



EL DORADO HILLS
COMMUNITY SERVICES DISTRICT
Established: May 21, 1962

Virtual Participation¹:
<https://us02web.zoom.us/j/83460928141>

Meeting ID:
834 6092 8141

Call-in Option:
1 (669) 900-6833

Board of Directors
Special Meeting Agenda²
Monday, November 20, 2023 | 5:30 p.m.

Hybrid
1021 Harvard Way, El Dorado Hills, CA 95762 - Pavilion

Noelle Mattock, President
Benjamin L. Paulsen, Vice President **Michael Martinelli, Director**
Heidi Hannaman, Director **Steven J. Ferry, Director**

Mission Statement

"Enhance the quality of life for the El Dorado Hills community through innovative, responsible leadership, and by providing superior services and facilities."

CALL TO ORDER

- Roll Call
- Pledge of Allegiance
- Moment of Silence to honor Service Members
 - Military, Law Enforcement, Fire, Emergency Personnel
- Adoption of Agenda³

GENERAL PUBLIC COMMENT⁴

GENERAL BUSINESS

1. Consider Options - Regarding Carson Creek LLAD #39 Initiative (D. Tyra)
2. Review and Consider - Preservation, Purchase, and Sale of the Old Executive Golf Course (K. Loewen)

ADJOURNMENT

The next regularly scheduled meeting of the El Dorado Hills Community Services District Board of Directors is **Thursday, December 14, 2023 at 5:30 p.m.**, in the Norm Rowett Pavilion located at 1021 Harvard Way, El Dorado Hills, California

This agenda and packet items are available online at the EDHCSO website:
https://www.eldoradohillscsd.org/about/csd_board/board_of_directors_meeting_packets.php

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at (916) 933-6624 or mail@edhcsd.org. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.

PUBLIC MEETING CONDUCT

Board Meeting Conduct is outlined in District Policy 5030, which can be found on our website: [EDHCS D Board Policies](#).

Virtual Public Participation in District Board Meetings is currently offered and stated on page one (1) of this Agenda. *Please note you will not be able to join the meeting until the posted start time.*

If you choose not to observe the Board of Directors meeting but wish to make a comment on a specific agenda item, please submit your comment via email to the Clerk of the Board. You will receive receipt of your comment(s), which are forwarded to the Board of Directors, and notation will be placed into the minutes of the meeting. The Clerk of the Board is here to assist you, please call (916) 614-3212 if you need any assistance with directions to access the meeting.

PROTOCOLS FOR PUBLIC COMMENT

Time for public comment will be provided at every meeting and will only be received at designated periods as called by the Board President or otherwise outlined on this agenda.

Individuals have three (3) minutes to address the Board with an overall time allotment of 20 minutes per topic.

Except with the consent of the Board President, individuals shall be allowed to speak to an item only once.

Individuals participating on-site will be provided the opportunity to address the Board of Directors first, and then any virtual participants will be called upon.

Individual Board members may ask clarifying questions but will not engage in substantive dialogue with persons providing input to the Board.

If any person(s) providing comments to the Board of Directors creates a disruption to the meeting by refusing to follow guidelines, the Board President may take the following actions:

- Step 1 - Request the person(s) adhere to Board Meeting guidelines. If the person refuses, the President may have the speaker's microphone turned off.
- Step 2 - If the disruption continues, the President may order a recess of the Board meeting.
- Step 3 - If the disruption continues, the President may order the removal of the person from the Board meeting.

AGENDA FOOT NOTES

1. **Virtual Participation:** *All participants are entered into the meeting with disabled video/audio and will remain this way through the duration of the meeting to allow for viewing/listening purposes only, unless providing Public Comment (see foot note 4). Please note: You will find recordings of Regular and Special meetings on the District's website within 72 hours of the meeting closure. Committee Meetings are not recorded.*
2. **Public Records:** *Any writing that is a public record and is distributed to all, or a majority, of the Board of Directors may be available for public inspection by submitting a Public Records Request. Any records distributed during a meeting of the Board of Directors shall be made available to review at the meeting only, such items are not entered into District record. For purposes of the Brown Act §54954.2(a), the numbered items on this Agenda give a brief description of each item of business to be transacted or discussed. Recommendations of District staff, as shown in a report, do not prevent the Board from taking other action.*
3. **Adoption of Agenda:** *This agenda may be amended up to 72 hours (5:30 p.m. Monday) prior to the meeting being held. An AGENDA in FINAL FORM is located in the kiosk in front of the District Office. Additionally, a copy of the FINAL AGENDA is available on the District's website at www.edhcsd.org.*
4. **Public Comments:** *At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board, provided that NO action may be taken on items not on the agenda unless authorized by law. Board Directors will not engage in debate on items during this time. Individuals will have three (3) minutes to address the Board with an overall time allotment of 20 minutes per topic. Individuals participating on-site will be provided the opportunity to address the Board of Directors first, then any virtual participants will be called upon.*
5. **Consent Calendar:** *All matters on the Consent Calendar are to be approved by one motion unless a Board member requests separate action on a specific item. Members of the audience who wish to address any item on the Consent Calendar should do so before Board action is taken.*



EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

To: Board of Directors
From: David W. Tyra, Legal Counsel
Meeting Date: November 20, 2023
Report Date: November 09, 2023 (Updated November 15, 2023)
Subject: **Initiative for Carson Creek LLAD #39**

Background:

On or about October 31, 2023, the District received notification from the El Dorado County Registrar that it had certified an initiative petition circulated by residents of Carson Creek LLAD # 39 pursuant to Elections Code 9309, subdivision (f). (See Exhibit A - County Registrar's Certification of Initiative Petition.). The proposed initiative is attached to this report as Exhibit B.¹

This report addresses the Board's options in responding to the certified petition and proposed initiative.

Discussion:

A. Elections Code section 9310.

Pursuant to Elections Code section 9310, when an initiative petition has been signed by the requisite number of voters within the District, and has been certified as such by the County Registrar, the Board has two options:

1. It may adopt the ordinance [the initiative], without alteration, either at the regular meeting at which the certification of the petition is presented [i.e., the meeting on November 09, 2023], or within 10 days after it is presented, or
2. Submit the ordinance [the initiative], without alteration, to the voters pursuant to Elections Code section 1405.²

1 The Carson Creek LLAD # 39 initiative petition is nearly identical to another initiative petition being circulated by residents in Promontory LLAD # 22. The District confirmed with the County Registrar that as of Thursday, November 2, 2023, that petition had not been certified.

2 Elections Code section 1405 provides that the election for a district initiative that qualifies pursuant to Section 9310 shall be held at the jurisdiction's next regular election occurring not less than 88 days after the date of the order of election.

B. Analysis of the Carson Creek LLAD # 39 Initiative.

The proposed initiative consists of three paragraphs. The first two paragraphs provide background information. The final paragraph is the operative paragraph of the initiative and reads in its entirety as follows:

The EDHCSD levies an annual assessment within the Assessment District for the stated purpose of providing funding for “the maintenance, installation, and operation of improvements for a new village park, Carson Creek Park, within the Assessment District.” This initiative measure seeks to repeal that assessment and order a refund of any monies collected pursuant to that assessment. It further seeks to require that the EDHCSD obtain voter approval “as prescribed by law” before levying any subsequent assessments within the Assessment District.

As drafted, there are several aspects of the initiative that render it potentially vulnerable to legal challenges. These potential legal challenges include, but are not necessarily limited to, the following:

1. As drafted, the initiative potentially violates Proposition 218.

Proposition 218 was approved and adopted by California voters at the general election of November 5, 1996. It added articles XIII C and XIII D to the California Constitution. Among other things, Proposition 218 established both procedural and substantive requirements for imposing assessments on real property.

In *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205 (“*Bighorn*”), the California Supreme Court considered the issue of whether section 3 of article XIII C of the California Constitution, which provides that “the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge,” granted local voters authority to adopt an initiative measure that, among other things, would reduce a local public water district’s charges for delivering domestic water to existing customers and that also would require voter preapproval for any future increase in those charges or for the imposition of any new charge. With respect to the portion of the initiative requiring voter approval for future increases in charges for domestic water deliveries, the Court held that part of the initiative violated section 3 of article XIII C. The Court found that the text of section 3 of article XIII C supported the conclusion that the initiative power granted by that section extends only to “reducing or repealing” taxes, assessments, fees, and charges but did not authorize initiative measures imposing voter-approval requirements on future taxes, assessments, fees, or charges. (See *Bighorn, supra*, 39 Cal.4th at 218.)

Based on the California Supreme Court’s holding in *Bighorn*, the language in the Carson Creek LLAD Initiative that “seeks to require that the EDHCSD obtain voter approval ‘as prescribed by law’ before levying any subsequent assessments within the Assessment District” would appear to violate section 3 of article XIII C of the California Constitution.

2. As drafted, the initiative is potentially impermissibly vague.

An initiative is impermissibly and unconstitutionally vague when application of the initiative is uncertain in all of its aspects. (*Evangelatos v. Superior Court* (1988) 44 Cal.3d 1188, 1201; *Citizens for Jobs and the Economy v. County of Orange* (2002) 94 Cal.App.4th 1311, 1334-35.)

Here, the operative paragraph of the initiative as quoted above opens with the statement that the EDHCSD levies “*an annual assessment* within the Assessment District...” (Emphasis added.) The paragraph goes on to state the initiative “seeks to repeal *that assessment* and order a refund of any monies collected pursuant to *that assessment*.” (Emphasis added.) The initiative fails to identify with any specificity what assessment it addresses: a particular fiscal years’ assessment? If so, what fiscal year? Alternatively, does the initiative seek to repeal any (and all) assessments within the Assessment District? If so, this raises other issues discussed below. In any event, the language of the initiative fails to specify with any requisite degree of certainty the assessments to which it applies and, therefore, may be impermissibly and unconstitutionally vague.

3. As drafted, the initiative may seek relief beyond the applicable limitations period.

There are two default statutes of limitations applicable to actions challenging taxes, assessments, fees, and charges: the Government Claims Act, which imposes the equivalent of a one-year limitations period for actions seeking a refund of a tax, assessment, fee, or charge (Gov. Code, § 911.2); and Code of Civil Procedure section 338(a), which imposes a three-year limitations period for actions in which no refund is sought.

Here, the initiative seeks a refund of assessments levied within the Assessment District. Given the ambiguity in the wording of the initiative as discussed in the preceding section, the initiative could be interpreted as seeking refund of any and all assessments levied in the Assessment District since its inception. As noted in the opening paragraph of the initiative, the Assessment District was formed in 2015. Accordingly, if the intent of the initiative is, in fact, to obtain a refund of all assessments levied since inception of the Assessment District, the initiative may seek recovery of assessments outside the applicable limitations period.

4. As drafted, the initiative may impermissibly impair essential governmental functions.

Finally, courts have held that an initiative may not interfere with essential governmental functions. (See *City of Atascadero v. Daly* (1982) 135 Cal.App.3d 466, 470.) Here, if the initiative is interpreted as eliminating all funding for the Assessment District, including the ability to establish assessments without prior voter approval, essential functions such as maintaining, operating, and improving assets within the Assessment District may be irreparably impaired.

C. Optional Responses In Light of Potential Deficiencies in Carson Creek Initiative.

In light of the potential deficiencies in the Carson Creek LLAD Initiative as discussed above, the Board has options beyond strict compliance with the requirements of Elections Code 9310. These options include the following:

1. **Refuse to place the initiative on the ballot.** The Board could refuse to place the initiative on the ballot in light of the several potential deficiencies. (*Citizens for Responsible Behavior v. Superior Court* (1991) 1 Cal.App.4th 1013, 1020.
2. **Place the measure on the ballot and authorize a pre-election legal challenge to the initiative.** (*California Cannabis Coalition v. City of Upland* (2017) 3 Cal.5th 924, 948.
3. **Place the measure on the ballot and authorize a post-election legal challenge to the initiative if passed.** (*City of Burbank v. Burbank-Glendale-Pasadena Airport Authority* (2003) 113 Cal.App.4th 465.)

Summary of Optional Responses:

To summarize, the Board's options in responding to the Carson Creek LLAD Initiative are as follows:

- Adopt the initiative without change.
- Place the initiative on the ballot and authorize a pre-election legal action challenging the initiative.
- Place the initiative on the ballot and authorize a post-election legal action challenging the initiative if passed.
- Refuse to either adopt the initiative or place the measure on the ballot in light of potential legal infirmities with the initiative.
- Place the initiative on the ballot by submitting the ordinance [the initiative], without alteration, to the voters pursuant to Elections Code section 1405, and take no additional actions toward authorizing a legal action challenge to the initiative.

Fiscal Impact:

Should the District not have any other items being placed on the ballot, such as for Board Director elections or a bond measure, then this item will be the cost burden of the District and not of the initiative petitioners. That cost amount is determined by the County and is unknown at this time.

Update Following the Board Meeting of November 09, 2023:

Following the Board Meeting of November 9, 2023, multiple efforts were made to schedule a meeting or discussion with one of the proponents of the Carson Creek LLAD # 39 Initiative, Bob Williams. These efforts consisted of approximately half dozen emails to Mr. Williams and/or his counsel in the Heritage Park litigation, James Brunello, requesting a meeting or telephone call to discuss the initiative. Ultimately, Mr. Williams declined to participate in such a conversation, instead sending the email attached as Exhibit C. Mr. Williams advocates in his email that the Board authorize the initiative to be placed on the November 2024 ballot in accordance with Elections

Code section 9310 without reaching agreement on the final ballot language for the initiative. Mr. Williams suggests that the final ballot language can be negotiated and that a Board Resolution can follow consistent with the County Election Office's July 2024 deadline for such a Resolution. Accordingly, there is no final ballot language proposed at this time. Based on the information with which I have been provided, I am unable to draft ballot language I can recommend to the Board at this time.

Attachments:

- A. Certification of Carson Creek LLAD Initiative Petition.
- B. An Initiative Measure to Repeal and Refund the Carson Creek Park Landscaping and Lighting Assessment District # 39 Special Assessment.
- C. Email from Bob Williams dated November 14, 2023.
- D. Initiative Measure to be Submitted Directly to the Voters as prepared by the initiative proponents.

COUNTY OF EL DORADO

REGISTRAR OF VOTERS

Bill O'Neill



PO Box 678001
Placerville CA 95667
3883 Ponderosa Rd
Shingle Springs CA 95682
www.edcgov.us/elections/

Phone: 530.621.7480 Fax: 530.677.1014
Linda Webster - Assistant Registrar of Voters

I, Bill O'Neill, Registrar of Voters, for the County of El Dorado, State of California, do hereby certify that:

1. An initiative petition entitled AN INITIATIVE MEASURE TO REPEAL AND REFUND THE CARSON CREEK PARK LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT #39 SPECIAL ASSESSMENT was delivered to the Office of the Registrar of Voters on October 5, 2023 for signature verification; and

2. The petition contained 29 sections and 212 unverified signatures; and

3. Pursuant to State Constitution Article XIII C Section 3 and Article II Section 8, in order to be sufficient, for the jurisdiction's next regular election, the petition must have been signed by 60 qualified registered voters of the Carson Creek Park Landscaping and Lighting Assessment District #39, that number being equal to five percent (5%) of votes cast in the last gubernatorial election in the district; and

4. I have examined or caused to be examined, signatures on the petition pursuant to Elections Code 9308, by numbering each signature on the petition and completing a full check. Based on the full check prescribed by section 9308, it was determined that 182 of the 212 signatures were valid, and

5. That pursuant to Elections Code 9308(e), the initiative petition was found to be sufficient, and the results are hereby certified.

Witness my hand and official seal.

This 31st day of October 2023

A handwritten signature in blue ink, appearing to read "Bill O'Neill", is written over a horizontal line.

BILL O'NEILL

Registrar of Voters

**AN INITIATIVE MEASURE TO REPEAL AND REFUND THE CARSON CREEK
PARK LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT #39 SPECIAL
ASSESSMENT**

The Carson Creek Park Landscaping and Lighting Assessment District #39 (the “Assessment District”) was formed in 2015 by the El Dorado Hills Community Services District (“EDHCSD”) pursuant to the Landscaping and Lighting Act of 1972 (Streets & Highways Code, § 22500 et seq.).

Districts such as the Assessment District are authorized to levy assessments subject to compliance with the Landscaping and Lighting Act of 1972 and California Constitution Article XIID (commonly referred to as Proposition 218). An assessment differs from a tax in that a tax may be imposed without reference to peculiar benefits to particular individuals or property or without regard to whether the person or property subject to the tax received any particular benefit from the tax. An assessment, however, can be imposed only for a “special benefit” conferred on the real property assessed, and must be in proportion to, and not greater than, the special benefit conferred on the property assessed. Additionally, California Constitution Article XIIC, Section 3, states, “Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.”

The EDHCSD levies an annual assessment within the Assessment District for the stated purpose of providing funding for “the maintenance, installation, and operation of improvements for a new village park, Carson Creek Park, within the Assessment District.” This initiative measure seeks to repeal that assessment and order a refund of any monies collected pursuant to that assessment. It further seeks to require that the EDHCSD obtain voter approval “as prescribed by law” before levying any subsequent assessments within the Assessment District.



From: Robert Williams <bobw1800@gmail.com>
Sent: Tuesday, November 14, 2023 7:55 AM
To: Tyra, David W.
Cc: Noelle Mattock; Ben Paulsen; Kevin Loewen; Michael Martinelli; Stephen Ferry; Heidi Hannaman
Subject: Re: FW: Bob Williams
Attachments: Petition Sept 2023.pdf; 2 Public notice 9 2023.pdf

Mr. Tyra,

I acknowledge your email establishing a noon deadline for me to call you. I have a scheduled medical procedure this morning and do not have sufficient time to consult with the other petitioners before that time. However, in the spirit of cooperation, I offer the following thoughts.

You have indicated receipt from the Registrar of Voters of the Letter of Notice to Circulate Petition and the EDC General Counsel's official title and impartial opinion. I have attached a copy of the full petition and the published public notice if you do not possess these documents.

At the November 20, 2023, EDHCSD Special Meeting, you are well aware of the Election Code 9310 requirement to either (1) adopt the initiative or (2) submit it to the voters. Assuming the first option will be discounted, the Board must only pass a motion to submit the Carson Creek LLAD #39 ballot initiative to the voters on November 5, 2024.

Before the next general election in November 2024, you are familiar with the requirement to submit the *unaltered* language to appear on the ballot. As that time comes near, I am sure the petitioners will be open to working with EDHCSD to finalize the language. I will also be pleased to introduce you to the legal counsel of the Howard Jarvis Taxpayers Association (authors of Prop 218), who helped craft the Carson Creek LLAD #39 ballot initiative together with a leading elections law firm.

As we move into next year, there will be time for representatives of the EDHCSD Board and the five petitioners to discuss non-adversarial options. Alternatively, EDHCSD retains the right to seek a Writ of Mandamus or other judicial remedies.

In the interest of transparency, I am forwarding a copy of this email to the EDHCSD Board and other impacted persons in a public response.

I remain hopeful that compliance with Election Code 9310 will progress appropriately.

Regards,

Bob

Robert Williams, petitioner

On Mon, Nov 13, 2023 at 9:39 PM Tyra, David W. <dtyra@kmtg.com> wrote:

Mr. Williams:

In light of Mr. Brunello's email below, I am prepared to speak with you. Our conversation needs to take place before noon tomorrow as I will be unavailable after that time due to travel commitments. I need to work out with, if possible, proposed ballot language for the initiative to include in a draft Resolution for the Board's consideration. Based on the information I currently have – both in the form of Notice of Intent and the County Counsel's summary – I lack sufficient information on which to draft a legally defensible ballot initiative.

I am available at any of the numbers below until noon tomorrow. Please feel free to call me at your convenience.

Thank you.



David W. Tyra | Shareholder
Kronick Moskowitz Tiedemann & Girard | kmtg.com
direct: +1 916 321 4594 | mobile: +1 916 606 6723

CONFIDENTIALITY: This communication may contain confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please do not print, copy, retransmit, disseminate, or otherwise use the information. Also, please indicate to the sender that you have received this email in error, and delete the copy you received.

From: Jim Brunello <jlb87@aol.com>
Sent: Monday, November 13, 2023 4:22 PM
To: Tyra, David W. <dtyra@kmtg.com>; brunellolawoffice@yahoo.com; jlb87@aol.com
Subject: Re: Bob Williams

David,

I received your emails Friday and this morning. You correctly note that I do not represent the Heritage residents or Mr. Williams in connection with the initiative measure.

I forwarded both your emails to Mr. Williams, leaving to his discretion to determine if a meeting would be appropriate. If he concludes it would be useful, I expect he will contact you directly.

Best regards,

Jim

In a message dated 11/13/2023 9:07:00 AM Pacific Standard Time, dtyra@kmtg.com writes:

Jim:

Following up on the email below. If the EDHCSD Board is going to take this matter up at the special meeting called for 11/20, then I need to draft a Board Resolution containing the proposed ballot language for the initiative. As of now, I do not have sufficient information on which to draft such a Resolution. The Resolution needs to be completed by tomorrow evening so it can be included in the Board packet on Wednesday. My schedule is complicated this week in that I am out of the office starting tomorrow and for the remainder of the week due to the fact that I have three separate speaking engagements at a week-long statewide conference being held in Monterey. I can draft the Resolution Tuesday evening, but I need to have the discussion with Mr. Williams today if this is going to happen.

Please advise at your earliest.

Thank you.

David W. Tyra | Shareholder
Kronick Moskowitz Tiedemann & Girard | kmtg.com
direct: +1 916 321 4594 | mobile: +1 916 606 6723

CONFIDENTIALITY: This communication may contain confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please do not print, copy, retransmit, disseminate, or otherwise use the information. Also, please indicate to the sender that you have received this email in error, and delete the copy you received.

From: Tyra, David W.
Sent: Friday, November 10, 2023 11:52 AM
To: James L. Brunello (jlb87@aol.com) <jlb87@aol.com>
Cc: bobw1800@gmail.com
Subject: Bob Williams

Jim:

I hope this email finds you well.

Last night at the EDHCSD Board meeting, there was discussion of an initiative that residents of Carson Creek LLAD # 39 are seeking to qualify for the November 2024 ballot. There are various issues that need to be addressed in terms of the proper subject matter and wording of the initiative and it was suggested during the meeting that I work directly with Mr. Williams, who is one of the principal proponents of the initiative, on those issues.

Because Mr. Williams also is a principal in the Concerned Residents entity, I do not feel I can meet with him directly without your consent so I am writing to ask if you will agree to allow me to discuss with Mr. Williams issues relating to the initiative. That discussion will in no way involve matters relating to the Concerned Residents litigation.

I appreciate you considering this request. Thank you.

David W. Tyra
Shareholder

1331 Garden Highway | 2nd Floor | Sacramento, CA 95833

+1 916 321 4500 | T
+1 916 321 4594 | D
+1 916 606 6723 | M

kmtg.com | [vCard](#) | [map](#) | dtyra@kmtg.com

CONFIDENTIALITY: This communication may contain confidential information. If you are not the intended recipient, or believe that you have received this communication in error, please do not print, copy, retransmit, disseminate, or otherwise use the information. Also, please indicate to the sender that you have received this email in error, and delete the copy you received.

Initiative Measure to be Submitted Directly to the Voters

The County Counsel of El Dorado County, California has prepared the following circulating title and summary of the chief purposes and points of the proposed measure:

AN INITIATIVE MEASURE TO REPEAL AND REFUND THE CARSON CREEK PARK LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT #39 SPECIAL ASSESSMENT

The Carson Creek Park Landscaping and Lighting Assessment District #39 (the "Assessment District") was formed in 2015 by the El Dorado Hills Community Services District ("EDHCSD") pursuant to the Landscaping and Lighting Act of 1972 (Streets & Highways Code, §22500 et seq.).

Districts such as the Assessment District are authorized to levy assessments subject to compliance with the Landscaping and Lighting Act of 1972 and California Constitution Article XIID (commonly referred to as Proposition 218). An assessment differs from a tax in that a tax may be imposed without reference to peculiar benefits to particular individuals or property or without regard to whether the person or property subject to the tax received any particular benefit from the tax. An assessment, however, can be imposed only for a "special benefit" conferred on the real property assessed, and must be in proportion to, and not greater than, the special benefit conferred on the property assessed. Additionally, California Constitution Article XIIC, Section 3, states, "Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge."

The EDHCSD levies an annual assessment within the Assessment District for the stated purpose of providing funding for "the maintenance, installation, and operation of improvements for a new village park, Carson Creek Park, within the Assessment District." This initiative measure seeks to repeal that assessment and order a refund of any monies collected pursuant to that assessment. It further seeks to require that the EDHCSD obtain voter approval "as prescribed by law" before levying any subsequent assessments within the Assessment District.

To the Elections Office El Dorado County

We, the undersigned, registered qualified voters of the California, El Dorado County, LLAD District #39, hereby propose the amendments to El Dorado Hills Community Services District LLAD District #39 code relating to Special Assessment and petition El Dorado Hills Community Services to submit the same to the voters of LLAD #39 for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to the general election or as otherwise provided by law. The proposed statutory amends read as follows:

REPEAL OF EDHCSD LLAD #39 SPECIAL ASSESSMENT AND REFUND LEVIED TAXES.

EDHCSD has not provided objective, qualitative or compelling evidence that "special benefit over and above" general benefit was conveyed on LLAD #39 property owners.

THE PEOPLE OF EDHCSD LLAD #39 DO ORDAIN THE FOLLOWING: Repeal EDHCSD LLAD #39 Special Assessment and Refund levied taxes.

IMPLEMENTATION: (a) This measure applies to only property owners subject to Special Assessment LLAD #39 tax; (b) Provisions of this measure shall take effect upon the certification of the election results; (c) no subsequent assessments shall be rendered without approval by vote as prescribed by statute of property owners subject to LLAD #39 Special Assessment; and (d) If any

provision of this measure is for any reason held to be invalid, the remaining provisions shall remain in full force and effect.

We the undersigned declare under penalty of perjury to be a citizen of El Dorado County, State of California and hereby submit the Notice of Intention to Circulate Petitions to Repeal of EDHCS D LLAD #39 Special Assessment and Refund Levied Assessment Taxes: Bonnie Bergner, LeeAnn Faucett, George Steed, George Robert Williams, Sue Williams [Addresses and signatures are on file with the El Dorado Elections Office Registrar of Voters]

The County Counsel of El Dorado County, California has prepared the following circulating title and summary of the chief purposes and points of the proposed measure:

AN INITIATIVE MEASURE TO REPEAL AND REFUND THE CARSON CREEK PARK LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT #39 SPECIAL ASSESSMENT

The Carson Creek Park Landscaping and Lighting Assessment District #39 (the "Assessment District") was formed in 2015 by the El Dorado Hills Community Services District ("EDHCSD") pursuant to the Landscaping and Lighting Act of 1972 (Streets & Highways Code, §22500 et seq.).

Districts such as the Assessment District are authorized to levy assessments subject to compliance with the Landscaping and Lighting Act of 1972 and California Constitution Article XIII D (commonly referred to as Proposition 218). An assessment differs from a tax in that a tax may be imposed without reference to peculiar benefits to particular individuals or property or without regard to whether the person or property subject to the tax received any particular benefit from the tax. An assessment, however, can be imposed only for a "special benefit" conferred on the real property assessed, and must be in proportion to, and not greater than, the special benefit conferred on the property assessed.

Additionally, California Constitution Article XIII C, Section 3, states, "Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge."

The EDHCSD levies an annual assessment within the Assessment District for the stated purpose of providing funding for "the maintenance, installation, and operation of improvements for a new village park, Carson Creek Park, within the Assessment District." This initiative measure seeks to repeal that assessment and order a refund of any monies collected pursuant to that assessment. It further seeks to require that the EDHCSD obtain voter approval "as prescribed by law" before levying any subsequent assessments within the Assessment District.

NOTICE TO THE PUBLIC

THIS PETITION MAY BE CIRCULATED BY PAID SIGNATURE GATHER OR A VOLUNTEER. YOU HAVE THE RIGHT TO ASK. THE PROPONENTS OF THE PROPOSED INITIATIVE MEASURE HAVE THE RIGHT TO WITHDRAW THIS PETITION AT ANY TIME BEFORE THE MEASURE QUALIFIES FOR THE BALLOT.

REGISTERED VOTERS ONLY

1.	Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____
2.	Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____

REGISTERED VOTERS ONLY

	3. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	4. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	5. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	6. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	7. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	8. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	
	9. Print Your Name: _____ Sign As Registered To Vote: _____	Residence Address ONLY: _____ City: _____ Zip: _____	

DECLARATION OF CIRCULATOR

I, _____, am 18 years of age or older. My residence address is

(address, city, state, zip) I circulated

this section of the petition and witnessed each of the appended signatures being written. Each signature on this petition

is, to the best of my information and belief, the genuine signature of the person whose name it purports to be. All

signatures on this document were obtained between the dates of _____ and _____, (month, day, year) (month, day, year) I

certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, _____, at _____.
(month and day) (year) (place of signing)

(complete signature indicating full name of circulator)



EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

To: Board of Directors
From: Kevin A. Loewen, General Manager
Meeting Date: November 20, 2023
Report Date: November 10, 2023
Subject: **Preservation, Purchase, and Sale of the Old Executive Golf Course**

Recommended Action:

- A) Consider Purchase, Sale, and Subsequent Option Agreement of the Old Executive Golf Course Property; and
- B) Approve Agreement and direct staff to process necessary land acquisition actions to effectuate the Agreement; and
- C) Direct staff to return to the Board with financing options for the initial purchase of land included in the Agreement; and
- D) Direct staff to return to the Board with local funding source options, including a publicly funded bond measure, to further explore acquisition of the “Option Property”.

Background:

The Old Executive Golf Course has been at the center of a longstanding struggle, with the community of El Dorado Hills in opposition of the land being rezoned and developed into several hundred homes. This Community Services District has been one of the driving forces to channel the voice of the community to preserve the Old Executive Golf Course current zoning and permitted uses as recreational facilities. To provide greater context, the District crafted a partial historical summary of the Old Executive Golf Course, which was published in its 2022 Special Edition 60th Anniversary Community Guide. It will benefit all interested parties to have that publication material provided here. Please refer to the attachment, which are the pages of the Special Edition story on this topic.

Since the publishing of that article, there have been a number of meetings and discussions related to this project - the preservation of the Old Executive Golf Course. Rather than a play-by-play of how everything transpired to where we are today, this staff report is intended to focus on the opportunity and decision at-hand. The tentative agreement reached with Serrano Associates LLC,

the owner of the Old Executive Golf Course, is attached to this report and is before the Board at this special meeting for review and approval. That tentative deal would, among other things:

- ✓ Secure fifty-five (55) acres of the Old Executive Golf Course through the purchase of that acreage by the District for \$10,000,000. Approximately forty (40) of those acres are comprised of the northerly portion of the golf course (i.e., north of Serrano Parkway), and the remaining approximate fifteen (15) are comprised of the property just south of Serrano Parkway, inclusive of the old Club House, parking lot, and tunnel under the parkway. Note that 3 acres of land near the Fire Department is reserved by the owner.
- ✓ Preserve the current zoning of the remainder of the Old Executive Golf Course in perpetuity, this being forty-one and a half (41.5) acres of land.
- ✓ Afford the District and Community eighteen (18) months to obtain funding/financing to purchase the remainder portion of the Old Executive Golf Course.
- ✓ Receipt of an additional eleven (11) acres donation from the owner; land that is contiguous to the CSD's Archery Range, and removal of the reversionary clause tied to the Archery Range.

Discussion:

Land in El Dorado Hills is often at a premium price point, and this land is no different. When the District considered condemnation proceedings of the Old Executive Golf Course in 2014-15, the fair market value at the highest and best use approach was appraised at \$24,000,000. To break it down more clearly, that is approximately \$240,000 per acre, considering the overall property is approximately ninety-eight (98) acres. Certainly, the value of the property under the highest and best use scenario has escalated in the nine (9) years since that appraisal.

Taking the valuation under the lens of it being developed - i.e., *highest and best use* - is not unreasonable, as the property has had a rezone and development application in process for many years. All readers of this staff report should take note that the property owner is agreeable to this purchase and sale agreement, however, they must continue through their original path for the rezone project application. This means that concurrent paths will be taken: a purchase and sale agreement of the Old Executive Golf Course, and the owner's application for rezone and development. In the event that the CSD Board of Directors do not agree to this purchase, and if the owner's current application for a rezone and development is denied, this does not preclude an application to be made for rezoning and development sometime in the future, when the political and public climate affords a successful effort.

Considering the value of the land in its current state, is difficult to quantify, as it requires taking into account other factors, such as its history and centerpiece of the earlier years of this community; the sentimental and nostalgic value from which so many memories have been made; and, the scenic and environmental resource of its open space and recreational facility abilities. Additional considerations for valuation should include the time, energy, and resources which have been put forth by the community toward preservation of the land, as well as the same which would be put forth in the future if the land is not preserved now.

The cost for the package of items of this agreement is \$10,000,000. This dollar amount will purchase sixty-six (66) acres, comprised of fifty-five (55) acres of the Old Executive Golf Course and the donation of eleven (11) acres abutting the Archery Range, extending towards Wilson Blvd. Along with that additional acreage is removal of the reversionary clause attached to the Archery Range, thus never making that land available for reversion to the developer. The purchase also includes an in-perpetuity current zoning & use of the Old Executive Golf Course property that is not purchased and affords an opportunity for purchasing that land at a per-acre cost of \$240,000. The agreement outlines many other specifics, such as timing, escrow, deposit, and closing. The Board Directors have each been provided time for review and inspection of the draft agreement prior to it coming before the public now as Attachment B to this report.

Should the Board of Directors approve and enter into the agreement, this would effectively resolve a longstanding allocation of resources toward challenging the rezoning effort, and effectively put to rest a major point of interest and contention in the community for over a decade. The District has worked diligently to operate efficiently and to deposit savings into an account, which would be utilized for purchasing of property - this property. As such, those savings efforts will afford the District the capital for this acquisition, yet the additional property purchase will require resources from either private parties or the public at-large. In terms of *private parties*, there could be charitable donors, or even the possibility of a major public-private partnership that entails utilization of the land as a community-enhancing recreational facility. Yet, there are no such donors or partnerships at this time that would effectuate the purchase of the "option" property. With that in mind, the Board of Directors are advised to also initiate the exploration necessary for a publicly funded bond measure.

Master Plan Recommendations:

As you will see, there are many sections of the adopted Master Plan cited below. This is expected, as the Old Executive Golf Course acquisition would further complement and satisfy the community's vision and goals, as it relates to parks and recreational facilities. Furthermore, acquisition/preservation of the Golf Course has been one-of-three major goals of the CSD Board, which were reestablished multiple times this year.

- A.1 Maintain, at minimum, a developed park Level of Service (LOS) of 5.0 acres per 1,000 residents for publicly owned parks.
- All public community, regional, village and neighborhood parks, sports fields, and parklets should be included in this calculation, as well as special use areas that qualify as developed parks.
 - HOA-provided parks for which Quimby credit is given (typically at 50%) should also be included in the calculation.
 - Strive to sustain the District's current LOS of 9.9 acres per 1,000 residents, including all public parks and open spaces.
- A.3 Ease of walking or biking travel distances to evaluate park distribution and service areas. Because pedestrians and cyclists use the street grid and trail system to access parks, this is a more accurate measurement of park service.
- Evaluate opportunities for improved connectivity to parks to mitigate disconnected street networks and improve the service areas of neighborhood and village parks.

- Periodically evaluate transportation barriers affecting the ability of existing and proposed parks to serve neighbors effectively, and develop strategies, such as providing sidewalks, bike paths, bike lanes, and bridges to increase accessibility and maximize the number of residents served by each site.
- A.4 Provide more parks and natural areas to provide the desired level of service and park distribution.
- Acquire land in advance of need to assure the future availability for park and recreation use at the most reasonable cost.
 - Prioritize locations connected to the trail system.
 - Where possible, locate new parks adjacent to other public facilities, such as fire stations or schools.
 - Collaborate with developers to ensure that all new subdivisions and concept area plans include provisions for parks, natural areas, and trails, as aligned with regional, state, and/or federal criteria.
- A.5 Continue existing partnerships and explore additional joint use agreements to increase public access to park and recreation assets within the District.
- Develop and maintain partnerships to increase access to recreation facilities owned or managed by others, such as fire stations, schools, churches, or HOA facilities.
 - Seek partnership agreements to allow public access to private village parks and public middle school and high school facilities that serve village park needs.
 - Continue to partner with other public land holders, such as the El Dorado Irrigation District and El Dorado Hills Fire Department, to provide space for special use areas and community events.
 - Consider joint land acquisition opportunities with partner agencies, such as local school districts, when planning new neighborhood parks.
- A.6 Apply the design guidelines contained in Appendix C when developing new parks, reviewing private park proposals, and reinvesting in existing parks.
- A.7 Prepare park-specific master plans prior to development, major improvement, or renovation to promote cohesive, quality design and to ensure that plans are consistent with community needs.
- Incorporate community participation in the master planning and design development process by creating a parks and recreation advisory committee that includes residents, business owners, District Staff, and a Director or representative.
 - Periodically evaluate adopted master plans to ensure they continue to meet community needs and reflect current best practices.
- A.10 Preserve and interpret historic and cultural resources in District parks, such as the grinding rocks. Where feasible and funding exists, install historic and cultural interpretative displays to educate park and trail users of the area's history.
- B.1 Follow the design guidelines in Appendix C for the provision of recreation facilities.

- As described in the design guidelines, traditional park facilities such as sports courts, playgrounds, and picnic shelters should be provided in all community, village, and neighborhood parks.
 - Major park facilities that attract visitors throughout the District are most suitable in community, village, or special use parks to minimize impacts on nearby residences, as described in the design guidelines.
 - Consider renewable energy in facility design. Incorporate renewable energy opportunities where appropriate to reduce future operating costs, while reducing our carbon footprint
 - Evaluate materials and designs for durability and select recreation facilities that provide the maximum cost/benefit to the District.
 - Encourage the use of native, drought tolerant landscaping and the use of Low-Impact Development (LID) design standards.
- B.6 Continue to diversify recreation opportunities provided in District parks, adding facilities such as bocce courts, a bike skills area/pump track, pickleball courts, exercise stations, a climbing structure, and new facility ideas suggested by the community as new trends emerge.
- Facilities that encourage a variety of activities in neighborhood and village parks; facilities such as a location for skating, small dog parks, pickleball courts, and basketball courts.
 - Monitor trends and community feedback for new facility ideas.
- B.7 Explore collaborations with other public agency land managers to build a single-track trail system/mountain bike park in an appropriate park or landscape in or near El Dorado Hills, developed in partnership with local organizations.
- B.12 Retain the archery range at its existing location or at another suitable site.
- B.13 Reinvest in existing recreation facilities to ensure their continued quality and value.
- B.14 Develop rental facilities, such as reservable group picnic areas, multi-purpose fields for family event and wedding sites, which can generate revenue and provide an important service to the community.
- B.15 Acquire, design, and develop outdoor events space for concerts and events.
- C.1 Protect open space to maintain the character of El Dorado Hills.
- Retain the goal of providing 40.5 acres of protected open space per 1,000 residents, including District-owned, other agency-owned, and HOA-owned lands.
 - Each proposed eligible development, as defined in El Dorado County's General Plan Policy 2.2.3.1, must preserve 30% of acreage as open space.
 - Locate private/HOA preserved open spaces in locations that contribute to contiguous trails, outdoor recreation opportunities, and habitat wherever possible.
 - Pursue a standard of 3.0 acres per 1,000 residents of District-owned and managed open space.

- C.3 Develop a system of connected and accessible trails throughout private and publicly owned open space within the District to promote connectivity between parks and open space areas, trails, recreation facilities, schools, employment centers, and other community destinations, including Folsom Lake.
- Prioritize the acquisition and development of District and regional trails connecting District parks, open lands, and recreation facilities to key local destinations.
 - Provide a variety of trail types, including multi-use, bicycle, and pedestrian trails. Where possible, connect these to create a connected trail network.
 - Ensure that all HOA trails provide connections to the public trail network to District, county, and state trails wherever practicable.
 - Evaluate safe and accessible conditions of unofficial trails on District managed property and upgrade these trails to ensure safe and accessible usage or close them to use.
 - Update existing signs and provide additional trail support facilities, such as trailheads and trail signs, where appropriate. Consider a branding effort for a trail user to quickly identify the trail as District maintained as referred to in C.8.
- C.5 Promote the health benefits of activities supported by trails, including walking, biking, and running.
- C.6 Review and update management plans for District-owned open space properties.
- C.7 Expand the habitat and natural resource network where possible.
- Retain and revegetate with native plants where they are present, including in developed parks.
 - Explore the possibility of acquiring and restoring degraded lands and resources within the District especially if adjacent or connected to existing parks, open spaces, and trails.
 - Assess the possibility of converting underused areas within developed parks to natural areas to provide higher habitat values for a broad range of public and environmental benefits.
 - Integrate natural processes in developed parks using native plants, the integration of water harvesting and conservation techniques, and the integration of green infrastructure.
 - Identify and remove invasive plant species in natural areas or from valuable habitat areas and resources.
- C.8 Protect, manage, and restore views of scenic resources and from scenic viewpoints.
- C.11 Incorporate educational displays and interpretive features to celebrate the natural and cultural history of El Dorado Hills.
- Partner with culturally relevant organizations to support interpretive and educational art.
 - Selectively provide interpretive signage and kiosks in parks to provide information about local history, natural resources, etc.
 - Include plant/tree identification plaques in high traffic areas to educate about native and non-native flora and fauna.
- D.4 Evaluate the feasibility of expanding recreation programs in open space areas, such as special events, arts programs, and interpretive programs.

- Continue to expand nature-based and environmental programming.
- E.1 Continue to be a community-driven agency that values transparency, input, and ideas from residents, stakeholders, and partners. Develop and refine the District's approach to community outreach and communications.
- Assess community needs and update the Master Plan every five years to respond to changing trends and the needs of new residents.
 - When developing large projects, convene a limited term ad-hoc advisory group as a strategy for gathering public input and disseminating information about the project. An example of a large project would be a sports complex or multi-generational recreation center.
 - Raise awareness about issues and initiatives pertinent to parks and recreation in the District through letters to the editor and guest articles.
- E.11 Invest and prioritize retrofits and renovations of existing facilities to improve green practices (in addition to aesthetics and functionality), including improvements in solar orientation, renewable building materials, energy efficiency, indoor air quality, etc.
- F.6 Practice fiscal responsibility in all acquisitions, in particular at the early stages of the sale and expenditures.
- F.9 Maintain and enhance General Fund support of parks, recreation programs and maintenance.
- F.12 Identify funding sources for developing and managing open spaces to protect and enhance significant natural resources, including sensitive habitat.

Fiscal Impact:

The short-term plan is for the District to use \$8.4 million from the Capital Deficiency Reserve with the balance of \$1.6 million coming from CIP Funds that will not be used in FY24. The long-term plan is to provide options to the Board to consider debt financing that may allow the District to continue to keep funds in the District's investment portfolio that currently have yields surpassing the debt service costs.

Attachments:

- A. Excerpt pages from 2021 Special Edition Guide: *El Dorado Hills Golf Course - Then & Now*
- B. Purchase, Sale, and Subsequent Option Agreement - DRAFT
(*Exhibits C-F to be provided as an addendum prior to the meeting*)

EL DORADO HILLS GOLF COURSE

THEN & NOW

UPDATE!

Since the Writing of This Article:

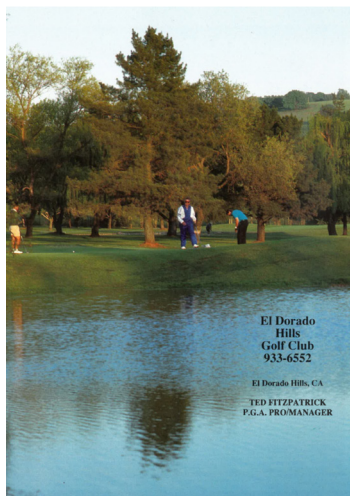
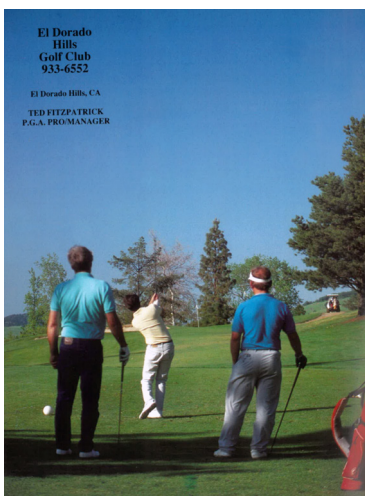
On May 19th, 2022, the District held a Special Board Meeting to hear the community and their hopes for the future of the Old Executive Golf Course. The District provided 5 mockup options including: a low development plan, a medium development plan, a high development plan, a short golf course plan, as well as the developer's plan. We allowed participants to vote on their favorite option by placing a sticker on the corresponding board. The results from those in-person and online votes were as follows: Open space and trails (low development): 148 votes. Moderate development plan: 57 votes. High development plan: 25 votes. Short golf course plan: 126 votes. Developer's housing plan: 5 votes.

Then, on May 31, 2022, the District's Board of Directors came together at a Special Meeting to edit and approve their letter to the El Dorado County Board of Supervisors, demanding that they not approve the Developer's Rezone Application and Development Agreement. On June 9th, 2022, the El Dorado County Planning Commission held a meeting to vote on their recommendations. The Developer's Rezone Application and Development Agreement were voted down by a 5-0 vote. The Planning Commission has sent their suggestions to the El Dorado County Board of Supervisors for a final vote later this summer.

Just about every resident in El Dorado Hills is familiar with the original public golf course that opened in 1964 and was designed by the famous British-American golf course architect, Robert Trent Jones Sr. This piece of land holds a very special place in the hearts and minds of residents, and it is part of the original vision of El Dorado Hills. Some recall it as their community gathering spot, or as the iconic entrance to El Dorado Hills that was viewable from Highway 50. The property was a marketing keystone for the new community of EDH and for over 40 years it was a place to recreate, a place to learn, a place to come together, and a place so central to our community that our growth radiated out from it. So many thoughts of what was and what had been continued for the current generation because the property has maintained its status as open space and as a high-use recreation facility location.

The second reason El Dorado Hillians become familiar with this property is because of a recent application by the owner to change it into homes. This would wipe away our community history and memories of the area, which has been a keystone of our identity. This is not a proposition that a single golf course is the identity of El Dorado Hills, but rather a reminder of a community built around recreation and open space. El Dorado Hills could be forever altered by an El Dorado County decision. This is likely the biggest decision that our County will ever make.

For nearly 40 years of our history, the Golf Course was an icon to those driving by on Highway 50 and those who lived here - the Course had its place. The property changed hands twice, costing approximately \$100,000 in 1980 and then approximately \$3,000,000 in 1990, when a group of developers now commonly known as Parker Development took ownership. At that time, this was the grand entrance to a newer subdivision, Master Planned Village(s) known as Serrano. Then, in 2002 we saw that the owner (reported as Serrano Associates in the 2/27/2002 Village Life article) sought to close and mothball the Golf Course. Community sentiment was strong - just as it is now - and it remained open until 2008 when it closed.



Images of the El Dorado Hills Golf Course from a promotional ad in "El Dorado Scene", a CSD publication from Spring 1992.



A Google Earth image of the Old Executive Golf Course, located east of El Dorado Hills Blvd. and north of Hwy. 50

In 2007, the CSD conducted a feasibility study, jointly with El Dorado County involvement and interest, to explore the possibility of continuing the public golf course, instead of it being mothballed. County Staff Master File Number 07-1197 states, On April 10, 2007 (item #38), the Board of Supervisors approved in concept a cost-sharing agreement with the El Dorado Hills Community Services District to pay half the cost of a feasibility study for operation of the El Dorado Hills Golf Course by the District. The analysis has been completed and is on file in the County Board Clerk's Office.

That study, which has often been speculated as illegitimate due to special interest involvement by the property owner, was performed during a time when the CSD operated differently than we do now. Additionally, the world of golf has grown and evolved, and the demographics of our community have changed dramatically since that time. Any reference to the 2007 Study (from which a foundation for a business plan concerning a recreational facility to be built upon) would be quite absurd today. Yet, fifteen years later, we are in fact seeing and reading with our own eyes that the current owner and El Dorado County staff are attempting to build a basis for turning the Golf course into homes; rationalizing the decision based upon on that 2007 Study.

See County Planning Commission Staff Report from 4/15/22, in which the following is provided:

The El Dorado Hills CSD commissioned a study from NGF Consulting to evaluate the capital investment needed to reopen the El Dorado Hills Executive Golf Course in a way that would make it competitive in the local golf market... The Operational Feasibility Analysis for El Dorado Hills Golf Course (May 2007) concluded that several municipal golf course operators in the region have struggled to operate as a result in a drop-off in rounds played... Sacramento market is consistent with a nationwide trend caused primarily by an oversupply of public golf courses fighting for shares of stagnant markets...The Operational Feasibility Analysis for El Dorado Hills Golf Course evaluation indicates that the immediate permanent resident population around the subject El Dorado Hills Executive Golf Course appears sufficient to provide a high level of activity to the golf course, but it is unlikely that this level of activity will render enough income to cover all facility expenses, reduce any capital investment made to improve the course (plus interest), and provide a lease (or other) payment to the property owner.

In fact, it appears as though the argument for building a case upon the 2007 Study has been dictated by the owner, Parker Development, and now embodied into County staff report(s). Why is it that the County is side-stepping their own involvement in the 2007 Study?

THE PEOPLE OF EDH SPEAK MEASURE E

From much public outcry and requests, the CSD placed an advisory vote on the ballot in 2014. This ballot measure was intended to send a clear message from our community of residents which are to be served by the County - the County which has land use power (and other responsibilities to EDH). Measure E was done in hopes that the County decisionmakers would hear the people of EDH, in terms of their desire for retaining the Old Executive Golf Course as open space. This was Measure E, and the ballot language was as follows:

“Should the El Dorado County Board of Supervisors rezone the approximately 100 acres of the former executive golf course in El Dorado Hills from its current land use designation as ‘open space recreation’ to a designation that allows residential housing and commercial development on the property?”

The results of the public’s voice by means of a vote were quite clear. Over 40% of the voting public (approximately 9,000/22,000) said, “NO”! At over 91% sending this message to the Board of Supervisors, it appears to be clear that the project and application for a rezone needed to ‘run away to fight another day’. Yet, that day came again in 2019-20.

The People of EDH Speak Again

In early 2020 the El Dorado County Planning Commission conducted a meeting to again review the owner’s application for a rezone to allow homes (and more). Hundreds of residents attended to have their voices heard - to again make clear to the County that EDH wants this land to remain with its current zoning and use as a recreational open space, just as envisioned in the County General Plan. At that meeting, the owner’s representative suggested that an acquisition of the property could be made. This catalyzes the CSD to pursue an acquisition. However, earnest

negotiations were thwarted by the Owner with requirements that the CSD produce various levels of improvement that would/ could occur, that the CSD enter into a non-disclosure agreement (with financial penalties to the CSD for breach) and that the CSD communicate whether or not \$10M was available to purchase the property “today”.

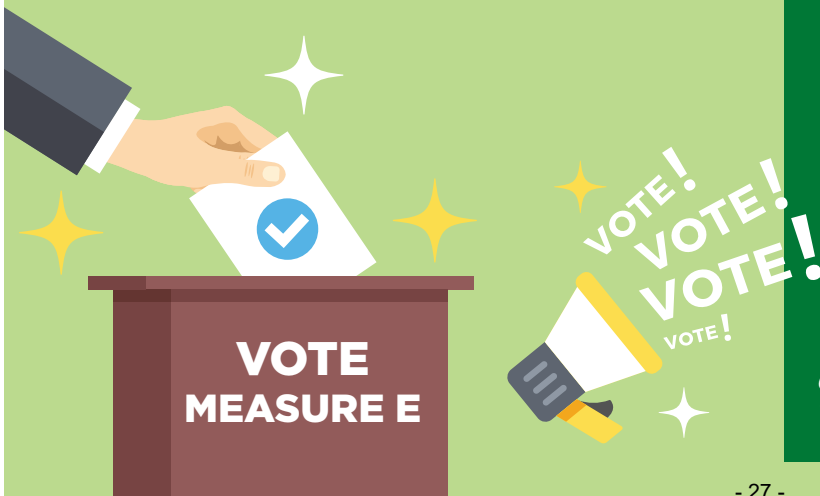
Aside from the non-disclosure agreement, the CSD did in fact produce three levels of recreational programming that could occur on the Old Executive Golf Course, and did assert that a \$10M check would be produced with haste if the Owner would agree to a sale. Ultimately, the Owner’s representative conveyed to the CSD that the pricetag exceeded \$20M. For open space property zoned for recreational uses, and for which the Community has spoken so clear about it remaining as such, the cost was too great to take on without some form of public funding, such as a voter approved bond.

GRASSROOTS EFFORTS GROW

Grassroots efforts in opposition of the open space/ golf course rezoning have taken on several names, with the current energy for support being shown on the streets all over EDH. On many streets, you can see “Save our Open Space” signs. The CSD as an organization is not affiliated with these grassroots efforts, but their growing enthusiasm and presence is a sign that the community’s sentiment remains unwavering; and serves as a guide for what the CSD should pursue to meet the goals of the community at-large. If County officials and staff would be present in the Community, then they’d both see and know the same sentiment.

Save Our
GOLF COURSE

Courtesy of
Village Life





“WHERE IS THE LAND OWNER & THEIR APPLICATION FOR A REZONE NOW?”

El Dorado County departments, County administration, and your County Supervisor(s) are working through the application process with the owner. Not only does this involve a multitude of private meetings between the Owner and County Representation, but this also includes forming a Development Agreement that the Board of Supervisors would have to approve of for the rezone to go forward. One way to understand a Development Agreement is that any given subdivision application has codified requirements to satisfy, which, if satisfied, would not warrant any additional terms in a development agreement. When a subdivision project application is outside of the parameters of permissions provided in County Ordinances and/or the County General Plan, then a set of terms separate to the standard requirements may be formed - a Development Agreement. When a project is found to have negative financial impacts upon the County, the Development Agreement is intended to ensure that there will be alleviation of those negative consequences. We've already seen that the fiscal impact analysis - which is now nearly 5 years old - does place the County into a negatively impacted situation. A major oddity of the fiscal impact and draft development agreement is that there is a finding for the Community Services District as being positively financially impacted. However, the owner will not work in good faith or earnest on a park plan or parkland dedication agreement for their proposed project! How can a financial impact analysis make a finding using an outdated fiscal analysis, and without the specifics of a Parkland Dedication Agreement?

At the time of this article, we have just laid eyes on a draft of the Development Agreement. It is almost too difficult to speak in polite words about that development agreement, as it strips El Dorado Hills' identity and funds while returning nearly nothing of substantial value to the current or future population. The County will reap benefits, in terms of enhanced property taxes, and even a sweetheart fee of over \$4,000 per home that is not dedicated to remain in benefit to EDH.

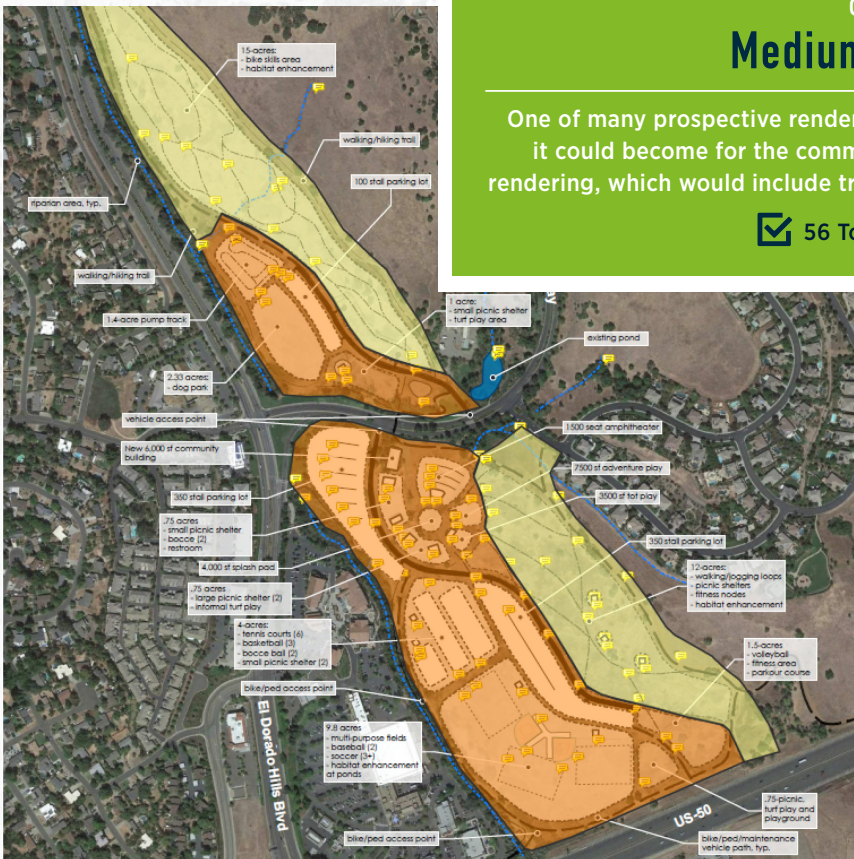
There are many peculiarities to the drafted Agreement, which lend a hand toward a predetermined vote of three County Board Supervisors. One such peculiarity is that the EDH Fire Department is slated to receive a large piece of property next to their flagship office on EDH Blvd. One purported purpose of this property is for a senior center. One of the main signatories in opposition to the CSD's Measure E is the proponent for said Senior Center in this Development Agreement. However, who do you think provides

senior center services in El Dorado Hills, and who do you think was not included in the planning or negotiations for that senior center? Yes! It's the Community Services District! We - the CSD - provide the Senior Center services in El Dorado Hills, but for some reason the County and the owner of that property have come up with some grand plan, but without a dime to build it, provide the services, or to maintain it.

Recently, County Administration stated that the CSD should send a formal letter to the County Supervisors about the Development Agreement terms...WE ALREADY DID! Not only has Measure E been as-clear-as-can-be-a-message, but the CSD Board sent a letter concerning the Development Agreement terms in late 2021. The requests in that letter appear to have been discarded from the draft development agreement.

For those of you that are not familiar with the decision making at the local government level, this will be one to watch! The most recent subdivision approval for additional age-restricted neighborhoods in EDH is a great example of how this will play out if our elected officials are bound-and-determined to go against the will of the most populous community in the County. In that instance, the Planning Commission recommended denial, but some more-than-peculiar horsetrading occurred during the Board meeting. With your CSD as a spectator and readied to speak on behalf of El Dorado Hills, your voice was denied. The County - its Administrative Staff and Board - avoided dialogue with the CSD at the time of the hearing. All-the-while, a sweetheart deal was made in which EDH was again slighted out of dedicated open space and parkland. Please, watch the County review and approval of that Development Agreement in 2021 - and you'll see exactly how our community is being mined for its value, only to have the profit sent off to the County to “redistribute” elsewhere.





CONCEPT C
High Development

One of many prospective renderings of the Old Golf Course space and what it could become for the community. This is the "High Development" rendering, which would include trails, playground, amphitheater, aquatic complex, sport courts and more.

✓ 25 Total Community Votes



Short Golf Course CONCEPT

We are also exploring a short course golf experience in the event that the property is secured, or if less than the total acreage is secured. Short course and driving range entrepreneurs have also engaged the CSD to explore their ideas (two at our April 2022 Board Meeting), which will bring forth opportunities for public-private partnerships to deliver upon these community golf endeavors.

126 Total Community Votes



FAST FACTS



When a project such as this one has elements that warrant a Development Agreement, this project is considered Discretionary. That means that the decision is up to the discretion of the County Board of Supervisors.



A Development Agreement does not have to be approved by the governing body (the County Board of Supervisors). It can be denied for no reason, or for any reason.



The Board of Supervisors can renegotiate terms of a Development Agreement all the way up to a final vote, as was recently exhibited for another project here in EDH.



Development Agreements are equipped to allow nearly any term mutually agreeable by the parties to that agreement. This is where sometimes creative

mechanisms for sending funding to the policymakers' jurisdictions often occur, even if such a jurisdiction is far outside of the project location.



The people can challenge a Development Agreement. There is a 90-day statute of limitation for challenging the adoption or amendment of a Development Agreement. There is a 30-day referendum petition of 5% of voters that could initiate this. Oftentimes the language for such a challenge is even baked-into the Development Agreement!



Any development agreement can be terminated by the governing agency if it finds, on the basis of substantial evidence, that the developer has not complied in good faith with the terms and conditions of the agreement.



WE ARE ALL EARS, EDH! HERE'S WHAT WE NEED FROM YOU...

RESIDENTS. CITIZENS. HILLIANS.



Lend us your voice and your will so that we may pursue what you desire for this property. You have the abbreviated history here, and now it is up to you to dictate the future of this great place we call home.



If you want to replace the open space of the Old Executive Golf Course with homes - write to the County Board of Supervisors to tell them that.



If you want the property to remain as open space by means of the County Board of Supervisors rejecting the application for a rezone, then you need to write to them to say that.



If a rezone is approved and you still want to fight it, then you could take part in a referendum to challenge it by a vote of the Community. The 90-day statute of limitations for challenging a development agreement is found at Government Code section 65009(c)(1)(D). The 90 days runs from the date of the legislative body's decision.



If you want to forever take control of land use issues in El Dorado Hills and have a larger voice (El Dorado Hills residents), then this community would need to incorporate and become a city.



If you want the CSD to acquire the property and develop it for the benefit of our community and open space, then we would need a bond measure to assist in that purchase.

AGREEMENT OF PURCHASE AND SALE AND SUBSEQUENT OPTION AGREEMENT

This Agreement of Purchase and Sale and Subsequent Option Agreement (“**Agreement**”), dated for reference as of November __, 2023, is by and between SERRANO ASSOCIATES, LLC, A Delaware Limited Liability Company (“**Seller**”), and the EL DORADO HILLS COMMUNITY SERVICES DISTRICT, a political subdivision of the state of California (“**Buyer**”), with respect to the following facts.

R E C I T A L S

A. Seller is the owner of that certain real property located in the unincorporated area of El Dorado County, California, consisting of approximately 98 acres of land located near the intersection of El Dorado Hills Boulevard and US Highway 50 in El Dorado Hills, California, as shown on **Exhibit A-1** attached hereto (**the “Overall Property”**).

B. The Overall Property is currently zoned "Recreational Facilities, High Intensity (RF-H)," which, pursuant to the El Dorado County ordinances permits development of the Overall Property by Sellers for recreational, athletic and amusement types of uses, together with ancillary and supportive uses thereto. Seller has submitted an entitlement application that is currently being processed by El Dorado County. If approved, the project would permit the construction of up to 1,000 residential units together with open space, parks and a public facility building.

C. Buyer is a Community Services District providing park and recreation services to the community through facility construction and maintenance and recreational programming. Since 2014, Buyer has expressed a strong interest in acquiring the Overall Property, and has investigated the feasibility of acquiring it through eminent domain, including obtaining an appraisal of the Overall Property. Most recently as an alternative to eminent domain, Buyer and Seller have discussed the potential for a negotiated acquisition as an alternative to Buyer’s acquisition of the Overall Property through eminent domain. To avoid the cost, expense and uncertainty of an eminent domain proceeding, Seller and Buyer have negotiated for several months the terms of potential acquisition by Buyer, the agreed upon terms of which are incorporated herein. The parties have agreed upon the minimum price for the Property and the terms upon which Buyer may acquire it in two phases. To the extent that the price agreed upon herein is less than that determined by an appraisal, Seller and Buyer agree that the difference constitutes a donation from Seller to Buyer.

(i) **“Purchase Property”** means and refers to that certain parcel of land comprised of fifty-five (55) acres located as described in Exhibit A-2 attached hereto and depicted in Exhibit A-3 attached hereto. The Purchase Property is generally described as approximately 39.66 acres of the Overall Property located north of Serrano Parkway together with approximately 15.34 acres of the Overall Property located south of Serrano Parkway.

(ii) **“Option Property”** means and refers to the balance of the Overall Property not included in the Purchase Property. The Option Property is comprised of 41.466 acres located immediately south of the Purchase Property, as more fully described in Exhibit B-1 and depicted in Exhibit B-2 attached hereto.

(iii) **“Separate Donation Property”** means and refers to a separate parcel located north of the Purchase Property and comprised of approximately 11 acres, which will be donated by Seller to Buyer, at no cost to Buyer, through a separate escrow which shall close simultaneous with the Closing on the Purchase Property. The Separate Donation Property is described in Exhibit A-4 and depicted in Exhibit A-5, each of which is attached hereto. Seller shall commission an appraisal substantiating the Donation, which shall be provided to Buyer. Buyer will cooperate in acknowledging receipt of the Donation Property and executing any required forms/reports.

D. Buyer desires to acquire the Purchase Property and obtain an option to acquire the Option Property and Seller is willing to sell the Purchase Property and grant such option for the Option Property to Buyer, subject to the terms and conditions of this Agreement.

A G R E E M E N T

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Recitals.** The recitals are incorporated herein as if set forth in full.
2. **Purchase and Sale.** Seller hereby agrees to sell the Purchase Property to Buyer, and Buyer hereby agrees to acquire the Purchase Property from Seller, at the Purchase Price and on the terms and conditions set forth in this Agreement for such purchase.
3. **Grant of Option.** Seller hereby grants to Buyer the exclusive right and option (the **“Option”**) to purchase the Option Property, at the applicable Purchase Price (as defined below) and on the terms and conditions set forth in this Agreement for such Option. This Option may be exercised by Buyer in accordance with the terms and conditions of this Agreement.
4. **Term.** The term of the Option (the **“Option Term”**) shall commence on the Purchase Property Closing Date (as defined below) and terminate on the date that is eighteen months from the Purchase Property Closing Date. For purposes hereof, the **“Effective Date”** shall mean the date when this Agreement is fully signed by Buyer and Seller and Title Company acknowledges receipt of the Agreement as being fully signed by Buyer and Seller. **“Purchase Property Closing Date”** shall mean the date upon which the purchase and sale of the Purchase Property closes and title transfers to Buyer.
5. **Deposit/Option Consideration/Independent Consideration.** As consideration for this Agreement, including the Option granted hereunder, Buyer shall deposit with Escrow Holder the sum of One Hundred Thousand Dollars (\$100,000.00) (the **“Deposit”**) within five (5) business days of the Effective Date. The entire Deposit shall remain in Escrow pending completion of the sale of the Purchase Property to Buyer and shall be released in its entirety and delivered to Seller upon Close of Escrow for the Purchase Property. The Deposit shall be creditable against the Purchase Price for the Purchase Property. At the option of Buyer, until Close of Escrow for the Purchase Property, Escrow Holder shall place the Deposit into an interest-bearing account with interest accruing for the benefit of Buyer.

Notwithstanding anything to the contrary above, in any event where the Deposit is to be returned to Buyer hereunder, ONE HUNDRED DOLLARS (\$100.00) thereof shall be retained by Seller as

independent consideration for entering into this Agreement and including the right for Buyer to unilaterally terminate this Agreement as expressly herein provided.

6. Exercise of Option. Subject to (i) Buyer timely closing Escrow for its purchase of the Purchase Property, (ii) Buyer not otherwise being in material breach of any obligation hereunder, Buyer may exercise this Option at any time during the Option Term to acquire the Option Property. Any such exercise of the Option by Buyer shall be effective upon Buyer delivering to Seller a notice of exercise of option, with a copy thereof to Title Company (an “**Exercise Notice**”). No further act by Buyer shall be necessary to exercise this Option and form a binding contract for the purchase and sale of the Exercised Option Phase(s) between Buyer and Seller in accordance with the terms hereof. If Buyer fails to deliver an Exercise Notice before the expiration of the Option Term, then the Option shall expire and Seller shall retain the balance of the Deposit not then credited against Buyer’s purchase of the Purchase Property.

7. Terms for Purchase and Sale. Seller shall convey fee title to the Purchase Property to Buyer and, subject to Buyer’s timely exercise of the Option as to the Option Property, Seller shall convey fee title to the Option Property, in accordance with and subject to satisfaction of the terms, provisions and requirements of Sections 8 through 12 below.

8. Purchase Price. The purchase price (the “**Purchase Price**”) for each portion of the Property that is the subject of the Closing (each, a “**Property Phase**”) shall be as follows:

a. **Purchase Property:** The Purchase Price for the Purchase Property shall be the fair market value of the Purchase Property as determined by an appraisal completed by a licensed appraiser to be commissioned and paid for by Seller, but not less than \$10,000,000.00. If the appraised value of the Purchase Property exceeds \$10,000,000.00, Seller agrees to donate the difference between \$10,000,000.00 and the appraised value to the Buyer. In the event Seller wishes to claim the donation for taxation purposes, Buyer shall cooperate with Seller and shall provide reasonably requested documentation acknowledging receipt of the donation. Seller and Buyer acknowledge that they desire to close the escrow for the Purchase Property on January 3, 2024, and it is unlikely that an appraisal can be obtained by that date. Therefore, if the appraisal has not been obtained before Closing, Seller and Buyer shall close the escrow for \$10,000,000.00, and thereafter Seller shall donate the remaining value, if any, to Buyer when the appraisal is received, and adjustments to the final Purchase Price shall be made. The Parties agree to amend this Agreement to reflect the adjustment.

b. **Option Property:** The Purchase Price for the Option Property shall be the fair market value of the Option Property as determined by an appraisal completed by a licensed appraiser to be commissioned and paid for by Seller, but not less than \$9,951,940.00. If the appraised value of the Purchase Property exceeds \$9,951,940.00, Seller agrees to donate the difference between \$9,951,940.00 and the appraised value to the Buyer. Seller shall obtain the appraisal at least thirty (30) days prior to the Closing of the Option Property. In the event Seller wishes to claim the donation for taxation purposes, Buyer shall cooperate with Seller and shall provide reasonably requested documentation acknowledging receipt of the donation.

9. Payment of Purchase Price. The Purchase Price for the Purchase Property and the Option Property, respectively, shall be paid by Buyer as follows:

a. Purchase Price for Purchase Property and Option Property. Buyer shall pay the minimum Purchase Prices set forth in Sections 8(a) above, less the Deposit, at the Closing for the Purchase Property, and the minimum Purchase Price set forth in Section 8(b) above at the Closing for the Option Property. Any difference in value from the minimum Purchase Prices and the appraised fair market values of the respective properties shall be considered Seller's donation to the Buyer.

b. Down Payment. As provided in Section 5 above, the Deposit shall be credited at Closing against the Purchase Price payable by Buyer for the Purchase Property. Closing on the Purchase Property shall be deemed sufficient consideration for the Option.

10. Escrow

a. Opening of Escrow. Within three (3) business days of the Effective Date, Buyer shall open an escrow (the “**Escrow**”) for the purpose of closing the transactions contemplated herein with Placer Title Company, 3840 El Dorado Hills Blvd. Suite 302, El Dorado Hills, CA 95762, Attn: Cathy French, Phone 916-933-4550, Email cfrench@placertitle.com, referred to herein as “**Escrow Holder**” for purposes of handling the Escrow and as “**Title Company**” for purposes of issuing the Title Policies for each Closing hereunder). The Escrow Holder shall be responsible through Escrow for handling the payment and distribution of the Deposit and Closing Documents and for closing Escrow for conveyance of both the Purchase Property and the Option Property, as and when required hereunder. Escrow Holder, as Title Company, shall also serve as the title company to provide title insurance in connection with the Closing for the conveyance of the Purchase Property and the Option Property from Seller to Buyer.

b. Escrow Instructions. Upon request of Escrow Holder, Seller and Buyer shall promptly sign and deliver to Escrow Holder any escrow instructions reasonably required thereby to conduct this Escrow, consistent with the terms and provisions of this Agreement. Provided, however, if there is any inconsistency between the terms of this Agreement and such escrow instructions, the terms of this Agreement shall prevail and control, unless such escrow instructions expressly provide for a change from the terms of this Agreement and both parties, each in their sole discretion, agree thereto in writing.

c. Closing. The closing of the conveyance of the Purchase Property from Seller to Buyer shall occur on or before January 3, 2024, and the closing of the conveyance of the Option Property from Seller to Buyer shall occur on or before thirty (30) days following Buyer’s delivery of the Exercise Notice applicable to such Option Property (each a “**Closing**”).

11. Conditions Precedent to Closing.

a. Seller’s Conditions Precedent. The obligations of Seller to sell the Purchase Property or the Option Property pursuant to this Agreement are subject to the satisfaction or waiver by Seller, at or before the Closing for each such Property, of all of the conditions set forth in this Section 11(a). If any of the conditions set forth in this Section 11(a) have not been satisfied or otherwise waived by Seller, in Seller’s sole and absolute discretion, prior to the Closing, then Seller shall have the right to terminate this Agreement by written notice thereof to Buyer and, except as otherwise provided herein, the Deposit then remaining in Escrow shall be released to Seller and/or Seller shall retain the remaining Deposit previously released to Seller, and the parties shall have no further rights or obligations under this Agreement.

(i) Accuracy of Representations and Warranties by Buyer. All representations and warranties made by Buyer in this Agreement shall be true in all material respects on or as of the Closing as though made at that time.

(ii) Performance by Buyer. Buyer shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer on or before the Closing.

b. **Buyer's Conditions Precedent.** The obligations of Buyer to fund the purchase of the Purchase Property or the Option Property pursuant to this Agreement are subject to the satisfaction or waiver by Buyer, at or before the Closing for each such Property, of all the conditions set forth in this Section 11(b). If any of the conditions set forth in this Section 11(b) have not been satisfied or otherwise waived by Buyer, in Buyer's sole and absolute discretion, prior to the Closing of the Purchase Property, then, in addition to all other rights hereunder or at law or in equity, Buyer shall have the right to terminate this Agreement by written notice thereof to Seller, in which case the Deposit then remaining in Escrow shall be returned to Buyer and, except as otherwise provided herein, the parties shall have no further rights or obligations under this Agreement.

(i) Accuracy of Representations and Warranties by Seller. All representations and warranties made by Seller in this Agreement shall be true in all material respects on or as of the Closing as though made at that time.

(ii) Performance by Seller. Seller shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by Seller on or before the Closing.

(iii) Approval of Feasibility. Buyer shall have approved the feasibility of proceeding with this transaction, as evidenced by Buyer's delivery of the Feasibility Approval Notice pursuant to Section 14(b) below.

(iv) Issuance of Title Policy. Title Company shall have irrevocably committed to issue the Title Policy to and for the benefit of Buyer, in the amount of the Purchase Price for such Property Phase and subject only to the Permitted Exceptions.

(v) No Material Adverse Change. There shall not have been any material adverse change in the physical condition or title to the applicable Property Phase.

12. **Closing.**

a. **Closing Documents to be Delivered by Seller.** Not later than one (1) business day before each Closing, Seller shall deliver to Title Company the following documents:

(i) a grant deed (the "**Grant Deed**") in customary form used and prepared by the Title Company, duly executed for recordation by Seller to convey the Purchase Property and the Option Property, as applicable, at Closing to Buyer;

(ii) the General Assignment and Bill of Sale for the Property Phase that is the subject of such Closing in the form attached hereto as **Exhibit C** (the “**General Assignment**”), duly executed by Seller;

(iii) for Closing for the Purchase Property, the memorandum of option in the form attached hereto as **Exhibit D** (the “**Memorandum of Option**”), duly executed for recordation by Seller, to put the public on notice of Buyer’s option rights with respect to the balance of the Overall Property;

(iv) for Closing for the Purchase Property, the Memorandum of Restrictive Covenant in the form attached hereto as **Exhibit E** (the “**Memorandum of Restrictive Covenant**”), requiring development in accordance with existing RF-H zoning, duly executed for recordation by Seller, to put the public on notice of agreed upon development restrictions applicable to the balance of the Overall Property; and

(v) the funds required, if any, to pay Seller’s share of closing costs hereunder, including the increment of the Title Insurance premium allocable to issuance of an ALTA standard title insurance policy and any prorations allocable to Seller for the Property Phase that is the subject of such Closing, together with such other documents and instructions as may be reasonably required by the Title Company in order to close such escrow in accordance with the terms of this Agreement, including a certificate as required by the Foreign Investors Real Property Tax Act, as amended, and the analogous California withholding statute, certifying that no withholding of the sales proceeds is required at Closing.

b. **Closing Documents and Funds to be Delivered by Buyer.** Except as otherwise provided below, not later than one (1) business day before each Closing, Buyer shall deliver to Title Company the following funds and/or documents:

(i) the entire Purchase Price for the Purchase Property for the Closing of the Purchase Property, less the Deposit, and the entire Purchase Price for the Option Property for the Closing of the Option Property;

(ii) the General Assignment for the Property Phase that is the subject of such Closing, duly executed by Buyer;

(iii) for Closing for the Purchase Property, the Memorandum of Option, duly executed for recordation by Buyer, to put the public on notice of Buyer’s option rights with respect to the balance of the Overall Property;

(iv) for the Closing of the Purchase Property, the Memorandum of Restrictive Covenant requiring development in accordance with existing RF-H zoning, duly executed for recording by Buyer, to put the public on notice of agreed upon development restrictions applicable to the balance of the Overall Property;

(v) the funds required to pay for Buyer’s share of closing costs hereunder, including the cost of the ALTA Extended portion of the Title Policy and any prorations allocable to Buyer for the Property Phase that is the subject of such Closing, together with such other documents and instructions as may be reasonably required by the Title Company in order to close such escrow in

accordance with the terms of this Agreement, including a certificate as required by the Foreign Investors Real Property Tax Act, as amended, and the analogous California withholding statute, certifying that no withholding of the sales proceeds is required at Closing; and

(vi) such reasonable documentation substantiating Seller's donation of the properties value in excess of the Purchase Price as may be determined by Seller's tax consultants to be necessary, the form of which shall be provided to Buyer.

c. **Prorations, Costs and Fees.** Real property taxes shall be paid current and prorated between the parties at Closing. Seller shall be solely responsible for all documentary transfer taxes and recording fees associated with the recordation of the Grant Deed and the costs of the ALTA Standard increment of the Title Policy for the Property Phase that is the subject of such Closing. Buyer shall be solely responsible for all additional costs of the Title Policy for ALTA Extended coverage, ALTA survey or endorsements as may be desired by Buyer, and any cost associated with providing any required Lender's Title Policy for the Closing. Seller and Buyer shall share the escrow fees equally and all other closing costs shall be charged between the parties in accordance with the custom for El Dorado County. Each party shall be responsible for and bear all of its own costs and expenses incurred in connection with the proposed purchase and sale, including without limitation, all accounting, legal and other fees and costs.

13. **Title.**

a. **Title Documents.** Buyer shall have the right to approve any and all title matters and exceptions to title of the Property, including the legal description, as disclosed by the following documents and instruments (collectively, "**Title Documents**"): (i) a Preliminary Report ("**Preliminary Report**") issued by Title Company with respect to the Overall Property and all matters referenced therein; (ii) legible copies of all recorded documents referred to in the Preliminary Report, or hyperlinks thereto included as part of the Preliminary Report, and (iii) a map containing any easement, rights-of-way, license, or other real property rights encumbering the Property to the extent available.

b. **Title Review and Approval.** Seller shall use good faith efforts to cause Title Company to deliver the Title Documents to Buyer within ten (10) business days after the Effective Date. Buyer shall have fifteen (15) business days following its receipt of the Title Documents (the "**Title Review Date**") to give Seller and Title Company written notice ("**Title Approval Notice**") of Buyer's approval or disapproval of every item or exception disclosed by the Title Documents. The failure of Buyer to give Title Approval Notice to Seller within the specified time period shall be deemed Buyer's disapproval of title to the Property, provided Buyer shall be deemed to have approved the exceptions for general taxes and supplemental assessments and any public financing district liens for special taxes or assessments, all current and non-delinquent, and any exceptions for dedicated public streets adjacent to and serving the Property. In the event that the Title Approval Notice disapproves or is deemed to disapprove of any matter of title shown in the Title Documents, Seller shall, within five (5) business days after receipt of such disapproval or deemed disapproval, give Buyer written notice ("**Seller's Title Notice**") of those disapproved title matters, if any, which Seller will agree to eliminate from title to the Property by each Closing. Seller's Title Notice may reply to some of the disapproved or deemed disapproved exceptions and need not respond to all of them. The failure of Seller to give Seller's Title Notice to Buyer within the specified time period shall be deemed Seller's refusal to eliminate any of the disapproved title matters, provided Seller will be deemed to have agreed to remove any mortgages, deeds of trust or other such monetary liens against the Property (excluding liens for current taxes and

assessments). In the event that Seller will not or is unable to remove all of the title matters objected to or deemed objected to by Buyer, Buyer shall have three (3) business days from its receipt of Seller's Title Notice (or deemed refusal by Seller), to notify Seller in writing that either (i) Buyer is willing to purchase the Property subject to such disapproved exceptions and without any additional requirements from Seller and without any adjustment to the Purchase Price, or (ii) Buyer elects to cancel this transaction. Buyer's actual approval or Buyer's determination to proceed under (i) above shall be deemed Buyer's "**Title Approval.**" Failure of Buyer to respond within said three (3) business days shall be deemed to be Buyer's election to cancel this transaction. If prior to the Closing of a Property Phase, additional items appear as exceptions to title, and Seller fails to agree to remove the same in writing within (3) business days after Buyer's notification to Seller of the same, Buyer may terminate this Agreement. In the event this Agreement is cancelled pursuant to this section prior to the Closing on the Purchase Property, the Deposit shall be returned in full to Buyer and, except as otherwise provided herein, the parties shall have no further obligations under this Agreement.

c. **Title Insurance.** At each Closing, Seller shall cause Title Company to furnish to Buyer, or Buyer's nominee, an ALTA Standard Owner's Policy of Title Insurance (the "**Title Policy**") in the full amount of the Purchase Price for the Property Phase that is the subject of the Closing, insuring that title to such Property Phase is vested in Buyer on the Closing Date. The Title Policy shall only list the following exceptions to such title: (a) a lien for current taxes and assessments, not then delinquent; (b) the exceptions approved by Buyer pursuant to Section 11.b above; (c) any exceptions to title created by Buyer (with the consent of Seller) or created by Seller (with the consent of Buyer), and (e) the printed exceptions common to such ALTA policies (collectively, the "**Permitted Exceptions**"). If Buyer desires to obtain any endorsements to such Title Policy, and/or extended coverage under such Title Policy, Buyer shall be responsible for satisfying, at Buyer's sole cost and expense and without delaying the required Closing Date, all of the Title Company's requirements for such endorsements and/or extended coverage. Provided Seller has complied with all of its duties and obligations hereunder, Seller shall have no liability for the failure of Title Company to provide the Title Policy in the form and content required hereunder (including all endorsements and/or extended coverage thereto).

14. Investigation of Property/Approval of Feasibility. The following investigations and feasibility approval of the Property by Buyer shall be completed once for the entire Property and no additional investigation or feasibility review shall be required or allowed with respect to Buyer's subsequent exercise(s) of the Option.

a. **Due Diligence Documents.** Within ten (10) days of the opening of Escrow, Seller shall make available to Buyer all information and studies in Seller's possession or control related to the Property, including without limitation all current surveys, environmental reports, marked studies, maps, surveys, and land use and entitlement documents (collectively referred to as the "**Due Diligence Materials**"). In no event shall Seller be obligated to provide or make available to Buyer any estimates, appraisals, or other marketing or financing studies regarding the Property or subject to attorney client privilege. All Due Diligence Materials are provided for the convenience of Buyer, and Seller makes no representation or warranty as to the accuracy, reliability, or completeness of any of such Due Diligence Materials. All Due Diligence Materials shall be confidential, and the contents thereof shall not be disclosed except to Buyer's consultants, accountants, attorneys, or as required by law, a court order, or as otherwise agreed. All materials shall be immediately returned to Seller upon termination of this Agreement.

In addition to the Due Diligence Materials, Seller shall use good faith efforts to cause to be prepared and provided to Buyer, within twenty (20) days after the Effective Date, a Natural Hazards Disclosure Report from Escrow Holder or other reporting service acceptable to Buyer in compliance with the disclosure requirements of Section 1103 of the California Civil Code. Seller shall request that such disclosure report further include information related to the existence and effect of any community facilities districts encumbering the Property in compliance with the disclosure requirements of Section 1102.6b of the California Civil Code. Seller's delivery of such Disclosure Report from Escrow Holder or other acceptable reporting service shall be deemed to satisfy Seller's disclosure obligations under said Civil Code sections.

b. Feasibility Review. From the Effective Date and continuing until 5:00 p.m. on the date that is forty-five (45) days thereafter (the "**Feasibility Period**"), Buyer, its authorized agents, employees, consultants and representatives ("**Buyer's Agents**"), shall have the right to enter the Property and to conduct and carry out any and all inspections, tests and studies as Buyer deems appropriate in connection with Buyer's proposed acquisition and development of the Property on the terms and conditions set forth below in Subsection 14(c) below. Buyer shall be allowed until 5:00 p.m. (PT) on the last day of the Feasibility Period to deliver to Seller written notice of Buyer's approval or disapproval, in its sole and absolute discretion, of the Property ("**Feasibility Approval Notice**" or "**Termination Notice**"), based upon its approval or disapproval, in Buyer's sole and absolute discretion, for any or no reason relating to Buyer's decision to purchase the Property (collectively, the "**Feasibility Conditions**"). Buyer's failure to deliver the Feasibility Approval Notice or the Termination Notice prior to the expiration of the Feasibility Period shall conclusively be considered Buyer's disapproval of all Feasibility Conditions. If prior to the expiration of the Feasibility Period, Buyer delivers to Seller the Termination Notice or is deemed to have disapproved the Feasibility Conditions, this Agreement shall terminate, Escrow Holder shall return the Deposit to Buyer, and neither Buyer nor Seller shall have any further rights or obligations hereunder, except as otherwise expressly provided herein. If Buyer shall timely deliver the Feasibility Approval Notice, Buyer shall be deemed to have fully satisfied itself with respect to the condition of the Property and its suitability for Buyer's purposes and shall be obligated to proceed to Closing, except as otherwise expressly provided in this Agreement.

c. Entry to Inspect the Property. During the Feasibility Period, Buyer and Buyer's Agents shall be granted a right of entry on the Property to conduct a survey, perform such soil, engineering and geological tests and other physical inspections and to make such other reports as Buyer shall deem appropriate and for any other purpose related to Buyer's proposed development of the Property and performance of its improvement obligations hereunder. Buyer's and Buyer's Agents' right of entry upon the Property shall be subject to, and Buyer agrees to perform, each of the following conditions:

(i) Buyer shall pay all costs, expenses, liabilities and charges incurred by Buyer and Buyer's Agents or related to said entry.

(ii) Buyer, at Buyer's sole cost, shall repair all damage or injury caused by Buyer or Buyer's Agents in connection with any such inspection or entry and shall return the Property to substantially the same condition existing prior to such entry.

(iii) Any entry upon the Property shall be upon a minimum of twenty-four (24) hours' prior written notice to Seller, and Seller shall have the right to accompany and observe Buyer and Buyer's Agents on any such entry upon the Property.

(iv) Buyer shall keep the Property free and clear of all liens arising out of Buyer's and Buyer's Agents' activities conducted upon the Property.

(v) The Property is subject to various laws, rules and regulations, including government entitlements, regulatory and environmental permits, and development covenants and agreements. Prior to entry on the Property, Buyer shall review all such laws, rules and regulations applicable to the Property and Buyer shall assure that entry onto the Property by Buyer and Buyer's Agents shall comply with all such laws, rules, regulations, permits, covenants and agreements.

(vi) Buyer shall indemnify, defend and hold Seller and the Property free and harmless of and from all costs, expenses, damages, claims, liabilities, attorneys' fees and costs or charges arising out of, or in any way connected with, the entry upon the Property by Buyer and Buyer's Agents; provided, however, Buyer's mere discovery of an adverse condition or defect on or affecting the Property shall not trigger Buyer's indemnification obligations.

(vii) Prior to entry onto the Property by Buyer or Buyer's Agent, Buyer shall provide to Seller a certificate of liability insurance, with a combined single limit of liability not less than TWO MILLION DOLLARS (\$2,000,000.00), from an insurance company qualified to do business in California. Seller shall be named as an additional insured upon such insurance. Such coverage shall provide that the policy shall not be cancelled, modified or allowed to lapse without the insurer providing to Seller thirty (30) days' prior written notice, except in the event of non-payment notice shall be ten (10) days, and shall strike any language in the certificate which only requires the insured to "endeavor to" give such notice to Seller, and which purports to exculpate the insurer for its failure to do so. The foregoing shall be reflected in the certificate of insurance required by this paragraph. Buyer shall provide the certificate of such insurance with the attached endorsement prior to, and as a condition of, any such entry.

(viii) Prior to performing any environmental tests or studies on the Overall Property beyond the scope of work generally performed in a Phase I study, Buyer shall notify Seller in writing of the scope of work intended to be performed and shall provide Seller an opportunity to confer, either directly or through Seller's consultants, with Buyer's environmental consultants in order to determine whether to permit any sampling or testing of surface or subsurface soils, surface water or ground water (and with respect thereto Seller shall not unreasonably withhold or condition its consent thereto) or to refine the scope of the work to be performed. All information derived from Buyer's tests and test results shall, to the extent permissible under existing law, remain confidential and not disclosed to any party other than as is necessary in connection with the consummation of the transactions contemplated hereby or as is necessary to comply with any obligations Buyer may have under applicable law, or as is necessary to enforce the rights Buyer may have against Seller hereunder. If this Agreement is terminated prior to a Closing, Seller shall be entitled to receive copies of all tests and test results together with the right as a party of interest. Such Seller's rights shall survive the Closing and recording of the Grant Deed from Seller to Buyer.

(ix) Buyer shall have no right hereunder to enter the Property, or any portion thereof, to grade any portion thereof, or construct or install any improvements thereon, or for storage or construction staging related thereto, prior to acquisition of the Property.

d. Disclaimer; "AS IS" Purchase. Buyer represents and warrants to Seller that Buyer is a sophisticated party and will be relying solely on its own investigation and inspection of the Property in its decision to proceed with the purchase after completing its investigations during the Feasibility Period. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 15(a) OF THIS AGREEMENT, SELLER HAS NOT MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, PROMISES, STATEMENTS OR ASSURANCES WHATSOEVER, EXPRESS OR IMPLIED, DIRECTLY OR THROUGH ANY EMPLOYEE OR AGENT, AS TO THE CONDITION OF THE PROPERTY, OR ANY OTHER MATTER, INCLUDING, BUT NOT LIMITED TO, HAZARDOUS MATERIALS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING IN ANY WAY, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SELLER EXPRESSLY DISCLAIMS MAKING OR HAVING MADE ANY REPRESENTATIONS OR WARRANTY WITH RESPECT TO THE DOCUMENTS AND MATERIALS FURNISHED BY SELLER. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR SELLER'S EXPRESS COVENANTS, REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, SELLER SPECIFICALLY DISCLAIMS: (A) ALL MATTERS RELATING TO THE TITLE TOGETHER WITH ALL GOVERNMENTAL AND OTHER LEGAL REQUIREMENTS SUCH AS TAXES, ASSESSMENTS, ZONING, USE PERMIT REQUIREMENTS, BUILDING PERMIT REQUIREMENTS, BUILDING CODES AND OTHER DEVELOPMENT REQUIREMENTS; (B) THE PHYSICAL CONDITION OF THE PROPERTY; (C) ALL OTHER MATTERS OF ANY SIGNIFICANCE AFFECTING THE PROPERTY, WHETHER PHYSICAL IN NATURE OR INTANGIBLE IN NATURE, SUCH AS THE POLITICAL CLIMATE WITH RESPECT TO THE GOVERNMENTAL AGENCIES THAT HAVE JURISDICTION OVER THE PROPERTY, DEVELOPMENT OF THE PROPERTY OR THE OPERATION OF THE PROPERTY; (D) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY; (E) THE ECONOMICS OF THE PRESENT OR FUTURE OWNERSHIP AND/OR OPERATION OF THE PROPERTY; (F) THE NUMBER OF RESIDENTIAL UNITS THAT CAN ULTIMATELY BE DEVELOPED UPON THE PROPERTY; AND (G) THE EXISTENCE OF HAZARDOUS MATERIALS IN, UNDER OR AFFECTING THE PROPERTY; AND BUYER IS PURCHASING THE PROPERTY "AS IS, WITH ALL DEFECTS" BASED UPON BUYER'S OWN INSPECTION OF THE PROPERTY.

e. Waiver and Release. As of the Closing for the Purchase Property and Option Property, respectively, except as otherwise provided in this Agreement, Buyer hereby expressly waives and forever releases any and all rights, claims and actions that Buyer may now have or hereafter acquire against Seller arising from or related to the condition of the Property that is the subject of such Closing. Provided, however, that such waiver and release shall not apply to any matter expressly represented and warranted elsewhere by Seller herein. This release shall not apply to any Claims to the extent: (a) the same was caused by Seller, or its employees, agents or contractors; (b) that Seller has breached its representations and warranties or covenants in this Agreement; or (c) Seller has otherwise agreed in this Agreement and the exhibits attached to hereto. This release applies to all described rights, claims and actions, whether known or unknown, foreseen or unforeseen, present or future. Buyer specifically waives application of California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Buyer's initials

Notwithstanding the foregoing, the release set forth above is not intended to, and shall not, release or discharge any representations or warranties of Seller made pursuant to Section 15(a) below.

15. Representations and Warranties

a. **Seller's Representations and Warranties.** Seller hereby makes the following representations and warranties in favor of Buyer, which shall be deemed to have been made as of the Effective Date and as of each Closing. Provided, however, notwithstanding anything to the contrary below, Seller's representations and warranties below shall be subject to and shall not extend to any items or matters expressly disclosed by the Due Diligence Materials provided to Buyer by Seller hereunder that conflict in any way therewith:

(i) Seller is a limited liability company duly organized and qualified to do business under the laws of California and has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Seller and, upon the execution and delivery by Buyer, will constitute the legal, valid and binding obligations of Seller in accordance with its terms.

(ii) Seller has not entered into any leases, occupancies, tenancies, or licenses that affect the Property and, to Seller's knowledge, except for the matters shown in the Preliminary Report and the Serrano Owners Association occupancy of a small portion of the Purchase Property south of Serrano Parkway pursuant to a verbal agreement, no other encumbrances, easements or agreements encumber or burden the Property. Buyer shall allow the Owners Association to continue to occupy their current area for a period of one year with no rent, though Buyer may require a written occupancy agreement upon reasonable terms excluding rent, pursuant to an agreement negotiated during the Feasibility Period.

(iii) To Seller's knowledge, the conveyance of the Property, or applicable Property Phase(s) thereof, is in accordance with this Agreement will not violate any provision of any federal, state or local laws.

(iv) To Seller's knowledge, neither the execution of this Agreement by Seller nor the consummation of the transactions contemplated hereby will constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject.

(v) There is no suit, action, arbitration, legal, administrative or other proceeding or inquiry, including without limitation, condemnation, eminent domain proceedings quiet title action, or action for ejectment, pending or, to Seller's knowledge, threatened against or relating to the Property, or any portion thereof, which could affect the ability of Seller to perform its obligations under this Agreement. Furthermore, to Seller's knowledge, there is no condition on the Property that

violates any health, safety, fire, environmental, sewage, building, or other federal, state, or local law, code, ordinance, or regulation.

(vi) To Seller's knowledge, no violation of any laws relating to Hazardous Materials has occurred or is currently occurring with respect to the Property, nor has Seller received notice of any such violation. Similarly, to Seller's knowledge, neither Seller nor any agent of Seller has used Hazardous Materials on, within or affecting the Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies (collectively, "**Environmental Laws**") governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. For purposes of this Agreement, "**Hazardous Materials**" shall include, but shall not be limited to, petroleum, pesticides, herbicides, fertilizers and any other substance that has been determined by any governmental agency to constitute a hazardous waste, hazardous substance, hazardous material, toxic substance, toxic waste, restricted hazardous waste and any cancer causing or reproductive toxicity impacting chemical. Except as otherwise disclosed by Seller in writing, Seller has no knowledge that any underground storage tanks currently exist or previously existed within the Property during Seller's ownership of the Property and Seller is not aware of any underground tanks existing within the Property prior to Seller's ownership thereof. Seller hereby discloses that the Property has been used for golf course purposes and, in connection therewith, fuel has been stored and agricultural chemicals and fertilizers have been applied from time to time within the Property. To Seller's knowledge, none of such applications have been performed in violation of any Environmental Laws. Buyer shall satisfy itself with respect to such matters.

(vii) Seller (a) is not in violation of any laws relating to terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 or Executive Order No. 13224 (Blocking Property and Prohibiting Transactions with persons Who Commit, Threaten to Commit, or Support Terrorism) (the "**Executive Order**") (collectively, the "**Anti-Money Laundering and Anti-Terrorism Laws**"), (b) is not acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time, (c) does not conduct any business or engage in making or receiving any contributions of funds, goods or services to or for the benefit of any person included in the Annex or lists described in clause (a) above; (d) does not deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; and (e) does not engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Money Laundering and Anti-Terrorism Laws.

Seller shall promptly notify Buyer of any facts that would cause any of the representations contained in this Agreement to be untrue as of either Closing. If Buyer reasonably concludes that a fact materially and adversely affects the Property that is the subject of a Closing, Buyer shall have the option to terminate this Agreement by delivering written notice to Seller and Title Company of its intent to terminate within thirty (30) days of receipt of the notice from Seller of such change. If Buyer does not give notice to Seller of such election within such time, then Buyer shall be deemed to have accepted such change and shall have no right thereafter to terminate the Agreement with respect thereto. Upon receipt of any such termination election from Buyer, Seller shall have thirty (30) days to agree to mitigate to Buyer's satisfaction the effect of such change in representation. If Seller

agrees to mitigate, then Seller shall immediately commence and use diligent efforts to mitigate the effects of such change to Buyer's satisfaction. If any such change arises out of events, conditions or circumstances which are caused by Seller or are under Seller's reasonable means of control, then if Seller refuses or elects not to attempt to mitigate such change, or is unable after diligent efforts to mitigate such change, then Buyer may elect, at its option, to enforce any rights or remedies hereunder due to such change by or under the control of Seller or to terminate the Agreement. Upon any such termination by Buyer described in this paragraph above, the Deposit then remaining in Escrow shall be returned to Buyer and, except as otherwise provided herein, the parties shall have no further rights or obligations under this Agreement. Any such termination shall not affect the parties' rights and obligations under this Agreement with respect to any Property previously acquired by Buyer prior to such termination.

For purpose of this Agreement, usage of "to Seller's knowledge," shall mean the actual current knowledge of William R. Parker and Thomas Howard, without any duty of further investigation or inquiry. Notwithstanding such designation for knowledge purposes, the aforementioned individual shall not be personally liable for any alleged claims, liabilities or damages arising out of any representations or warranties made herein.

b. **Buyer Representations and Warranties.** Buyer hereby makes the following representations and warranties in favor of Seller, which shall be deemed to have been made as of the Effective Date and as of each Closing:

(i) Buyer is a California Special District duly organized and qualified to do business under the laws of California and has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Buyer and, upon the execution and delivery by Seller, will constitute the legal, valid and binding obligations of Buyer in accordance with its terms.

(ii) There is no suit, action, arbitration, legal, administrative or other proceeding or inquiry, pending or, to Buyer's knowledge, threatened against Buyer which could affect the ability of Buyer to perform its obligations under this Agreement.

(iii) To Buyer's knowledge, neither the execution of this Agreement by Buyer nor the consummation of the transactions contemplated hereby will constitute a breach or default under any agreement to which Buyer is bound.

(iv) There are no attachments, executions or assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor-relief laws pending or, to the best of Buyer's knowledge, threatened against Buyer.

(v) Buyer (a) is not in violation of any Anti-Money Laundering and Anti-Terrorism Laws, (b) is not acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of U.S. Department of Treasury, U.S. Department of State, or other U.S. government agencies, all as may be amended from time to time, (c) does not conduct any business or engage in making or receiving any contributions of funds, goods or services to or for the benefit of any person included in the Annex or lists described in clause (a) above; (d) does not deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; and (e) does not engage in or

conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Money Laundering and Anti-Terrorism Laws.

(vi) Buyer is an experienced developer of parks and recreation facilities and is familiar with the kinds of land use and development issues that typically impact the developability of property for such purposes. The Feasibility Period affords Buyer a reasonable period of time in order to perform such due diligence as Buyer believes is reasonably necessary to make the decision to consummate the transactions described in this Agreement.

(vii) Except for express representations made by Seller in this Agreement, Buyer is relying and shall rely solely upon its own investigation and inspection of the Property and the improvements thereon and upon the aid and advice of Buyer's independent expert(s) in purchasing the Property, and shall take title to the Property without any warranty, express or implied, by Seller or any employee or agent of Seller.

For purpose of this Agreement, usage of “to Buyer’s knowledge,” shall mean the actual current knowledge of Kevin Loewen, General Manager, without any duty of further investigation or inquiry. Notwithstanding such designation for knowledge purposes, the afore-mentioned individual shall not be personally liable for any alleged claims, liabilities or damages arising out of any representations or warranties made herein.

16. Remedies for Buyer's Default and Seller's Default.

a. **BUYER’S DEFAULT.** BY INITIALING THIS AGREEMENT AT THE END OF THIS SECTION, BUYER AND SELLER ACKNOWLEDGE THAT THE DAMAGES TO SELLER RESULTING FROM ANY FAILURE OF BUYER TO PURCHASE THE PURCHASE PROPERTY OR THE OPTION PROPERTY, DUE TO BUYER’S BREACH OF ITS OBLIGATIONS HEREUNDER WOULD BE DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN WITH ANY ACCURACY, AND THAT THE AMOUNT OF THE DEPOSIT THEN HELD ON DEPOSIT IN ESCROW PRIOR TO CLOSING ON THE PURCHASE PROPERTY REPRESENTS THE PARTIES’ BEST EFFORTS TO APPROXIMATE SUCH POTENTIAL DAMAGES RELATED TO SUCH BREACH. ACCORDINGLY, IN THE EVENT BUYER FAILS TO PURCHASE THE PROPERTY DUE TO ANY BREACH OF BUYER’S OBLIGATIONS UNDER THIS AGREEMENT, THEN SELLER SHALL, AS ITS SOLE REMEDY THEREFOR, IN LAW OR EQUITY, BE ENTITLED TO THE DEPOSIT THEN HELD ON DEPOSIT IN ESCROW AS LIQUIDATED DAMAGES (AND NOT AS A PENALTY) IN LIEU OF, AND AS FULL COMPENSATION FOR, ALL OTHER RIGHTS OR CLAIMS OF SELLER AGAINST BUYER BY REASON OF SUCH DEFAULT. THEREUPON THIS AGREEMENT SHALL TERMINATE AND THE PARTIES SHALL BE RELIEVED OF ALL FURTHER OBLIGATIONS AND LIABILITIES HEREUNDER. PROVIDED, HOWEVER, NOTHING HEREIN SHALL IN ANY WAY LIMIT SELLER’S INDEMNITY RIGHTS UNDER THIS AGREEMENT, NOR PRECLUDE SELLER FROM RECOVERY OF ATTORNEYS’ FEES IN CONNECTION WITH ITS EFFORTS TO ENFORCE ANY RIGHTS PURSUANT TO SUCH SURVIVING PROVISIONS OF THIS AGREEMENT.

Buyer’s Initials

Seller’s Initials

b. **Seller's Default.** In the event any Closing does not occur because Seller fails to perform any material obligations pursuant to this Agreement for any reason, which is not cured by Seller within thirty (30) days after notice from Buyer to Seller (with the Closing Date extended as may be necessary to accommodate such cure period), then Buyer may, as its sole and exclusive remedy, and in substitution for any other remedies that may exist at law or in equity (including, without limitation, an action for lost profits or consequential damages) as a result thereof, either: (i) terminate this Agreement, in which event the Deposit (to the extent not previously applied in connection with a prior Closing consummated pursuant to this Agreement) shall be returned to Buyer, and the parties shall thereafter have no obligations under this Agreement or additional liability to one another (except for matters that expressly survive termination of this Agreement), or (ii) seek specific performance of this Agreement against Seller. Notwithstanding anything herein to the contrary, Buyer shall be deemed to have elected clause (i) above if Buyer fails to deliver to Seller notice of its intent to assert a cause of action for specific performance against Seller on or before sixty (60) days following the scheduled Closing Date, as same may have been extended pursuant to any term of this Agreement or written agreement of the parties or, having given such notice, fails to file a lawsuit asserting such claim or cause of action within one hundred eighty (180) days following the scheduled Closing Date, as same may have been extended pursuant to any term of this Agreement or written agreement of the parties.

c. **Limitation of Liability.** Notwithstanding anything to the contrary set forth herein, in no event shall either party be liable to the other for any loss of bargain, loss profit, or any special, punitive, compensatory or consequential damages in connection with any claim or suit by either party against the other for any reason.

17. Seller and Buyer Cooperation and Covenants.

a. **Entitlement Modifications.** From and after Buyer's Closing on the Purchase Property, Seller covenants to develop the balance of the Overall Property consistent with the existing zoning-Recreational Facilities-High Intensity. Provision 12(a)(iv) hereof requires that a Memorandum of Restrictive Covenant memorializing this restriction be delivered to escrow for recordation upon the Closing on the Purchase Property. A copy of the Restrictive covenant is attached hereto as Exhibit E.

b. **EID Water Meters.** The Overall Property is served by existing water distribution facilities and a number of existing EID water meters exist on-site to service the Overall Property. The precise locations of these water meters will be determined during the Feasibility Period. Notwithstanding the actual locations of such meters, transfer of ownership of those meters is intended to be accomplished upon an acreage basis, such that the Purchase Property and the Option Property each have sufficient meters to service the acreage contained within each. Seller and Buyer shall reach agreement during the Feasibility Period upon which meters will be transferred with the Purchase Property and Option Property, respectively. The parties will reasonably cooperate to allow the relocation of existing meters, as necessary.

c. **Interface with Future Development/Cooperation.** Those portions of the Purchase Property north of Serrano Parkway will share an eastern boundary line with potential development areas owned by Seller within the El Dorado Hills Specific Plan Area (the Serrano Project). To avoid future land use conflicts and to facilitate development of those potential development areas, Buyer and Seller agree that Seller may retain a fifty (50) foot wide landscape and slope easement prohibiting above ground structures within the Purchase Property along its eastern boundary where that boundary abuts future development areas. This landscape/slope easement will be memorialized either

within the Grant Deed conveying the Purchase Property or within an Easement document recorded simultaneously therewith. This Landscape easement shall also include a right of entry to construct the slope and necessary adjacent facilities along the common boundary. The form of Easement shall be agreed upon by Buyer and Seller during the Feasibility Period. Each party shall grant to the other such reasonably necessary easements as are necessary to provide underground water, sewer, and drainage systems to the respective properties and access easements to allow secondary access to the respective properties. Two (2) likely secondary access locations are contemplated, as shown on **Exhibit A-1** hereto.

d. **Future Extension of Country Club Drive.** Seller and buyer acknowledge and understand that El Dorado County Department of Transportation plans to extend Country Club Drive from its current terminus at Silva Valley Parkway westerly across portions of the Serrano project west of Silva Valley and then additionally west through the Overall Property to a connection point at Serrano Parkway. A preliminary depiction of that future extension is shown on **Exhibit A-1**. Seller and Buyer each acknowledge that the County will ultimately determine the precise roadway alignment and it is possible that some portion of the Purchase Property may be included, in which event Buyer will look to the County for compensation for any property taken. Similarly, a portion of the Silva Valley extension will extend through the Option Property. The owner of the Option Property at the time of County acquisition shall look solely to the County for compensation for any property taken. In the event property is taken by the County prior to Buyer's exercise of its option, a corresponding reduction to price shall be made equivalent to the per acre Option Consideration required hereunder (i.e. \$240,000.00 per acre).

e. **Seller Release of Property Restrictions on Adjacent Property.** Seller previously conveyed to Buyer a 45-acre parcel immediately north of the Purchase Property, upon which Buyer operates an archery range. Seller included in the previous grant deed restrictions on use and a reversionary clause, which allows for Seller to reacquire the property under certain circumstances. Seller shall, at Close of Escrow for the Purchase Property, execute for recordation a Quitclaim Deed terminating the property restrictions (except those necessary to protect neighbors from errant arrows) and relinquishing any reversionary rights Seller may possess. The form of Quitclaim shall be agreed upon between Buyer and Seller during the Feasibility Period.

f. **Future Development Cooperation.** Unless and until Buyer exercises its option rights and closes upon the Option Property, Seller and Buyer will be neighbors with similar RF-H zoning. Accordingly, Seller and Buyer agree to reasonably cooperate with one another in planning and constructing upon their respective properties uses allowed within the RF-H zone. Included within such cooperation shall be the granting of reasonable rights of entries, utility easements, slope easements and other commonly required permissions to accomplish development upon their respective properties, in form and content typically utilized by, or reasonably acceptable to, the party being asked to provide the cooperation. The parties will reasonably cooperate in connection with processing of parcel maps to further divide their respective properties. Prior to County acquisition of the proposed Country Club Drive Extension, the Option Property will be "landlocked" from adjacent roadways. Upon request of Seller, Buyer shall grant to Seller necessary easements or rights-of-way to allow roadway access to the Option Property, upon County Standards and within the ultimate Country Club Drive alignment contemplated by County.

g. **Emergency/Secondary Access.** Seller agrees in the future to grant Buyer an easement in the northeast corner of the Purchase Property, as necessary, to provide secondary or emergency access across Seller's property to a connection point in Wilson Way, at no cost to Buyer.

Buyer agrees to in the future provide to Seller an easement in the southeast corner of the Purchase Property, as necessary to provide secondary or emergency access from Seller's adjacent development through the Purchase Property to a connection point in Serrano Parkway.

The secondary/emergency access easements shall be as per standard Fire Code requirements, shall be in forms reasonable acceptable to the parties and shall be located as conceptually depicted in **Exhibit A-1**.

18. Dispute Resolution. In the event of any controversy, dispute or claim arising out of or related to this Agreement, the Parties agree to meet and confer in good faith to attempt to resolve the controversy, dispute or claim without an adversarial proceeding. If the controversy, dispute or claim is not resolved to the mutual satisfaction of the Parties within ten (10) days of one Party's notice to the other Party of the controversy, dispute or claim, the Parties agree to waive their rights, if any, to a jury trial, and to submit the controversy, dispute or claim to a retired judge for mediation (with mediation costs to be shared equally among the parties) and, if mediation fails to resolve the dispute, then for binding arbitration in front of a single arbitrator in accordance with the JAMS rules. The Parties agree that the only proper venue for the submission of claims shall be the County of El Dorado, California. In the event of arbitration, judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any dispute resolution proceedings contemplated by this provision shall be confidential and private.

19. Time for Performance/Moratorium Extension. If the time for performance of any action hereunder, including without limitation, the time by which Buyer must exercise the Option or by which a Closing must occur, falls on a Saturday, Sunday, or state or national holiday, then the time for performance of such action shall automatically be extended to the immediately following business day.

20. Assignment. Buyer may not assign its rights and obligations under this Agreement to any other entity.

21. Notices. Any notice, demand, approval, consent, or other communication required or desired to be given under this Agreement shall be given in writing in the manner set forth below, addressed to the party to be served at the addresses set forth below, or at such other address for which that party may have given notice under the provisions of this Section. Any notice, demand, approval, consent, or other communication given by (a) mail shall be deemed to have been given three (3) business days after it is deposited in the United States mail, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including Saturday) immediately following the date it was deposited with such common carrier or date of actual delivery, if later; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic mail be deemed to have been given on the date of transmission of the entire communication, provided that the transmission occurs during 8:00 a.m. and 5:00 p.m., Pacific Time, on a business day (otherwise it is deemed delivered the next business day), and either the receiving party confirms receipt thereof (which confirmation shall be provided promptly upon request by the sending party), or the email system confirms the opening of such message by the receiving party (which request for confirmation of such opening shall not be rejected by the receiving party).

Seller:

Serrano Associates, LLC
Attn: William R. Parker
4525 Serrano Parkway
El Dorado Hills CA 95762
Phone: 916-939-4060
Email: bparker@parkerdevco.com

With information copy to:

Hefner, Stark & Marois, LLP
2150 River Plaza Drive, Suite 450
Sacramento, CA 95833
Attn: Michael J. Cook, Esq.
Phone: 916.925.6620
Email: mcook@hsmlaw.com

Buyer:

El Dorado Hills CSD
Attn: Kevin A. Loewen, General Manager
1021 Harvard Way
El Dorado Hills, CA 9576
Phone: 916-614-3212
Email: kloewen@edhcsd.org

With information copy to:

Kronick Moskovitz, et al.
1331 Garden Highway
Second Floor
Sacramento, CA 95814
Attn: David Tyra, Esq.
Phone: 916-321-4500
Email: dtyra@kmtg.com

22. Waiver. Failure of either party at any time to require performance of any provision of this Agreement shall not limit that party's right to enforce the provision. Waiver of any breach of a provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or of any other provision.

23. Litigation Costs. If any party to this Agreement shall take any action to enforce this Agreement or bring any action or commence any arbitration for any relief against any other party(ies), declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys' and experts' fees and costs incurred in bringing such suit or arbitration and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action or arbitration and shall be paid whether or not such action or arbitration is prosecuted to judgment. Any judgment or order entered into such action or arbitration shall contain a specific provision providing for the recovery of attorneys' and experts' fees and costs incurred in enforcing such judgment. For purposes of this Section, attorneys' and experts' fees and costs shall include, without limitation, fees and costs incurred in the following: (a) post-judgment motions; (b) contempt proceedings; (c) garnishment, levy, and debtor and third-party examinations; (d) discovery; (e) bankruptcy litigation; and (f) appeals.

24. Integration. This Agreement contains the entire agreement between the parties respecting the matter set forth, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting this matter.

25. Survival of Covenants. Any covenants and agreements that this Agreement does not require to be fully performed prior to the Closing shall survive the Closing and shall be fully enforceable after the Closing in accordance with their terms. Provided, however, the representations and warranties of the parties, as to each Closing hereunder, shall only survive for one (1) year after such Closing.

26. No Brokers. Each party represents and warrants to the other party that it has not been represented by a real estate broker or finder in connection with this transaction. Each party shall defend, indemnify, and hold the other party harmless from any claim, loss, liability or costs (including reasonable attorney's fees) made, imposed or incurred by reason of any broker or finder claiming and/or establishing the right to a commission or fee in connection with this transaction and arising out of or alleged to be arising out of the indemnifying party's own conduct. These indemnity obligations shall survive each Closing and any termination of this Agreement.

27. Changes in Writing. This Agreement and any of its terms may be changed, waived, discharged, or terminated only by a written instrument signed by all of the parties hereto.

28. Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement, and such execution may be delivered by facsimile.

29. Invalidity of Provisions. If any provision of this Agreement or any instrument to be delivered by either party at closing pursuant to this Agreement is declared invalid or is unenforceable for any reason, that provision shall be deleted from the document and shall not invalidate any other provision contained in the document.

30. Successors. This Agreement shall be binding on and inure to the benefit of the parties, and their respective heirs, personal representatives, successors, and assigns.

31. No Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

32. Construction. Headings at the beginning of each section and subsection are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Agreement. The singular form shall include plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to Sections are to this Agreement.

33. Further Assurances. Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver all further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and all further instruments and documents as may be necessary, expedient, or proper, in order to complete all conveyances, transfers, sales, and assignments under this Agreement, and to do all other acts and to execute, acknowledge, and deliver all documents as requested in order to carry out the intent and purpose of this Agreement.

34. Governing Law. This Agreement shall be governed and construed in accordance with California law.

35. Jurisdiction and Venue. The parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the federal and state courts located in El Dorado County, and the parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

36. Tax Deferred Exchange. Each party agrees to reasonably cooperate with the other in the event a party attempts to effectuate a tax-deferred exchange with respect to the Property pursuant to I.R.C. Section 1031. Such reasonable cooperation shall not require the cooperating party to obtain title to any exchange or target property, execute any promissory note or other document or instrument which would or could impose personal liability upon such cooperating party, or incur any additional expense, cost or liability whatsoever (including, but not limited to, liabilities or warranties of title, or assumption of indebtedness) with regard to the Section 1031 exchange or exchanges. A cooperating party's agreement hereunder to participate in a tax-deferred exchange or exchanges shall not extend the time for Closing hereunder.

[Signatures on Following Page]

The parties have executed this Agreement as of the day and year written by their signatures below.

SELLER:

SERRANO ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

Dated: _____, 2023

By: _____
Name: _____
Title: _____

BUYER:

EL DORADO HILLS COMMUNITY SERVICES DISTRICT

Dated: _____, 2023

By: _____
Name: _____
Title: _____

Dated: _____, 2023

By: _____
Name: _____
Title: _____

EXHIBITS

- A - 1 Depiction of Overall Property
- A - 2 Description of Purchase Property
- A - 3 Depiction of Purchase Property
- A - 4 Description of 11-acre parcel
- A - 5 Depiction of 11-acre parcel
- B - 1 Description of Option Property
- B - 2 Depiction of Option Property
- C General Designment
- D Memorandum of Option
- E Memorandum of Restrictive Covenant

RECEIPT BY TITLE COMPANY

The undersigned Title Company hereby acknowledges that on _____, 2023, which, pursuant to Section 4 above, is the "**Effective Date**" of the Agreement, the undersigned received a fully executed duplicate original (with Section 16(a) initialed by both parties) of the Agreement of Purchase and Sale and Successive Option Agreement (Santana Ranch, San Benito County) by and between SERRANO ASSOCIATES, LLC and EL DORADO HILLS COMMUNITY SERVICES DISTRICT, affecting the real property owned by Seller within El Dorado County, as more particularly described in **Exhibit A** attached to this Agreement. Subject to Title Company's receipt of acceptable escrow instructions, Title Company agrees to act as the escrow holder under this Agreement. Title Company has assigned Escrow No. _____ to the Property for this purpose.

Placer Title Company
3840 El Dorado Hills Blvd., Suite 302
El Dorado Hills, CA
Attn: Cathy French Lidia Collins
Phone 926-933-4550
Email: cfrench@placertitle.com

By: _____
Name: _____

Dated: _____, 2023

EXHIBIT A-1

Depiction of Overall Property

[See Attached]

DRAFT



EXHIBIT A-2

Description of Purchase Property

[See Attached]

DRAFT

EXHIBIT "A-2"

El Dorado Hills Community Services District GRANT

All that real property situated in the County of El Dorado, State of California, being portions of Parcel 1 as shown on the Parcel Map filed in Book 45 of Parcel Maps, Page 87, in the Recorder's office of said county, described as follows:

Beginning at a point on the southwest line of said Parcel 1, also being the northeast line of El Dorado Hills Boulevard as shown on said parcel map, from which the southwest corner of Tract 1 as shown on the Record of Survey filed in Book 27 of Surveys, Page 1 in said Recorder's office bears North 17°25'43" West 448.32 feet as measured along said right of way line between Parcel 1 and El Dorado Hills Boulevard; thence from said point of beginning across said Parcel 1 North 72°34'14" East 250.13 feet to a point on the northeast line of said Parcel 1; thence along the boundary of said Parcel 1 the following thirteen courses and distances: (1) South 41°27'17" East 860.37 feet, (2) South 48°08'25" East 928.44 feet, (3) South 34°44'50" East 469.27 feet, (4) North 77°18'28" East 316.90 feet, (5) South 05°00'48" East 454.79 feet to a point on the north line of Serrano Parkway, (6) Along a non-tangent curve to the right having a radius of 550.00 feet and a chord that bears South 78°02'35" West 494.53 feet, (7) North 75°14'26" West 173.00 feet, (8) Along a curve to the left having a radius of 850.00 feet and a chord that bears South 89°23'19" West 450.61 feet, (9) Along a curve to the right having a radius of 25.00 feet and a chord that bears North 63°27'59" West 33.79 feet to a point on the west line of El Dorado Hills Boulevard, (10) Along a curve to the left having a radius of 1,553.00 feet and a chord that bears North 25°55'09" West 269.00 feet, (11) North 30°53'15" West 1,110.78 feet, (12) Along a curve to the right having a radius of 1,447.00 feet and a chord that bears North 24°09'29" West 339.12 feet and (13) North 17°25'43" West 526.12 feet to the point of beginning.

Containing 39.663 acres.

TOGETHER WITH

Beginning at the southeasterly terminus of that certain course in the west boundary of said Parcel 1 labeled "N 37°54'25" W 647.37"; thence from said point of beginning along the boundary of said Parcel 1 the following ten courses and distances: (1) North 37°54'25" West 647.37 feet, (2) South 84°12'20" West 69.81 feet, (3) North 03°58'27" East 187.07 feet, (4) Along a curve to the right having a radius of 282.50 feet and a chord that bears North 09°06'19" West 50.53 feet, (5) Along a curve to the right having a radius of 157.50 feet and a chord that bears North 54°18'55" East 202.81 feet, (6) Along a curve to the right having a radius of 750.00 feet and a chord that bears South 80°25'24" East 135.50 feet, (7) South 75°14'26" East 173.00 feet, (8) Along a curve to the left having a radius of 650.00 feet and a chord that bears North 80°20'38" East 537.35 feet, (9) South 39°36'51" East 334.44 feet and (10) South 39°51'47" East 121.65 feet; thence across said Parcel 1 South

EXHIBIT A-3

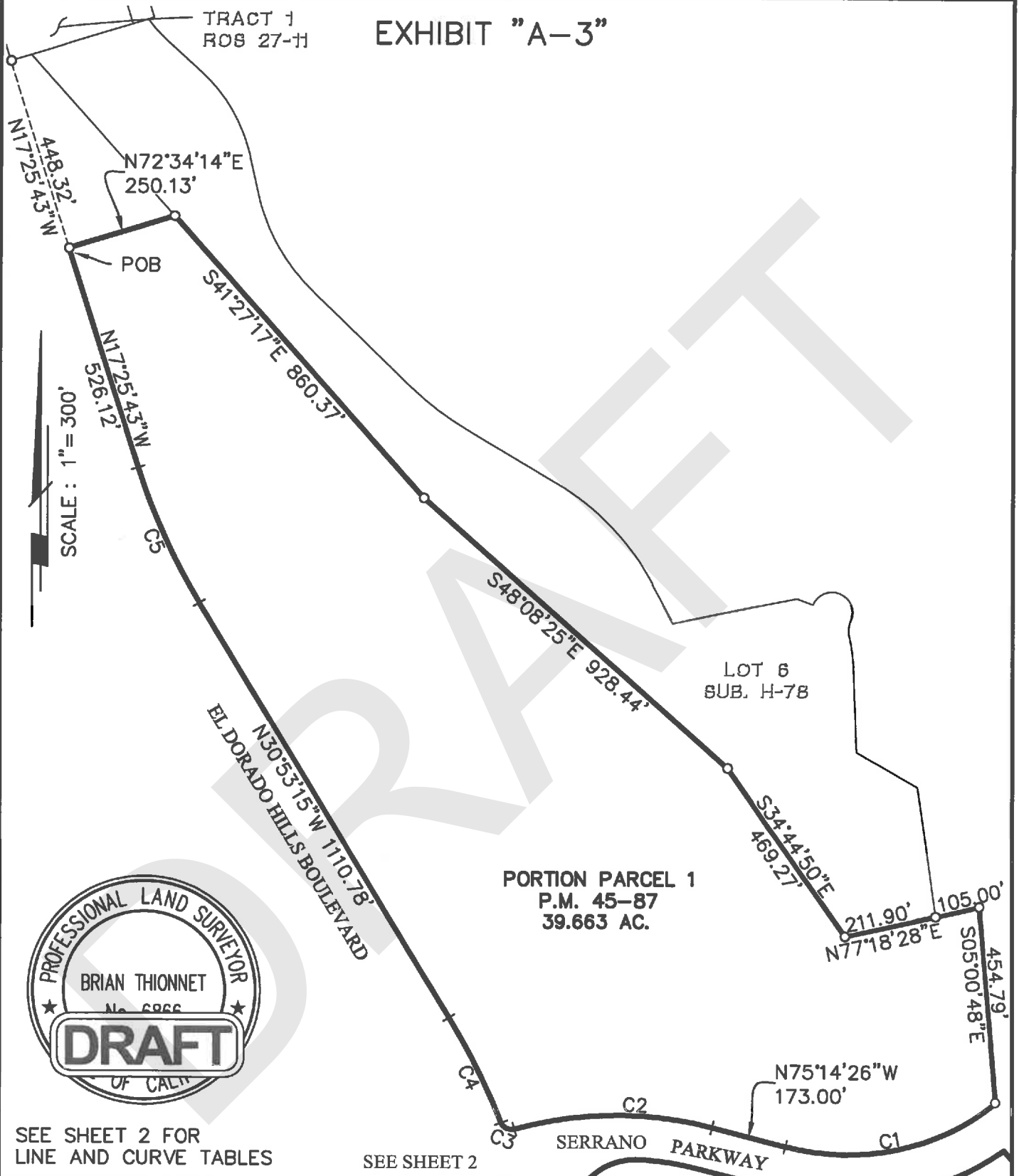
Depiction of Purchase Property

[See Attached]

DRAFT

EXHIBIT "A-3"

TRACT 1
ROB 27-11



SCALE: 1" = 300'



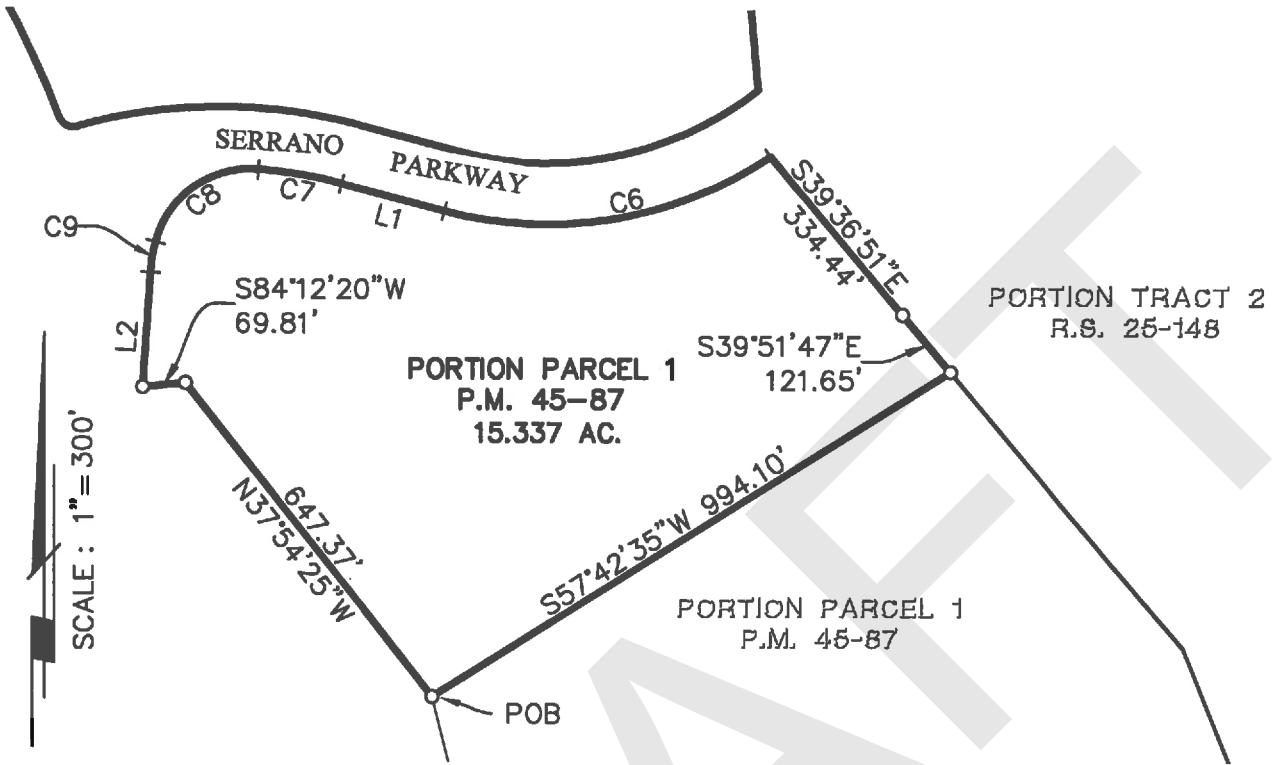
SEE SHEET 2 FOR
LINE AND CURVE TABLES

SEE SHEET 2

REVISION	JOB NO. 2677.172	TITLE: EL DORADO HILLS COMMUNITY SERVICES DISTRICT GRANT	905 Sutter St., Suite 200, Folsom, CA 95630 (916) 366-3040 Fax (916) 366-3303 R. E. Y. ENGINEERS, Inc. Civil Engineers / Land Surveyors
	DATE: 11.14.2023	COUNTY OF EL DORADO, CALIFORNIA	
	SCALE: 1" = 300'		
	DRAWN BY: MC		
	CHECKED BY: BT	CLIENT: SERRANO ASSOC.	
	SHEET 1 OF 2	DRAWING FILE: 2677.172	

EXHIBIT "A-3"

SEE SHEET 1



SCALE : 1" = 300'

CURVE TABLE

CURVE	RADIUS	CH BEARING	CH DISTANCE
C1	550.00'	S78°02'35"W	494.53'
C2	850.00'	S89°23'19"W	450.61'
C3	25.00'	S63°27'59"E	33.79'
C4	1553.00'	N25°55'09"W	269.00'
C5	1447.00'	N24°09'29"W	339.12'
C6	650.00'	N80°20'39"E	537.35'
C7	750.00'	S80°25'24"E	135.50'
C8	157.50'	N54°18'55"E	202.81'
C9	282.50'	N9°06'19"E	50.53'

LINE TABLE

LINE	BEARING	DISTANCE
L1	S75°14'26"E	173.00'
L2	N3°58'27"E	187.07'



REVISION	JOB NO. 2677.172	TITLE: EL DORADO HILLS COMMUNITY SERVICES DISTRICT GRANT	905 Sutter St. Suite 200, Folsom, CA 95630 (916) 366-3040 Fax (916) 366-3303 R. E. Y. ENGINEERS, Inc. Civil Engineers / Land Surveyors
	DATE: 11.14.2023	COUNTY OF EL DORADO, CALIFORNIA	
	SCALE: 1"=300'	CLIENT: SERRANO ASSOC.	
	DRAWN BY: MC		
	CHECKED BY: BT		DRAWING FILE: 2677.172
	SHEET 2 OF 2		

EXHIBIT A-4

Description of 11-Acre Parcel

[See Attached]

DRAFT

EXHIBIT "A-4"

El Dorado Hills Community Services District GRANT

All that real property situated in the County of El Dorado, State of California, being a portion of Lot R as shown on the Plat of "El Dorado Hills Specific Plan, Unit No. 1", filed in Book H of Maps, Page 78, in the Recorder's office of said county, described as follows:

Beginning at a point on the west line of said Lot R, being the southwest corner of Tract 1 as shown on the Record of Survey filed in Book 30 of Surveys, Page 63 in said Recorder's office; thence from said point of beginning along the south boundary of said Tract 1 North $81^{\circ}31'39''$ East 464.51 feet; thence across said Lot R the following two courses and distances: (1) South $10^{\circ}38'13''$ East 1,163.70 feet and (2) South $79^{\circ}54'34''$ West 101.02 feet to the southeast terminus of a curve in the northeast boundary of the real property irrevocably offered to and accepted by the County of El Dorado (I.O.D.) in Document 2008-0006748 Official Records of said County, said curve being labeled " $N60^{\circ}19'00''W$ 169.32' R=124.50 feet" in said I.O.D.; thence along the northeast boundary of said I.O.D. the following five courses and distances: (1) Along a non-tangent curve to the left having a radius of 124.50 feet and a chord that bears North $60^{\circ}16'23''W$ 169.32 feet, (2) South $76^{\circ}52'56''$ West 129.99 feet, (3) Along a curve to the left having a radius of 124.50 feet and a chord that bears South $74^{\circ}45'04''$ West 9.26 feet, (4) South $72^{\circ}37'07''$ West 60.29 feet and (5) Along a curve to the right having a radius of 25.00 feet and a chord that bears North $61^{\circ}59'45''$ West 35.59 feet to a point on the west boundary of said Lot R; thence along said west boundary of Lot R the following two courses and distances: (1) Along a non-tangent curve to the right having a radius of 1,947.00 feet and a chord that bears North $13^{\circ}15'59''$ West 183.23 feet and (2) North $10^{\circ}34'10''$ West 878.81 feet to the point of beginning.

Containing 11.675 acres.

The basis of bearings of this description is identical with that of the Plat of "El Dorado Hills Specific Plan, Unit No. 1", filed in Book H of Maps, Page 78, in said Recorder's office. Rotate bearings listed in Document 2008-0006748 Official Records of said County counterclockwise $00^{\circ}02'35''$ to match this basis of bearings.

End of Description

Prepared by:
R.E.Y. Engineers, Inc.

DRAFT

Brian Thionnet
P.L.S. 6866

Date

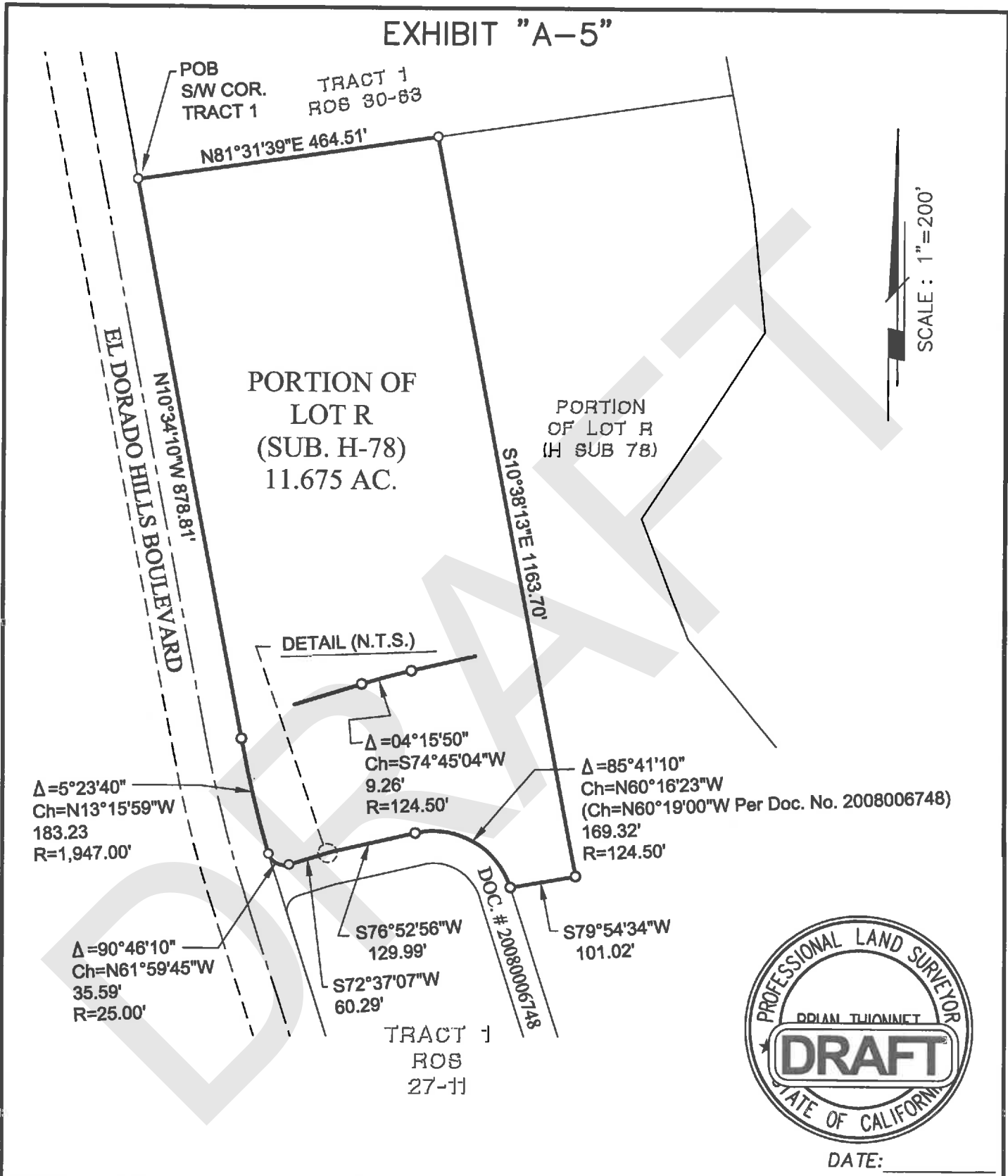
EXHIBIT A-5

Depiction of 11-Acre Parcel

[See Attached]

DRAFT

EXHIBIT "A-5"



DATE: _____

REVISION	JOB NO. <u>2677.172</u>
	DATE: _____
	SCALE: <u>1" = 200'</u>
	DRAWN BY: <u>BG</u>
	CHECKED BY: <u>BT</u>
	SHEET <u>1</u> OF <u>1</u>

TITLE: <u>EL DORADO HILLS COMMUNITY SERVICES DISTRICT GRANT</u>
<u>EL DORADO COUNTY, CALIFORNIA</u>
CLIENT: <u>SERRANO ASSOC.</u>

905 Sutter St., Suite 200, Folsom, CA 95630
 (916) 366-3040 Fax (916) 366-3303

R. E. Y. ENGINEERS, Inc.
 Civil Engineers / Land Surveyors

DRAWING FILE: EXHIBIT A-5.dwg

EXHIBIT B-1

Description of Option Property

[See Attached]

DRAFT

EXHIBIT "B-1"

El Dorado Hills Community Services District OPTION

All that real property situated in the County of El Dorado, State of California, being a portion of Parcel 1 as shown on the Parcel Map filed in Book 45 of Parcel Maps, Page 87, in the Recorder's office of said county, described as follows:

Beginning at the northwesterly terminus of that certain course in the west boundary of said Parcel 1 labeled "N 13°41'12" W 397.86'"; thence from said point of beginning across said Parcel 1 North 57°42'35" East 994.10 feet to a point on the northeast boundary of said Parcel 1; thence along the boundary of said Parcel 1 the following six courses and distances: (1) South 39°51'47" East 585.68 feet, (2) South 21°35'01" East 424.49 feet, (3) South 86°25'27" East 242.72 feet, (4) South 53°50'51" East 257.80 feet, (5) South 15°17'45" East 257.73 feet to a point on the north right of way line of U.S. Highway 50 as shown on said Parcel Map, (6) Along the common line between said boundary of Parcel 1 and said right of way South 66°17'29" West 168.11 feet to the most easterly point of the land described in the Grant Deed for public highway purposes recorded in Document 2012-0068727 Official Records of said County; thence, leaving said common line, along the northwest boundary of said Grant Deed the following three courses and distances: (1) North 83°36'32" West 50.29 feet, (2) South 66°23'26" West 550.05 feet and (3) South 38°12'51" West 28.84 feet to the most westerly point of said Grant Deed being on said common line; thence along said common line the following two courses and distances: (1) South 68°12'51" West 418.93 feet and (2) South 70°34'56" West 65.07 feet; thence leaving said right of way line and continuing along said boundary of Parcel 1 the following seven courses and distances: (1) North 23°59'47" West 12.61 feet, (2) North 39°40'47" West 51.59 feet, (3) South 70°34'51" West 44.02 feet, (4) North 39°40'44" West 396.19 feet, (5) Along a curve to the right having a radius of 748.22 feet and a chord that bears North 34°37'44" West 131.72 feet, (6) North 29°34'45" West 430.79 feet and (7) North 13°41'12" West 397.86 feet to the point of beginning.

Containing 41.466 acres.

The basis of bearings of this description is identical with that of the Parcel Map filed in Book 45 of Parcel Maps, Page 87, in said Recorder's office. Rotate bearings listed in Document 2012-0068727 Official Records of said County counterclockwise 00°01'17" to match basis of bearings herein. Divide grid distances shown in said document by 0.99991 to obtain ground distances.

End of Description

Prepared by:
R.E.Y. Engineers, Inc.

DRAFT

Brian Thionnet Date
P.L.S. 6866

EXHIBIT B-2

Depiction of Option Property

[See Attached]

DRAFT

EXHIBIT "B-2"

PORTION PARCEL 1
P.M. 45-87

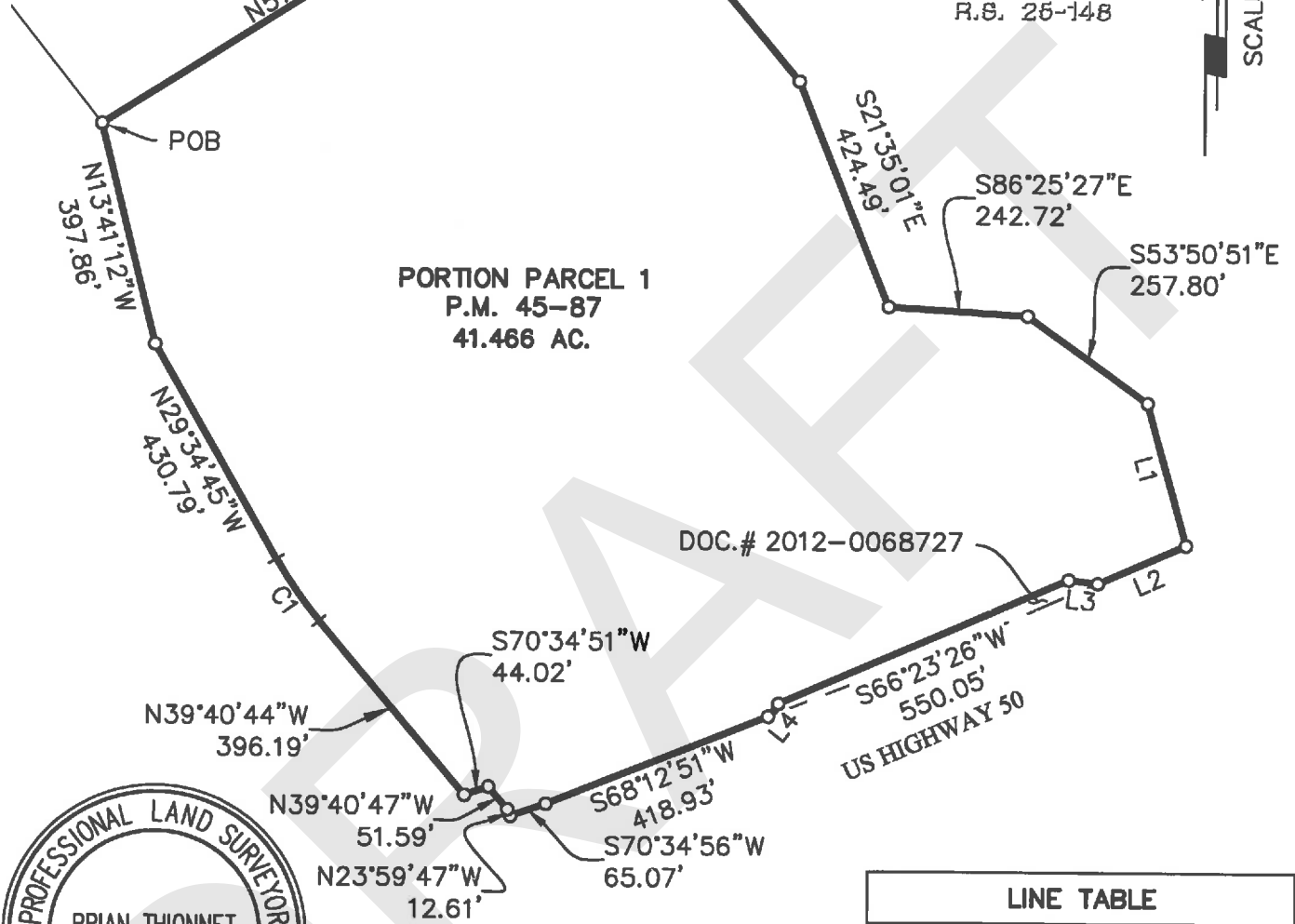
TRACT 2
R.S. 25-148

PORTION PARCEL 1
P.M. 45-87
41.466 AC.

DOC.# 2012-0068727

US HIGHWAY 50

SCALE: 1" = 300'



CURVE TABLE			
CURVE	RADIUS	CH BEARING	CH DISTANCE
C1	748.22'	N34°37'44"W	131.72'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S15°17'45"E	257.73'
L2	S66°17'29"W	168.11'
L3	N83°36'32"W	50.29'
L4	S38°12'51"W	28.84'

REVISION

JOB NO. 2677.172
DATE: 11.16.2023
SCALE: 1" = 300'
DRAWN BY: MC
CHECKED BY: BT
SHEET 1 OF 1

TITLE: EL DORADO HILLS COMMUNITY SERVICES DISTRICT OPTION COUNTY OF EL DORADO, CALIFORNIA

CLIENT: SERRANO ASSOC.

905 Sutter St., Suite 200, Folsom, CA 95630
(916) 366-3040 Fax (916) 366-3303
R. E. Y. ENGINEERS, Inc.
Civil Engineers / Land Surveyors



DRAWING FILE: 2677.172

EXHIBIT C

General Designment

[See Attached]

DRAFT

Exhibit C

To be provided as an addendum prior to the meeting.

DRAFT

EXHIBIT D

Memorandum of Option

[See Attached]

DRAFT

Exhibit D

To be provided as an addendum prior to the meeting.

DRAFT

EXHIBIT E

Memorandum of Restrictive Covenant

[See Attached]

DRAFT

Exhibit E

To be provided as an addendum prior to the meeting.

DRAFT