SHOWN ON THE MAP ABOVE REFERRED TO.

**APN: 029-347-020**

LOT 13 IN BLOCK OL OF ATASCADERO COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO AMENDMENT "N" TO MAP OF ATASCADERO RECORDED SEPTEMBER 3, 1925 IN BLOCK 4, PAGE 67 C OF MAPS.

**APN: 029-347-033**

**EXHIBIT B**  
To Covenants and Conditions

**PROJECT**

**Project Design:** The development project consistent with the conceptual development plans reviewed and approved by the City of Atascadero Design Review Committee on December 12, 2024, subject to those amendments reviewed and approved by the City through any subsequent review process. All development on the Property shall comply with the applicable zoning regulations and design standards established by the City, as defined by the Planned Development Overlay (PD). The Project may be developed in one or more phases with the complete project generally described as:

The Project consists of two buildings, connected by bridges spanning over a public City-owned plaza, connecting event spaces. Total Building Area upon completion of the building on Property and also the building on the Adjacent Property shall be approximately 33,990 square feet, including:

- Above grade deck and circulation spaces: 13,720 sq. ft commercial space on ground floor and approximately 10,353 sq. ft. on second floor, with approximately 9,917 sq. ft on third floor.
- Project to include residential uses, currently consisting of 3 studio apartments, 1-one bedroom apartment and 5-two-bedroom units; however, the number of bedrooms per unit may change during review and design process.

Commercial Area on the ground floor shall include space for a restaurant, a planned distillery or similar type of hospitality use (eating/gathering establishment) and mercantile shops/offices.

The Second floor to include a planned indoor event space with exterior deck, with secondary gathering or bar/event area tied to the restaurant use on the first floor, and will include residential units, with airspace pathway expanding over the airspace of the City's Centennial Plaza pathway from East Mall to Centennial Plaza.

The Third floor will be limited to residential units, including exterior decks.

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