

**TRAFFIC IMPACT FEE CREDIT TRANSFER AGREEMENT
FOR THE SILVER SPRINGS DEVELOPMENT
AGMT# 21-54992**

THIS TRAFFIC IMPACT FEE CREDIT TRANSFER AGREEMENT (“Agreement”) is made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (“County”), **SILVER SPRINGS EL DORADO COUNTY, INC.**, a California corporation duly qualified to conduct business in the State of California, whose principal place of business is 707 Aldridge Road, Vacaville, California, 95688 (“New Owner”), and **SILVER SPRINGS, LLC**, a California limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 73 West Stewart Road, Lathrop, California, 95330 (“Prior Owner”). This agreement concerns **SILVER SPRINGS, UNIT 1 (FM 97-1330)** (“Subdivision”).

RECITALS

WHEREAS, on September 26, 2006, the Board approved the Final Map for the Subdivision. As part of the process to develop the Subdivision, the Prior Owner entered into multiple agreements with the County in order to fulfill certain Conditions of Approval necessary to secure the approval of the Final Map; and

WHEREAS, on May 14, 2013, Prior Owner and County entered into **Reimbursement Agreement for the Onsite and Offsite Road Improvements for Silver Springs Development, AGMT #07-1468** (“Reimbursement Agreement”), defining certain off-site improvements to be advance funded by Prior Owner, the terms for reimbursement of those improvements, and the ability to utilize fee credits to offset the cost of the Traffic Impact Fees (TIF) applicable to the construction of homes within the Subdivision; and

WHEREAS, in accordance with Sections 1.02(D)(i)(2) and Section 1.03(A) of the Reimbursement Agreement, Prior Owner is entitled to above mentioned fee credits; and

WHEREAS, Prior Owner subsequently sold a portion of the Subdivision to Blue Mountain Communities, which then assigned the development to New Owner who constructed the site improvements and has begun home construction within the development; and

WHEREAS, Prior Owner and New Owner agreed that New Owner would pay Prior Owner the current TIF for each home within in the development, and Prior Owner would utilize its fee credits to offset the TIF due to the County; and

WHEREAS, the Reimbursement Agreement authorizes Prior Owner to assign its rights or obligations in the Reimbursement Agreement, including the right to fee credits, by first obtaining the written consent of County; and

WHEREAS, the purpose of this Agreement is to provide that authorization to Prior Owner and to establish the terms and conditions for the transfer of fee credits and reimbursements from Prior Owner to New Owner; and

WHEREAS, New Owner has paid TIF for homes already constructed, and seeks to retroactively utilize transferred fee credits, with prior fees paid to be reimbursed to New Owner;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree to the following:

SECTION 1. ELIGIBILITY CRITERIA

The parties acknowledge that the eligibility for credits or reimbursements for costs related to construction of County Capital Improvement Program ("CIP") Project #76107/66107 ("Project 76107") and Project #76108/66108/36105039 ("Project 76108") is governed by the terms of the Final Map for the Subdivision and the following Agreements:

1. Agreement for Funding and Reimbursement of Right of Way Acquisition Costs (Agreement #06-1130; executed October 31, 2006)
2. Road Improvement Agreement for Intersection and Traffic Signals at Green Valley Road and Silver Springs Parkway and Green Valley Road and Deer Valley Road (Agreement #06-1111; executed October 5, 2006)
3. Reimbursement Agreement, as previously defined
4. Road Improvement Agreement for Silver Springs Parkway Offsite Between the County and Silver Springs, LLC (Agreement #12-53452; executed April 17, 2013)
5. Requisition and Shortfall Agreement (Agreement #11-53219, executed April 29, 2013)

Nothing in this Agreement will be construed to govern the eligibility for fee credits or reimbursements for costs related to construction of CIP Project 76107 and Project 76108, and New Owner understands that in order for costs to be eligible for reimbursement or credit New owner must fully comply with the terms of the prior Agreements and all County and state requirements.

SECTION 2. PROCEDURE FOR NEW OWNER TO USE TRANSFERRED CREDITS

County agrees to implement the following procedure for accounting for the transfer of credits from Prior Owner to New Owner:

Prior Owner may assign, transfer, and convey, any portion of its entitlement to fee credits related to the Subdivision by providing New Owner a signed Certificate of Transfer of Traffic Impact Fee Credits (Attachment A; "Transfer Certificate"). By signing that form, Prior Owner warrants that it has adequate credits available for the Subdivision as stated on the Transfer Certificate. Prior Owner acknowledges that its signature on the form constitutes an irrevocable pledge to waive its entitlement to reimbursement for the Subdivision to New Owner in the amount transferred.

Before the Effective Date of this Agreement, County acknowledges that New Owner has been proceeding with the development of the Subdivision and paying the TIF associated therewith. In recognition of that, County agrees to make two (2) payments to New Owner. The first payment shall be associated with the TIF paid by New Owner before the Effective Date of this Agreement, and the second payment associated with the TIF paid between the Effective Date

of this Agreement and the date of the issuance of the last building permit within the Subdivision, as set out below.

Refund of TIF Paid Before Effective Date

For the first payment, within thirty (30) days of the Effective Date of this Agreement, New Owner shall submit an accounting report to the County of the local roads portions of the TIF Fees paid by New Owner for development of the Subdivision before the Effective Date, along with a signed and executed "Transfer Certificate" that addresses the fee credits in question. County will review that accounting report for accuracy and may request clarification from New Owner or modify the report as necessary. County's decision on the accuracy of the accounting report is final and nonappealable.

County agrees that, within forty-five (45) days after County approves the accounting report, and after the execution of the Transfer Certificate, the County shall refund to New Owner the corresponding amount of TIF paid that otherwise could have been credited if the Agreement had been in place at the time of that payment. That refund will reduce the corresponding amounts of the fee credits that Prior Owner would have been entitled to had Prior Owner paid the TIF obligation for the Subdivision.

Refund of TIF Paid Between the Effective Date and Issuance of Last Building Permit

The County agrees that Prior Owner may transfer a second group of credits upon the issuance of the last building permit on the Silver Springs Unit 1 Subdivision. Within thirty (30) days of the date of the issuance of the last building permit within the Silver Springs Unit 1 Subdivision, New Owner shall submit an accounting report to the County. The accounting report will list the local roads portions of the TIF Fee Credits used by New Owner for the development of the Subdivision, for the time period between the Effective Date of this Agreement and the date of the issuance of the last building permit within the Subdivision. County will review that accounting report for accuracy and may request clarification from New Owner or modify the report as necessary. County's decision on the accuracy of the accounting report is final and nonappealable. The County Director of Transportation (Director) will provide New Owner with its final determination of remaining fee credits. Upon receipt of County's written determination of remaining fee credits, Prior Owner may transfer fee credits to New Owner in the amount approved by the Director. Such transfer shall be made by a signed Transfer Certificate. Transfer Certificates shall be provided to the County within 30 days of execution.

County agrees that, within forty-five (45) days after County approves the accounting report, and after the execution of the Transfer Certificate, the County shall refund to New Owner the corresponding amount of TIF paid that otherwise could have been credited if New Owner had utilized a credit at the time of issuance on each building permit. That refund will reduce the corresponding amounts of the credits that Prior Owner would have been entitled to had Prior Owner paid the TIF obligation for the Subdivision.

SECTION 3. AMOUNT OF CREDITS ELIGIBLE FOR TRANSFER

The parties acknowledge that the amount of fee credit available for transfer is limited to the total amount eligible for fee credit available to Prior Owner at the time of transfer, pursuant to the terms of the Reimbursement Agreement. As of August 1, 2021, that total creditable amount is \$1,269,820.67. This amount is calculated as:

Project 76017 Eligible Credits:

Interim Acquisition Report approved in 2016 for Project 76107 (\$1,893,393.26)

Minus immediate reimbursement (\$110,491.04)

Multiplied by 50% (See Reimbursement Agreement Section 1.02(A)(i))

$(\$1,893,393.26 - \$110,491.04) \div 2 = \mathbf{\$891,451.11}$

Project 76108 Silver Springs Offsite Right-of-Way – Excess Right-of-Way Credits:

Total Excess Right-of-Way cost = \$756,739.12

Multiplied by 50% (See Reimbursement Agreement Section 102(D)(i)(2))

$(\$756,739.12) \div 2 = \mathbf{\$378,369.56}$

Total Eligible as of 8-1-21 = (\$891,451.11 + \$378,369.56) = \$1,269,820.67

The parties acknowledge that this eligible credit amount will change as future reimbursement reports are approved for additional reimbursement or credit.

SECTION 4. VENUE & ATTORNEY FEES

Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

In the event that there is any controversy, complaint, cause of action, or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, and any action or proceeding is commenced to enforce the provisions of this Agreement or in enforcing or defending the security obligations provided herein, the prevailing party shall be entitled to reasonable attorney's fees, including reasonable County Counsel fees, and costs if so incurred, costs and expenses.

SECTION 5. CONSTRUCTION

This Agreement shall be construed as a whole, the captions being for the convenience of the parties only and not intended to describe or define the provisions in the portions of the Agreement to which they pertain. Each party hereto acknowledges and agrees that each has had independent counsel and review and participated in the drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation to the effect that any ambiguities are to be resolved against the drafting party.

SECTION 6. CHANGES TO AGREEMENT

This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

SECTION 7. NOTICE TO PARTIES

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

To County:	With a Copy to:
County Of El Dorado Department of Transportation 2850 Fairlane Court Placerville, CA 95667	County Of El Dorado Chief Administrative Office Community Development Finance & Administration 2850 Fairlane Court Placerville, CA 95667
Attn: Rafael Martinez Director of Transportation	Attn: Becky Morton Agency Chief Fiscal Officer

or to such other location as County directs in writing.

Notices to Silver Springs, LLC shall be addressed as follows:

Silver Springs, LLC
c/o The Cambay Group
73 W Steward Rd.
Lathrop, CA 95330
Attn: William C. Scott, Jr.
Chief Financial Officer

or to such other location as Developer directs.

Notices to Silver Springs El Dorado County, Inc. shall be addressed as follows:

Silver Springs El Dorado County, Inc.
707 Aldridge Road, Suite B
Vacaville, CA 95688
Attn: Stephanie MacLean
Chief Executive Officer

or to such other location as Developer directs.

SECTION 8. CONTRACT ADMINISTRATOR

The County officer or employee with responsibility for administering this Agreement is Becky Morton, Agency Chief Fiscal Officer, Chief Administrative Office, Community Development Finance and Administration Division, or successor.

SECTION 9. SUCCESSORS AND ASSIGNS

This Agreement is binding upon the heirs, assigns, and successors-in-interest of the parties hereto. New Owner may not assign its rights or obligations hereunder, except with the prior written consent of County.

SECTION 10. AUTHORIZED SIGNATURES

The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

Requesting Contract Administrator Concurrence:

By: Becky Morton Dated: 06/07/22
Becky Morton
Agency Chief Fiscal Officer
Chief Administrative Office
Community Development Finance & Administration Division

Requesting Department Concurrence:

By: Rafael Martinez Dated: 06/14/22
Rafael Martinez, Director
Department of Transportation

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

--COUNTY OF EL DORADO--

By: _____ Dated: _____
Board of Supervisors
"County"

Attest:
Kim Dawson
Clerk of the Board of Supervisors

By: _____ Dated: _____
Deputy Clerk

--SILVER SPRINGS EL DORADO COUNTY, INC.--
--a California corporation--

By: Smac Dated: 6/3/2022
Stephanie MacLean
Chief Executive Officer
"New Owner"

--SILVER SPRINGS, LLC--
--a California limited liability company--

By: Sorrento, Inc.
a California Corporation
its Managing Member

By: [Signature] Dated: 5-24-22
William C. Scott, Jr.
Chief Financial Officer
"Prior Owner"

Notary Acknowledgements Attached

NEW OWNER

ACKNOWLEDGMENT

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

State of California
County of Solano

On 06/03/2022 before me,
Selina Y. Marcus, Notary Public,
(here insert name and title of the officer)

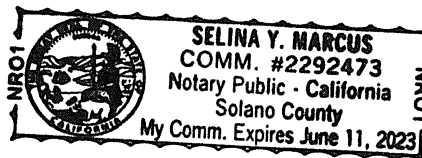
personally appeared
Stephanie MacLean

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

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

WITNESS my hand and official seal.

Signature Selina Y. Marcus



(Seal)

PRIOR OWNER

ACKNOWLEDGMENT

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

State of California

County of San Joaquin

On May 24, 2022 before me,
Jennifer D. McCulloch, Notary Public

(here insert name and title of the officer)

personally appeared

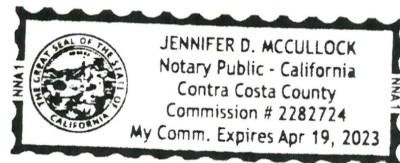
William C. Scott, Jr.

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

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

WITNESS my hand and official seal.

Signature Jennifer D. McCulloch



(Seal)

ATTACHMENT A

CERTIFICATE OF TRANSFER OF TRAFFIC IMPACT FEE CREDITS

The Traffic Impact Fee Credit Transfer Agreement for the Silver Springs Development (Agreement #21-54992) authorizes the Prior Owner to transfer its entitlement to certain fee credits under the County Traffic Impact Fee (TIF) Program to New Owner by signing this form. The undersigned Prior Owner, as the holder of certain Fee Credits related to the Silver Springs Unit 1 Final Map (FM97-1300), hereby assigns, transfers and conveys to the undersigned New Owner the amount of TIF Credits as indicated below:

Prior Owner: Silver Springs, LLC

New Owner: Silver Springs El Dorado County, Inc.

Fee Credits:

Amount of Assigned Fee Credits: _____

APPROVED:
Director of Transportation: _____

PRIOR OWNER:

Silver Springs, LLC
a California limited liability company

NEW OWNER:

Silver Springs El Dorado County, Inc.
a California corporation

By: _____
Name: William C. Scott, Jr
Title: Chief Financial Officer
Date: _____

By: _____
Name: Stephanie MacLean
Title: Chief Executive Officer
Date: _____

Prior Owner Contact:

Name: _____
Address: _____

Telephone: _____
E-Mail: _____

New Owner Contact:

Name: _____
Address: _____

Telephone: _____
E-Mail: _____