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CA SB2 Fee: \$0.00
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COMMUNITY BENEFIT AND DEVELOPMENT AGREEMENT

BY AND BETWEEN

COUNTY OF EL DORADO AND

EAST RIDGE HOLDINGS, LLC,

EL DORADO LAND VENTURES, LLC, AND

VALLEY VIEW REALTY INVESTMENTS, LLC

FOR THE DEVELOPMENT KNOWN AS

EAST RIDGE VILLAGE

Effective Date:

Community Benefit and Development Agreement
By and Between County of El Dorado and East Ridge Holdings, LLC,
El Dorado Land Ventures, LLC, and Valley View Realty Investments, LLC
For the Development Known as East Ridge Village

This Community Benefit and Development Agreement (hereinafter “**Agreement**”) is made and entered into this 25th day of July , 2023, by and between the **County of El Dorado** (hereinafter “**County**”) and **East Ridge Holdings, LLC**, a Delaware limited liability company (hereinafter “**East Ridge**”), **El Dorado Land Ventures, LLC**, a Delaware limited liability company (hereinafter “**Land Ventures**”), and **Valley View Realty Investments, LLC**, a Delaware limited liability company (hereinafter “**Valley View**”), pursuant to the authority of Sections 65864 through 65896.5 of the California Government Code and Chapter 130.58 of the County’s Ordinance Code relating to development agreements. East Ridge, Land Ventures, and Valley View are hereinafter sometimes collectively referred to as “**Landowners**” and singularly as “**Landowner.**” County and Landowners are hereinafter sometimes collectively referred to as the “**Parties**” and singularly as “**Party.**”

Recitals

This Agreement is entered into based on the following facts and circumstances, among others:

A. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risks of development, the Legislature of the State of California adopted Sections 65865 et seq. of the California Government Code enabling a County and an applicant for a development project to enter into a development agreement establishing with certainty what zoning standards and land use regulations of the County will govern the construction and implementation of the development project from beginning to completion.

B. On December 8, 1998, the County adopted Ordinance No. 4517 approving the Valley View Specific Plan (“**VVSP**”) and certified an Environmental Impact Report (“**EIR**”) (State Clearing House No. 97082008) for the VVSP, which is a master planned community that consists of approximately 2,037 acres and includes approximately 2,840 dwelling units.

C. The County adopted an ordinance approving the Valley View Specific Plan Development Agreement on December 8, 1998 (“**1998 Development Agreement**”), and that development agreement expired on approximately January 7, 2019.

D. Development of the VVSP has continued since its approval and approximately 2,138 dwelling units of the approximately 2,840 approved dwelling units have been entitled or constructed.

E. East Ridge Village is within the VVSP and has an approved tentative map (TM14-1521) (“**Small Lot Tentative Map**”) that would create approximately 759 lots consisting of 701 residential lots, forty-one landscape lots, twelve roadway lots, two recreational park lots, one sewer lift station lot, one water tank lot, and one pump station lot.

F. The Small Lot Tentative Map was originally approved on June 11, 2015 and, on July 13, 2017, the Planning Commission approved six one-year discretionary time extensions, resulting in a current expiration date of June 11, 2024.

G. On December 15, 2015, the County approved a final map for the East Ridge Village Large Lot Tentative Subdivision Map, thereby creating 65 lots for financing and phasing purposes.

H. Pursuant to the 1998 Development Agreement and the Mello-Roos Community Facilities Act of 1982 (the "Act"), and at the request of Landowners, on October 20, 2015, the Board of Supervisors formed Community Facilities District No. 2015-1 (East Ridge) (the "2015 CFD") and authorized bonding authority for the 2015 CFD for the purpose of financing in part certain development fees and to advance funds for certain public improvements, including payment of certain fees to prescribed public entities other than the County.

I. Due to marketing and development challenges associated with the construction of residential units, major infrastructure improvements, and delays associated with the Covid-19 pandemic, Landowners do not anticipate seeking a Final Subdivision Map before the Small Lot Tentative Map expires.

J. The Subdivision Map Act provides that a tentative map may be extended for the period of time provided for in a development agreement, and a development agreement providing an extension of the Small Lot Tentative Map would allow for completion of East Ridge Village and the VVSP consistent with the approved master planned community.

K. Landowners have requested that the 2015 CFD be abandoned and that County form a new community facilities district (the "2023 CFD") on updated terms.

L. The Project will provide County-wide benefits, as more fully detailed in this Agreement, including an community benefit fee of Five Hundred Dollars (\$500.00) per dwelling unit, including an annual adjustment ("Affordable Housing Fee"), and pay-as-you-go ("PAYGO") special tax revenues beginning in the first year a special tax is levied in the 2023 CFD.

M. On July 25, 2023, the Board of Supervisors introduced Ordinance No. 5180 approving this Agreement and authorizing its execution, and adopted such Ordinance on July 25, 2023, with the Effective Date as set forth in Section 1.2.

Definitions

The following words or phrases used in this Agreement shall have the meanings set forth in this Section. All words not specifically defined shall be deemed to have their common meaning and/or the meaning generally given to such words in the parlance of the planning and development of real property in the State of California.

1. "1998 Development Agreement" has the meaning described in Recital C.
2. "2015 CFD" has the meaning described in Recital H.
3. "2023 CFD" has the meaning described in Recital K.

4. "Agreement" means this Community Benefit and Development Agreement.
5. "Applicable General Plan" means the County's General Plan, adopted on July 19, 2004, as amended through the Effective Date.
6. "Community Benefit Fee" has the meaning described in section 3.2.1.
7. "County" means the County of El Dorado.
8. "CPI" means the Consumer Price Index (all items) for the San Francisco-Oakland-Hayward area. Any CPI adjustment provided for in this Agreement shall be made on January 1 of each year, commencing January 1, 2024. In the event the CPI is no longer published, the County shall, in its reasonable discretion, select a similar index to calculate the annual adjustment.
9. "East Ridge Property" means that certain real property legally described in Exhibit A-1 and depicted on Exhibit A-2.
10. "Effective Date" has the meaning described in Section 1.2.
11. "EIR" means the Final Environmental Impact Report for the VVSP (State Clearing House No. 97082008).
12. "Landowners" mean East Ridge Holdings, LLC, or its successors in interest, El Dorado Land Ventures, LLC, or its successors in interest, and Valley View Realty Investments, LLC, or its successors in interest.
13. "Land Ventures Property" means that certain real property legally described in Exhibit B-1 and depicted on Exhibit B-2.
14. "PAYGO" has the meaning described in Recital L and the 2023 CFD Rate and Method of Apportionment Exhibit.
15. "Project" means the development of East Ridge Village within the VVSP and related entitlements described in the Recitals and Section 2.1.
16. "Project Approvals" mean the development approvals and entitlements set forth in Section 2.1.
17. "Property" means the East Ridge Property, Land Ventures Property, and Valley View Property.
18. "Small Lot Tentative Map" shall mean the tentative subdivision map described in Section 2.1.
19. "Term" shall have the meaning described in Section 1.3.
20. "Valley View Property" means that certain real property legally described in Exhibit C-1 and depicted on Exhibit C-2.

**SECTION 1.
GENERAL PROVISIONS**

1.1 All Exhibits Deemed Incorporated by Reference. Unless specifically stated to the contrary, the reference to an exhibit by a designated letter or number shall mean that the exhibit is made a part of this Agreement.

1.2 Agreement to be Recorded; Effective Date. When fully executed, this Agreement will be recorded in the Official Records of El Dorado County, pursuant to Government Code Section 65868.5. The effective date of this Agreement shall be the later of (a) the date that is thirty (30) days after the date that Ordinance enacting this Agreement is adopted, or (b) the date this Agreement is fully executed by the Parties ("**Effective Date**"). The Effective Date is inserted at the beginning of this Agreement. The Parties acknowledge that Section 65868.5 of the Development Agreement Statute requires this Agreement to be recorded in the Official Records no later than ten (10) days after the County enters into this Agreement.

1.3 Term. The Term of this Agreement shall commence on the Effective Date and expire on July 11, 2034. The expiration date for the Small Lot Tentative Map for the Project shall be extended for the Term of this Agreement. The Term shall be automatically extended for a period of time commensurate with any period of time during which a challenge to the Project Approvals or the validity of this Agreement is pending.

1.4 Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

1.4.1 Expiration of the Term;

1.4.2 Entry of a final court judgment or issuance of a final court order directed to the County to set aside, withdraw, or abrogate the County's approval of this Agreement or any material part of the Project Approvals; or

1.4.3 The Effective Date of a Party's election to terminate this Agreement as provided in Section 5.2.

1.4.4 As to a single residential lot within the Project, upon building permit final inspection and the conveyance of such lot or parcel to a bona fide good faith purchaser. Such termination shall be automatic without any further action by either Party or the need to record any further documents.

1.5 Interest of Landowners. East Ridge has a legal or equitable interest in that certain real property legally described in Exhibit A-1 and depicted on Exhibit A-2 ("East Ridge Property") sufficient to enter into this Agreement with County. Land Ventures has a legal or equitable interest in that certain real property legally described in Exhibit B-1 and depicted on Exhibit B-2 ("Land Ventures Property") sufficient to enter into this Agreement with County. Valley View has a legal or equitable interest in that certain real property legally described in Exhibit C-1 and depicted on Exhibit C-2 ("Valley View Property") sufficient to enter into this Agreement with County.

1.6 Covenants Running With the Land. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land against any and all subsequent owners regardless of how ownership is obtained, including but not limited to a foreclosure sale. Each covenant to do, or refrain from doing, some act with regard to the development of the Property (a) is for the benefit of and is a burden upon the Property; (b) runs with the Property and every portion thereof; and (c) is binding upon each Party and each successor in interest or subsequent owner during ownership of the Property or any portion thereof. Nothing herein shall waive or limit the provisions of Section 2.4, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by the applicable Landowner in writing pursuant to Section 1.7 or, in the event of a foreclosure, assumed by the successor in a form acceptable to the County.

1.7 Right to Assign; Non-Severable Obligations.

1.7.1 Except as otherwise provided, and provided that Landowners are not in default of this Agreement pursuant to Section 5, Landowners shall have the right to assign this Agreement as to the East Ridge Property, Land Ventures Property, and/or Valley View Property, as applicable, or any portion thereof, in connection with the sale, transfer, or conveyance thereof to a third party during the term of this Agreement, provided prior written notice of such assignment is given to County. Provided such assignment is done in writing and the assignee assumes all of the applicable Landowner's obligations hereunder, the applicable Landowner shall be released from any further liability or obligation from this Agreement related to the East Ridge Property, Land Ventures Property, and/or Valley View Property, as applicable, or the portion thereof so conveyed and the assignee shall thereafter be the "Landowner" with all rights and obligations related thereto with respect to such conveyed property. The form of assignment agreement is attached as Exhibit D hereto.

1.7.2 The obligations and conditions set forth in this Agreement are not severable, and any sale of the Property, in whole or in part, or assignment of this Agreement, in whole or in part, which attempts to sever the obligations and/or conditions shall be a nullity and shall have no force or effect. In the event of a foreclosure of all or part of the Property, the Project Approvals shall have no force and effect until any subsequent owner seeking to develop under the Project Approvals executes a written agreement, in a form acceptable to the County, assuming all rights and obligations under this Agreement.

1.8 Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the County and Landowners (and/or any successor owner of any portion of the Property, to the extent subject to or affected by the proposed amendment), as provided in Government Code Section 65868. If the proposed amendment affects less than the entire Property, then such amendment need only be approved by the owner(s) in fee of the portion(s) of the Property that is subject to or affected by such amendment. The cost to the County in processing such a proposed amendment shall be paid by Landowners.

1.9 Whole Agreement. This Agreement, together with any subsequent amendments, shall constitute the entire agreement of the Parties as to the development of the Property. All prior agreements of the Parties related to development of the Property, whether written or oral, are of no further force and effect.

1.10 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

1.11 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a specific situation, is found to be invalid, or unenforceable, in whole or in part for any reason, the remaining terms and provisions of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provisions, in which case either Party may terminate this Agreement by providing written notice thereof to the other Party. In the event of such termination, the provisions of Section 1.4 relating to termination of this Agreement by mutual written consent shall apply. Without limiting the generality of the foregoing, no judgment determining that a portion of this Agreement is unenforceable or invalid shall release Landowners from their obligations to indemnify the County under this Agreement.

1.12 Choice of Law; Venue. This Agreement shall be interpreted according to the laws of the State of California. The venue for any litigation concerning its meaning shall be the Superior Court of El Dorado County, California.

1.13 Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the County and Landowners or Landowners' assigns and successors. Notice shall be effective on the date delivered in person, or the date when the postal authorities indicate that the mailing was delivered to the address of the receiving Party indicated below:

Notice to the County:	County of El Dorado 2850 Fairlane Court Placerville, CA 95667 Attn: Director of Planning and Building
Notice to East Ridge:	East Ridge Holdings, LLC 4370 Town Center, Blvd., Suite 100 El Dorado Hills, California 95762 Attention: William B. Bunce
Notice to Land Ventures:	El Dorado Land Ventures, LLC 4370 Town Center, Blvd., Suite 100 El Dorado Hills, California 95762 Attention: William B. Bunce
Notice to Valley View:	Valley View Realty Investments, LLC 4370 Town Center, Blvd., Suite 100 El Dorado Hills, California 95762 Attention: William B. Bunce

1.14 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties. No other person shall have any right of action based upon any provision in this Agreement.

1.15 List of Exhibits.

- Exhibit A-1: Legal Description of East Ridge Property
- Exhibit A-2: Depiction of East Ridge Property
- Exhibit B-1: Legal Description of Land Ventures Property
- Exhibit B-2: Depiction of Land Ventures Property
- Exhibit C-1: Legal Description of Valley View Property
- Exhibit C-2: Depiction of Valley View Property
- Exhibit D: Form of Assignment

1.16 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

1.17 Signatures. Landowners and County represent and warrant that the individuals executing this Agreement have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Landowners and County.

SECTION 2. DEVELOPMENT OF THE PROPERTY

2.1 Project Approvals. The Property shall be developed in accordance with the Project Approvals identified in this subsection 2.1. The permitted uses of the Property, the density and intensity of use, and the maximum height and size of proposed buildings, and the provisions for reservation or dedication of land for public purposes shall be those set forth in the Project Approvals. The Project Approvals shall consist of:

2.1.1 The Applicable General Plan;

2.1.2 The VVSP approved by the County on December 8, 1998;

2.1.3 East Ridge Village Tentative Subdivision Map (TM14-1521) for the Property approved on June 11, 2015 and extended on July 13, 2017, and the associated conditions of approval;

2.1.4 The EIR and February 25, 2014 Addendum thereto for the VVSP and the Mitigation Monitoring and Reporting Program adopted with the EIR; and

2.1.5 Ordinance No. 5180, dated July 25, 2023, adopting this Agreement.

2.2 Consistency with the General Plan. The County finds that the provisions of this Agreement and the development of the Property are consistent with and conform to the Applicable General Plan and the VVSP.

2.3 Vested Rights of Landowners. Landowners shall have the vested right to develop the Property in accordance with the Project Approvals described in Section 2.1 and in conformity with the County rules, regulations, policies, standards, specifications, and ordinances, including the zoning ordinance, in effect as of the initial approval of the Small Lot Tentative Map provided that Landowners are not in default under this Agreement. To the fullest extent allowed by law, any change in, or addition to, the County rules, regulations, policies, standards, specifications, and ordinances, including, without limitation, any change in the Applicable General Plan, County Code, or other rules and policies adopted or becoming effective after the initial approval of the Small Lot Tentative Map, including, without limitation, any such change by ordinance, County Charter amendment, initiative, referendum (other than a referendum that specifically overturns the County's approval of the Project Approvals), resolution, policy, or moratorium, initiated or instituted for any reason whatsoever and adopted by the Board of Supervisors, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project and which would conflict with or be more restrictive than, or impose obligations on the Project greater or more stringent than the Project Approvals, shall not be applied to the Project. The vested right to proceed with the Project shall be subject to any subsequent discretionary approvals required in order to complete the Project provided that any conditions, terms, restrictions, and requirements for such subsequent discretionary approvals shall not prevent development of the land for the uses and to the density or intensity of development or rate or timing of development set forth in this Agreement and the Project Approvals. The Small Lot Tentative Map and any other tentative subdivision maps approved within the Project shall have a term coincident with the Term of this Agreement.

2.4 Rights Retained by the County. Notwithstanding any other provisions of this Agreement, including the vesting granted by Sections 2.1 and 2.3, the following regulations and provisions shall apply to the development of the Property:

2.4.1 Application fees and charges of every kind and nature imposed by the County to cover the actual costs to the County of processing development applications or for monitoring compliance with any land use entitlements granted or issued.

2.4.2 Procedural regulations related to hearing bodies, applications, notices, findings, hearings, reports, appeals, and any other matter of procedure, provided such procedures are uniformly applied on a county-wide basis to all substantially similar types of development projects and properties.

2.4.3 Regulations governing construction standards and specifications, including, without limitations, the County's building code, plumbing code, mechanical code, electrical code, grading code, and all other uniform construction codes then applicable in the County at the time of permit application.

2.4.4 New County laws or regulations that are mandated by state or federal law.

2.4.5 Nothing herein shall be construed to limit the County's general police power to implement, based upon appropriate and adequate findings, specific measures necessary to alleviate legitimate and bona fide harmful and noxious uses, or protect against real, actual, and dangerous threats to the health and safety of County residents, in which event any rule, regulation, or policy imposed on the development of the Property shall be done to the minimum extent

necessary to correct such bona fide harmful and noxious uses or protect against any such real, actual, and dangerous threats to the health and safety of County residents.

2.4.6 Any fees, taxes, assessments, and charges adopted by the County in accordance with the Mitigation Fee Act or other applicable law that are in effect and collected at the time of the approval of a subsequent entitlement or the issuance of a building permit, as provided in this Agreement or as generally applicable throughout the County, provided that such fees, taxes, assessments, and charges are reasonably related to the cost of the facility or service for which they are imposed, applied to all similar private projects within the County, and in effect at the time of the issuance of a requested building permit. For any fees, taxes, assessments, or charges adopted by the County that are assessed by zone or area, "similar private projects" will mean projects in the same zone or area as the Project.

2.5 Revisions to Project Approvals. Landowners may apply, in writing, to revise the Project Approvals. If the Director of Planning and Building Department, or his/her designee, determines, in his/her sole discretion, that the requested revision is (1) a minor change to the Project considered as a whole; (2) does not increase the density or intensity of the use approved in the Project Approvals; (3) is consistent with this Agreement; (4) is consistent with the Applicable General Plan; and (5) does not substantially change the analysis contained in the EIR, the Director of Planning and Building Department or his/her designee may approve the requested revision without public hearing. The notice and appeal process for such a revision shall be the same process as for any other Director of Planning and Building Department approval at the time of the action requested. If the Director of Planning and Building Department determines the application does not comply with the above, then it shall be processed with all applicable public hearing and notice provisions then in effect.

2.5.1 Parties Required to Amend. Where a portion of a Landowner's rights or obligations have been transferred, assigned, and assumed in accordance with this Agreement, the signature of the person or entity to whom such rights or obligations have been assigned shall not be required to effectuate a revision or amendment of this Agreement unless such amendment would materially alter the rights or obligations of such assignee, provided thirty (30) days' prior written notice of any amendment is provided to such person or entity by the amending parties. In no event shall the signature or consent of any non-assuming assignee be required to amend this Agreement. The consent of a Landowner shall be required to any amendment to this Agreement only to the extent that such an amendment relates to or affects any portion of the Property which Landowner still owns in fee.

2.6 Priority of Enactment. In the event of conflict between this Agreement, the Project Approvals, and any County ordinance, resolution, or policy, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (1) this Agreement; (2) the Project Approvals; and (3) any County ordinance, resolution, or policy. In the event of a conflict between two or more of the foregoing documents, the language of that document which is superior in priority as provided above shall govern.

2.8 Obligation and Rights of Mortgage Lenders. The holder of any mortgage, deed of trust, or other security instrument with respect to the Property, or any portion thereof, shall not be

obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but, in the event said holder takes title to the Property through foreclosure of a mortgage or a deed of trust, or deed-in-lieu of such foreclosure, said holder shall be bound by all of the terms and conditions of this Agreement that pertain to the Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Property, or such portion thereof, which accrue prior and subsequent to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, subject to all of the terms and conditions of this Agreement.

SECTION 3. OBLIGATIONS OF THE PARTIES

3.1 Property Development. The Property shall be developed in accordance with the Project Approvals described in Section 2.1.

3.2 Landowners' Obligations. As consideration for County entering into this Agreement and to provide county-wide benefits, Landowners agree as follows:

3.2.1 The Project shall be subject to a one-time Five Hundred Dollars (\$500.00) per dwelling unit fee, subject to annual adjustment based on the percentage change in the CPI, to be utilized for any purpose benefiting the community, as determined in the sole discretion of the Board of Supervisors ("Community Benefit Fee"), payable in connection with issuance of each building permit within the Project.

3.2.2 County shall be entitled to receive PAYGO 2023 CFD special tax revenues beginning in the first year the special tax is levied in the 2023 CFD as further set forth in that certain Use of Special Tax Funds Agreement being entered into concurrently with this Agreement.

3.2.3 Landowner's Obligations shall survive expiration of the Term of this Agreement.

3.3 Timing of Development. The Parties acknowledge that Landowners cannot at this time predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors that are not within the control of Landowners, such as the timing of construction of the roadway improvements, market orientation and demand, interest rates, absorption, competition, and other similar factors. Since the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Ca1.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that Landowners shall have the right to develop the Property in such order and at such rate and at such times as Landowners deem appropriate within the exercise of their subjective business judgment.

3.4 Credits and Reimbursements. This Agreement shall not in any way limit or affect any rights Landowners may have to seek credits or reimbursements for improvements of any kind that Landowners are otherwise eligible to seek under any County ordinance, fee program, policy, the VVSP, or other source.

3.5 Connection to Public Improvements. County shall cooperate with Landowners to connect, through the issuance of appropriate encroachment permits or cooperation with other agencies providing services, any improvements constructed as part of the Project to existing or newly constructed public improvements, provided the costs of such connections are borne by Landowners.

3.6 County Cooperation and Processing. County, through its officers, agents, and employees, shall exert good faith efforts and cooperate with Landowners and support the Project as necessary: (a) to issue approvals of improvement plans, encroachment permits, tentative maps that are consistent with the VVSP, final maps, and other ministerial approvals in a timely manner, (b) formation and implementation of financing districts, including but not limited to the 2023 CFD, and (c) to obtain other permits or approvals required from other government agencies to effectuate the development of the Property.

3.7 Funding and Construction of Public Improvements. Nothing in this Agreement shall be construed as obligating the County to fund, design, or construct any specific projects or improvements at any specific time. The County shall not be obligated to expend monies from its general fund or from any source not identified in this Agreement to design or construct any improvements necessary for the development of the Property.

3.8 Changes in State or Federal Law. In the event changes in County law, based on changes to state or federal law, prevent or preclude, or render substantially more expensive or time consuming, compliance with one or more provisions of this Agreement, County and Landowners shall meet and confer in good faith in order to determine whether such provisions of this Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary to comply with such changes in the law. County shall reasonably cooperate with Landowners, at Landowners' expense, in Landowners' efforts to obtain any permits, approvals, or entitlements that may be required as a result of modifications or suspensions made pursuant to this Section. Nothing in this Agreement shall preclude County or Landowners from contesting by any available means (including administrative or judicial proceedings) the applicability to the Project of any such changes in the law. If changes in the law preclude or substantially prevent or preclude, or render substantially more expensive or time consuming, performance of this Agreement in a manner that makes the Project economically infeasible, Landowners, in their sole and absolute discretion, may terminate this Agreement by providing written notice thereof to County.

3.9 Estoppel Certificate. Landowners or their lenders may, at any time, and from time to time, deliver written notice to County requesting County to certify in writing that: (a) this Agreement is in full force and effect; (b) this Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications; and (c) the applicable Landowner is not in default of the performance of its obligations, or if in default, to describe there the nature and extent of any such defaults. The applicable Landowner shall pay, within thirty (30) days following receipt of County's invoice, the actual costs borne by County in connection with

its review of the proposed estoppel certificate, including the costs expended by the County Counsel's Office in connection therewith. The Director of Planning and Building Department shall be authorized to execute any certificate requested by the applicable Landowner hereunder. The form of estoppel certificate shall be in a form reasonably acceptable to the County Counsel. The Director of Planning and Building Department shall execute and return such certificate within thirty (30) days following applicable Landowner's request therefor. Landowners and County acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, bond holders, and mortgagees. The request shall clearly indicate that failure of County to respond within the thirty (30)-day period will lead to a second and final request. Failure to respond to the second and final request within twenty (20) days of receipt thereof shall be deemed approval of the estoppel certificate.

SECTION 4. ANNUAL REVIEW AND COST RECOVERY

4.1 Annual Review. During the term of this Agreement, the County shall, once every calendar year, review the extent of good faith compliance by Landowners with the terms of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to California Government Code Section 65865.1. This review shall be conducted pursuant to Section 130.58.080 of the County Ordinance Code. Landowners shall pay, within thirty (30) days following receipt of County's invoice, the established fee for this annual review as established in the Planning and Building Department Fee Schedule at the time of each annual review. Upon not less than thirty (30) days' written notice by the Director of the Planning and Building Department, Landowners shall provide such information as may be reasonably requested by the Director and deemed by the Director to be required in order to ascertain compliance with this Agreement. Landowners' failure to provide the requested information within thirty (30) days of the Director's request shall constitute a default of this Agreement by Landowners in accordance with Section 5.

SECTION 5. DEFAULT, ENFORCEMENT, AND REMEDIES

5.1 Application of Section. The Parties agree that the following provisions shall govern the availability of remedies should any of the Parties breach any of its obligations under this Agreement.

5.2 Default. Failure or delay by the Parties to perform any term or provision of this Agreement shall constitute a default, provided, however, the default by any successor in interest of Landowners to whom the applicable Landowner has assigned development rights pursuant to Section 1.7, shall not be considered a default by the applicable Landowner or by any other successor in interest of the applicable Landowner. The County may institute proceedings pursuant to this Section against any individual defaulting Party. In the event of alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than sixty (60) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any sixty (60) day period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice of expiration of the sixty (60)-day period, the Party alleging default, at its option, may institute legal proceedings pursuant to Section 5.3 or give notice of intent to terminate this Agreement pursuant to California Government Code Section 65868 or may pursue such other administrative remedies as may be appropriate. Following notice of intent to terminate, the matter shall be scheduled for a hearing before the Board of Supervisors to consider and review the matter within sixty (60) calendar days. Following consideration of the evidence presented in the review, if no resolution of the matter is reached, either Party alleging the default by the other Party may give written notice of termination of this Agreement to the other Party.

5.3 Remedies. In the event of an uncured default, the Parties' remedies under this Agreement are as follows:

5.3.1 An action for specific performance of an obligation of a Party, after giving that Party the opportunity to cure a default as provided in Section 5.2.

5.3.2 An action for injunctive relief to preserve the physical or legal status quo of the development of the Project pending a judicial determination of the rights of the Parties in the event of a dispute between the Parties as to their rights and obligations under this Agreement.

5.3.3 An action for declaratory relief to determine the rights and obligations of the Parties under this Agreement.

5.3.4 Landowners understand and agree that the County would not be willing to enter into this Agreement if it created any monetary exposure for the County for damages (whether actual, compensatory, consequential, punitive, or otherwise) in the event of a breach by the County. Landowners specifically acknowledge that they may not seek monetary damages of any kind, and Landowners, and their successors, hereby waive, relinquish, and surrender any right to any monetary remedy. The applicable Landowner, and its successors, hereby agree to indemnify, defend, and hold the County harmless for any cost, loss, liability, expense or claim, including attorneys' fees, arising from or related to any claim brought by the applicable Landowner, and its successors, inconsistent with the foregoing waiver.

SECTION 6. HOLD HARMLESS AND INDEMNIFICATION

6.1 No Joint Venture or Partnership. County and Landowners hereby renounce the existence of any form of joint venture or partnership between the County and Landowners and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating a partnership, joint venture, or other legal entity between them.

In entering into this Agreement, the County is acting under the statutory and police powers that it holds as a political subdivision of the State of California which authorize it to regulate the development of land within its boundaries and to provide for the general health, safety, and welfare.

In entering into this Agreement, Landowners are acting in a purely private capacity as owners of real property in the County of El Dorado, which property is subject to the jurisdiction of the County.

6.2 No Liability for Acts of Landowners.

6.2.1 It is expressly understood that the development of the Project is an undertaking that may create for Landowners liability to third parties including, but not limited to, assignees of all or part of this Agreement, buyers and lessees of buildings, building contractors and subcontractors, and suppliers. Landowners understand and agree that the County would not execute this Agreement if, in so doing, it created for the County any liability to any third party. Consequently, Landowners, and its successors, heirs, and assigns agree to defend, indemnify, pay any settlement or judgment, and hold harmless the County, and its officers, agents, and employees from any claim or injury to person or property arising out of or relating to this Agreement, the Use of Special Tax Funds Agreement or further agreements and actions associated with the Landowner's Obligations pursuant to Section 3.2, or the operations of Landowners in the development of the Project under the terms of this Agreement. Landowner's Hold Harmless and Indemnification obligations pursuant to this Section 6 shall survive Termination or expiration of the Term of this Agreement and are equally applicable to any Landowner's successor.

6.2.2 Landowners and all successors also agree to and shall hold County and its appointed councils, boards, commissions, officers, agents, and employees harmless from any liability, including costs and attorneys' fees, for any challenge to this Agreement, damages or claims for damage for personal injury, including death, and from claims for property damage which may arise from any act or omission of Landowners, or its assigns, successors in interest, or its agents, employees, contractors, or sub-contractors, pursuant to this Agreement.

6.2.3 Notwithstanding anything in Section 6.3 to the contrary, the County shall have any remedy available to it at law or in equity to enforce the provision of, or to collect damages for, any breach of this Section.

6.3 Duty to Defend Challenges to this Agreement.

6.3.1 The Parties recognize that there may be third party challenges to this Agreement, the Use of Special Tax Funds Agreement, or further agreements and actions associated with the Landowner's Obligations pursuant to Section 3.2, relative to the procedure used to adopt it or the contents of it.

6.3.2 Landowners shall defend the County and its elective and appointive members of boards, commissions and officers, agents, and employees from any suits or actions at law or in equity for damage caused by reason of the aforesaid operations under this Agreement.

6.3.3 The County shall have the right, at its sole discretion, to select its own attorneys to defend the County in any action brought by a third party, and Landowners hereby agree to pay the fees and expenses of the attorneys selected.

6.3.4 The County agrees to cooperate in good faith in the defense of any action or proceeding brought to challenge this Agreement or the ordinance adopting it.

6.3.5 Should a court, in any action challenging this Agreement or the Ordinance adopting it, award attorneys' fees, costs, or other litigation expenses against the County,

Landowners shall be responsible for the payment of those fees, costs, and expenses and shall hold the County harmless from any claim thereto.

IN WITNESS WHEREOF, the Parties have duly signed this Agreement as of the date first written above.

EL DORADO COUNTY

Wendy Thomas
Wendy Thomas
Chair, Board of Supervisors

ATTEST: Kim Dawson
Clerk of the Board of Supervisors

By: Kim Dawson

APPROVED AS TO FORM:
David A. Livingston
County Counsel

By: David A. Livingston
Jefferson Billingsley
Deputy County Counsel

East Ridge Holdings, LLC,
a Delaware limited liability company

By: HBT East Ridge, LLC,
a Delaware limited liability company
Its: Managing Member

By: William B. Bunce
William B. Bunce
Its: Manager

El Dorado Land Ventures, LLC,
a Delaware limited liability company

By: HBT East Ridge, LLC, a Delaware limited
liability company
Its: Managing Member

By: William B. Bunce
William B. Bunce
Its: Manager

Valley View Realty Investments, LLC,
a Delaware limited liability company

By: HBT East Ridge, LLC,
a Delaware limited liability company
Its: Managing Member

By: William B. Bunce
William B. Bunce
Its: Manager

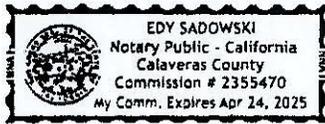
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 EL DORADO)

On 8-3-23, before me, Edy Sadowski, Notary Public, personally appeared WILCIAN B. BUNCE 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 State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal

Edy Sadowski
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Signer's Name: _____

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

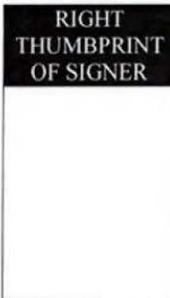
- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

- Trustee
Guardian or Conservator
Other:

- Trustee
Guardian or Conservator
Other:

Signer is Representing: _____

Signer is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

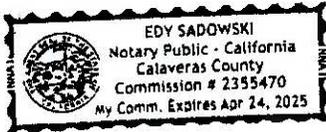
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of El Dorado)

On 8-3-23, before me, Edy Sadowski, Notary Public, personally appeared William B. Bruce 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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal



Signature of Notary Public (Edy Sadowski)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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Signer's Name: _____

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

Signer's Name: _____

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

- Trustee
Guardian or Conservator
Other:

Signer is Representing: _____



- Trustee
Guardian or Conservator
Other:

Signer is Representing: _____

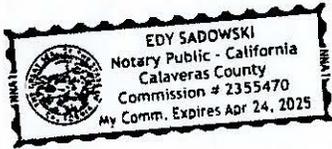


CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 El Dorado)

On 8-3-23, before me, Edy Sadowski, Notary Public, personally appeared William B. Burce 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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Edy Sadowski
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

- Trustee
Guardian or Conservator
Other:

Signer is Representing: _____



Signer's Name: _____

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney-in-Fact

- Trustee
Guardian or Conservator
Other:

Signer is Representing: _____



EXHIBIT A-1

Legal Description of East Ridge Property

[See Attached]

Exhibit 'A-1'

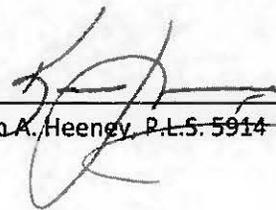
EASTRIDGE VILLAGE
Land Holdings of
EAST RIDGE HOLDINGS, LLC

All that real property situate in the County of El Dorado, State of California, lying within Section 18, Township 9 North, Range 9 East, M.D.M. and being more particularly described as follows:

Lot 2, Lots 44 through 46, inclusive and Lots 56 through 65 inclusive, as shown on the Large Lot Final Map of "Eastridge Village" filed in the office of the County Recorder of El Dorado County in Book 'J' of Subdivision Maps, Page 142.

End of Description

This description has been prepared by me or under my direct supervision.


Kevin A. Heeny, P.L.S. 5914



11/19/2012
Date

EXHIBIT A-2

Depiction of East Ridge Property

[See Attached]

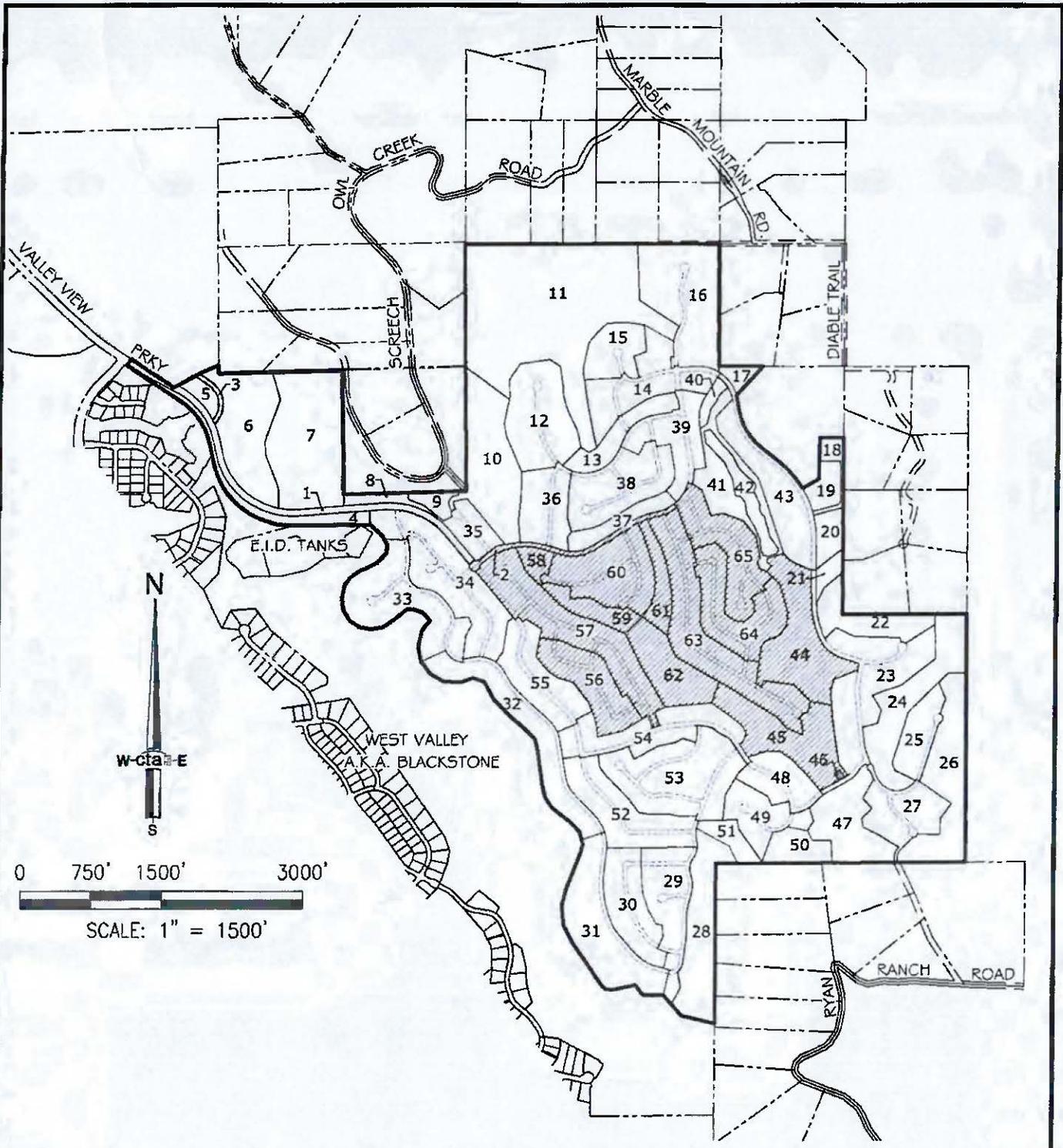


EXHIBIT 'A-2'
EASTRIDGE VILLAGE
 Land Holdings of
EAST RIDGE HOLDINGS, LLC

EXHIBIT B-1

Legal Description of Land Ventures Property

[See Attached]

Exhibit 'B-1'

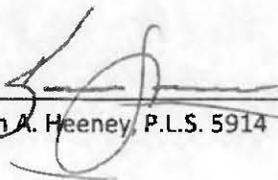
EASTRIDGE VILLAGE
Land Holdings of
EL DORADO LAND VENTURES, LLC

All that real property situate in the County of El Dorado, State of California, lying within Sections 12 and 13, Township 9 North, Range 8 East, and Sections 7, 18 and 19, Township 9 North, Range 9 East, M.D.M. and being more particularly described as follows:

Lot 1 and Lots 3 through 33 inclusive, as shown on the Large Lot Final Map of "Eastridge Village" filed in the office of the County Recorder of El Dorado County in Book 'J' of Subdivision Maps, Page 142.

End of Description

This description has been prepared by me or under my direct supervision.


Kevin A. Heeney, P.L.S. 5914



11/15/2022
Date

EXHIBIT B-2

Depiction of Land Ventures Property

[See Attached]

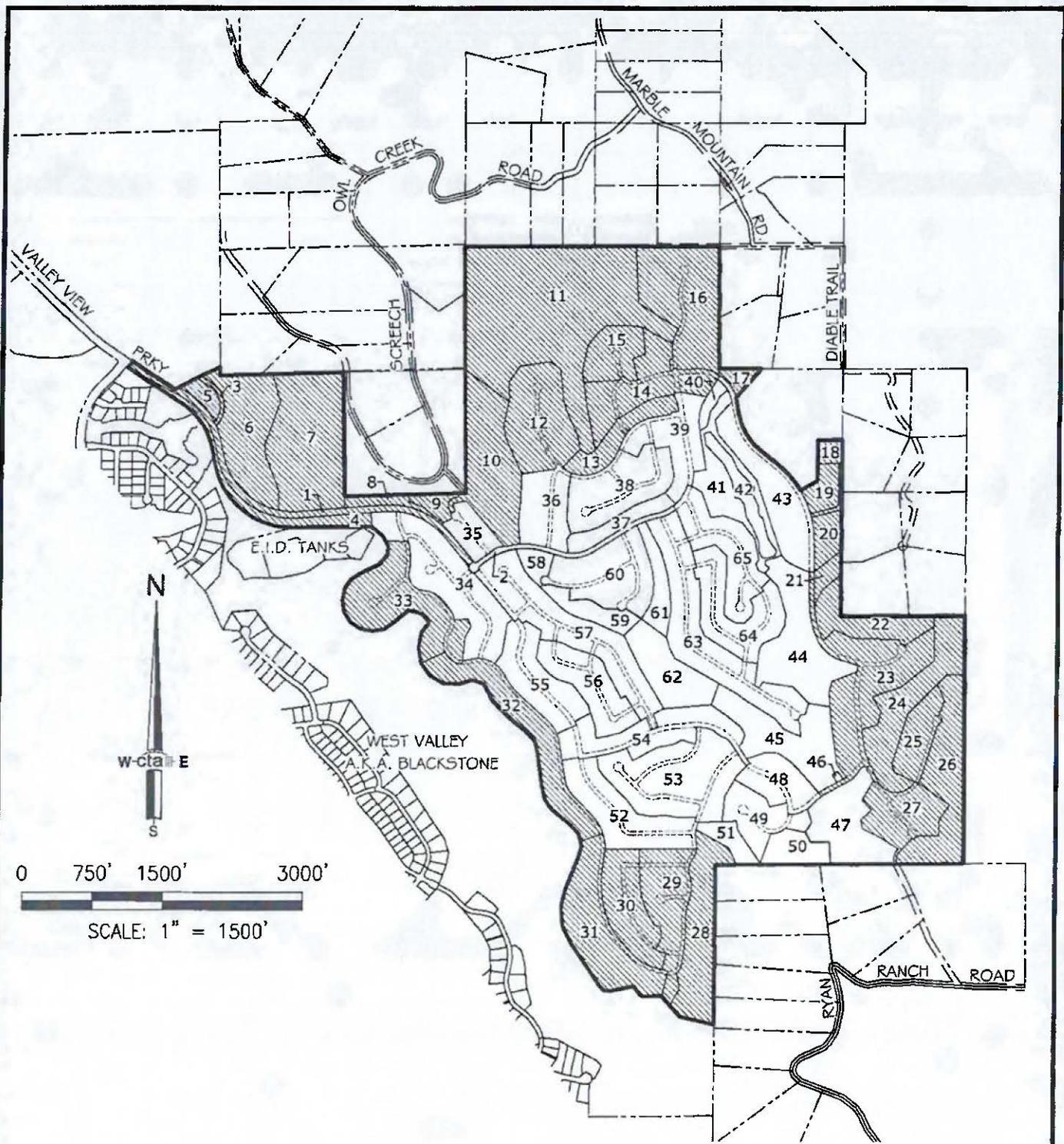


EXHIBIT 'B-2'
EASTRIDGE VILLAGE
 Land Holdings of
EL DORADO LAND VENTURES, LLC

EXHIBIT C-1

Legal Description of Valley View Property

[See Attached]

Exhibit 'C-1'

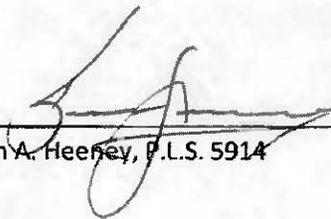
EASTRIDGE VILLAGE
Land Holdings of
VALLEY VIEW REALTY INVESTMENTS, LLC

All that real property situate in the County of El Dorado, State of California, lying within Section 13, Township 9 North, Range 8 East, and Sections 18 and 19, Township 9 North, Range 9 East, M.D.M. and being more particularly described as follows:

Lots 34 through 43 inclusive, and Lots 47 through 55, inclusive as shown on the Large Lot Final Map of "Eastridge Village" filed in the office of the County Recorder of El Dorado County in Book 'J' of Subdivision Maps, Page 142.

End of Description

This description has been prepared by me or under my direct supervision.


Kevin A. Heeneey, P.L.S. 5914



11/15/2022
Date

EXHIBIT C-2

Depiction of Valley View Property

[See Attached]

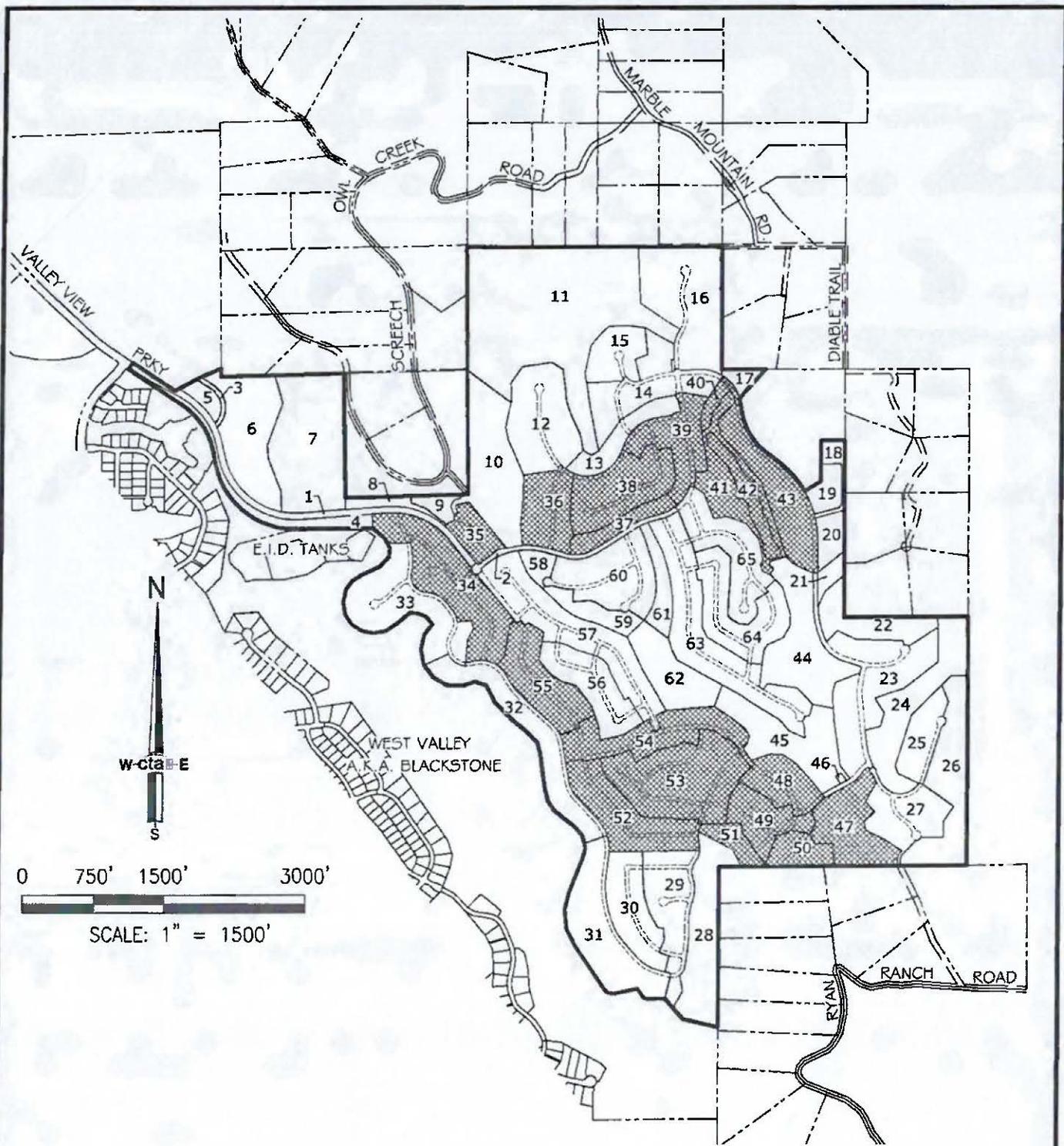


EXHIBIT 'C-2'
EASTRIDGE VILLAGE
 Land Holdings of
VALLEY VIEW REALTY INVESTMENTS, LLC

EXHIBIT D

Form of Assignment

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

|

(SPACE ABOVE THIS
LINE RESERVED FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter "**Assignment Agreement**") is entered into this ____ day of _____, 20__, by and between _____ (hereinafter "**Owner**") and _____ (hereinafter "**Assignee**").

RECITALS

A. On _____, 2023, the County of El Dorado entered into that certain agreement entitled "Community Benefit and Development Agreement By and Between County of El Dorado and East Ridge Holdings, LLC, El Dorado Land Ventures, LLC, and Valley View Realty Investments, LLC" approved by Ordinance No. _____ (hereinafter "**Development Agreement**"), relative to the development known as East Ridge Village (hereinafter "**Subject Property**").

B. Owner entered into a purchase and sale agreement whereby all or a portion of the Subject Property will be sold to Assignee, as identified and described in **Exhibit "A,"** attached hereto and incorporated herein by this reference (hereinafter "**Assigned Parcel(s)**").

C. Owner desires to assign all of its interests, rights, and obligations under the Development Agreement with respect to the Assigned Parcel(s).

D. Assignee desires to assume all Owner's interests, rights, and obligations under the Development Agreement with respect to the Assigned Parcel(s).

NOW, THEREFORE, Owner and Assignee hereby agree as follows:

1. Assignment. Owner hereby assigns, effective as of Owner's conveyance of the Assigned Parcel(s) to Assignee, all of the rights, title, interests, burdens, and obligations of Owner

under the Development Agreement with respect to the Assigned Parcel(s). Owner retains all the rights, title, interests, burdens, and obligations of Owner under the Development Agreement with respect to all other property within the Subject Property owned by Owner.

2. Assumption. Assignee hereby assumes all of the rights, title, interests, burdens, and obligations of Owner under the Development Agreement with respect to the Assigned Parcel(s), and agrees to observe and fully perform all of the duties and obligations of Owner under the Development Agreement with respect to the Assigned Parcel(s), and to be subject to all the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both Owner and Assignee that, upon the execution of this Assignment Agreement and conveyance of the Assigned Parcel(s) to Assignee, Assignee shall become substituted for Owner as the "Landowner" under the Development Agreement with respect to the Assigned Parcel(s).

3. Binding on Successors. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns.

4. Notice Address. The address for notices as contemplated by the Development Agreement for Landowner with the Assigned Parcel(s) shall be:

[Name of Assignee]
[Address of Assignee]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Assignment Agreement may be signed in identical counterparts.

ASSIGNOR / OWNER

[Name of Assignor / Owner],
a _____

By: _____
Name: _____
Title: _____

ASSIGNEE

[Name of Assignee],
a _____

By: _____
Name: _____
Title: _____

[SIGNATURES MUST BE NOTARIZED]