

ORDINANCE NO. 3153

AN ORDINANCE ADOPTING DEVELOPMENT AGREEMENT 24-01 FOR THE GUENOC VALLEY MIXED USE PLANNED DEVELOPMENT PROJECT

WHEREAS, the proposed Development Agreement will implement the planned and orderly development of the Guenoc Valley Mixed Use Planned Development Project (Project) subject to the Project General Plan of Development (Exhibit B) and Specific Plan of Development (Exhibit C); and

WHEREAS, on August 8, 2025, at a duly noticed public hearing, the Planning Commission certified the Final Environmental Impact Report (EIR) SCH#2019049134 that was prepared for the Project, and adopted the California Environmental Quality Act (CEQA) Findings of Fact and Statement of Considerations; and

WHEREAS, the Board of Supervisors has independently reviewed and evaluated the CEQA Findings of Fact and Statement of Overriding Considerations of the EIR SCH#2019049134; and

WHEREAS, the Board of Supervisors has independently reviewed and considered the environmental effects of the proposed DA 24-01, as set forth in the EIR SCH#2019049134.

WHEREAS, the DA 24-01 ensures Project consistency with the goals and objectives of the Lake County General Plan and the Middletown Area Plan; and

WHEREAS, the proposed DA 24-01 is consistent with Article 69 of Chapter 21 of the Lake County Municipal Code; and

WHEREAS, the proposed DA 24-01 is consistent with the objective, policies, general land uses, and programs specified in the Lake County General Plan as well as the Middletown Area Plan; and

WHEREAS, the proposed DA 24-01 is compatible with the uses authorized in the Lake County Municipal Code and the zoning district in which the real property is located; and

WHEREAS, the proposed DA 24-01 will not adversely affect the orderly development of property or the preservation of property values; and

WHEREAS, on August 26, 2025, the Board approved the following amendment, to be included as Section 12.5 in the Development Agreement: *“The County encourages the Developer to continue to work with the Callayomi County Water District regarding the District’s*

purchase of a portion of the offsite well site and the District's operation of a well thereon pursuant to the existing term sheet between the Developer and the District"; and

WHEREAS, the Project and accompanying proposed DA 24-01 provide for public convenience and economic viability for the surrounding community as required by the Lake County Economic Development Plan 2016; and

WHEREAS, the Board of Supervisors has conducted a duly noticed public hearing on DA 24-01 for the Guenoc Valley Mixed Use Planned Development Project.

WHEREAS, the Board of Supervisors introduced Ordinance No. 3153 to adopt DA 24-01 on October 7, 2025, and the Ordinance was passed on October 21, 2025.

WHEREAS, on April 14, 2026, the Board of Supervisors held a duly-noticed public hearing and approved amendments to the DA including correction of dates, terminology, and recordation timelines, in accordance with the Government Code.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LAKE ORDAINS AS FOLLOWS:

Section One: The County of Lake Board of Supervisors makes the following findings in support of the Ordinance approving the Development Agreement:

1. The proposed use to which the Development Agreement relates is allowed within the subject zoning district and complies with all applicable provisions of the County of Lake Municipal Code.
2. The proposed use would be consistent with the objectives, policies, general land uses, and programs of the Lake County General Plan and any applicable specific plan and is in compliance with all County, State, and federal laws and regulations.
3. The Development Agreement provides sufficient benefit to the community to justify entering into the Agreement.

Section Two: The County hereby adopts the Environmental Impact Report SCH#2019049134, and the findings and Statement of Overriding Considerations contained therein. The EIR, as it relates to DA 24-01, has been independently analyzed by the Board of Supervisors which finds that approval of the Ordinance is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code § 21000 et seq.).

Section Three: The Development Agreement attached hereto as EXHIBIT "A" is hereby approved, and the Chair of the Board is hereby authorized to execute the Development Agreement on behalf of the County of Lake. The Clerk of the Board, or their designee, is directed and authorized to do all of the following:

- a. Prepare a final version of the Development Agreement for execution and recording that fully reflects the action of the Board of Supervisors in adopting the Development Agreement; and
- b. Make all necessary and appropriate clerical, typographical, and formatting corrections to the adopted Development Agreement prior to execution and recording; and
- c. To implement the Development Agreement, in accordance with its terms.

Section Four: All ordinances or parts of ordinances in conflict herewith are hereby rescinded.

Section Five: This ordinance shall take effect on the ____ day of ____, 2026, and before the expiration of fifteen days after its passage, it shall be published at least once in a newspaper of general circulation printed and published in the County of Lake.

The Foregoing Ordinance was introduced before the Board of Supervisors on the 14th day of April, 2026, and passed by the following vote on the 21st day of April, 2026.

AYES:

NOES:

ABSENT OR NOT VOTING:

COUNTY OF LAKE

Chair, Board of Supervisors

ATTEST:

SUSAN PARKER
Clerk to the Board of Supervisors

APPROVED AS TO FORM:

LLOYD GUINTIVANO
County Counsel

Chair Board of Supervisors

By: _____

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Lake County
255 N. Forbes Street, #109
Lakeport, CA 95453
Attn: Clerk of the Board of Supervisors

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

APN: see Exhibits B-1, B-2 and B-3

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE COUNTY OF LAKE

AND

LOTUSLAND INVESTMENT HOLDINGS, INC.

DEVELOPMENT AGREEMENT (GUENOC VALLEY)

This Development Agreement (the “**Agreement**”) is entered into as of _____, 2026, by and between the **County of Lake**, a political subdivision of the State of California (“**County**”), on the one hand, and on the other, **Lotusland Investment Holdings, Inc.**, a California corporation (“**Developer**”), and the property owners (“**Owners**” and each an “**Owner**”) identified on **Exhibit A** attached hereto. County, Developer, Owners and their respective successors and Transferees are hereinafter collectively referred to as the “**Parties**” and singularly as “**Party**.”

RECITALS

A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the legislature of the State of California adopted Government Code Sections 65864, et seq. (the “**Development Agreement Statute**”), which authorizes the County and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the property which is the subject of the development project application. The purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights for a period of years regardless of intervening changes in land use regulations.

B. **Developer.** Developer and the Owners are each a corporation organized under the laws of the State of California and in good standing thereunder.

C. **Property.** Developer acts as agent for Owners who hold title to approximately 16,000 acres of land within the Guenoc Valley in unincorporated Lake County as more particularly described in the attached **Exhibit B-1** (the “**Guenoc Property**”). In addition, Developer holds title to approximately 12.6 acres of land on Santa Clara Road in Middletown as more particularly described in the attached **Exhibit B-2** (the “**Santa Clara Property**”), and to property adjacent to the intersection of Butts Canyon Road and Highway 29 (the “**Butts Canyon Property**,” which property is more particularly described in the attached **Exhibit B-3**, and together with the Guenoc Property and the Santa Clara Property, the “**Properties**”).

D. **Background.**

D.1. **Initial Project Review.** In December 2018, the Lake County Community Development Department received an application from Developer for a General Plan of Development and General Plan Amendment (“**GPA**”) for the Guenoc Property, which was the initial application for the Initial Project. On the basis of this application, a determination was made that the Initial Project would require an Environmental Impact Report (“**EIR**”), and an environmental consultant (“**AES**”) was selected. A Notice of Preparation for the EIR, dated April 23, 2019, was duly filed.

D.2. **The Application.** On May 30, 2019, Developer filed an application for the remaining aspects of the Project, which included: adoption of a new zoning district, to be known as the Guenoc Valley Planned Development District (“**GVD**”); a use permit for a Specific

Plan of Development (“**SPD**”) for the Project; approval of entitlements for the proposed workforce housing on the Santa Clara Property (the “**Middletown Housing**”) including tentative subdivision map for 50 units, a use permit for a community center and rezoning of the Santa Clara Property from Single Family Residential to Two-Family Residential and phased tentative subdivision maps for all of the foregoing (the “**Tentative Maps**”) (together with the GPA application, the “**Application**”). The Application describes the proposed project as consisting of a master planned mixed-use resort community within the Guenoc Property to include a phased destination luxury resort, consisting of hotels, resort residential units, single family residential villas/estates and recreational facilities, as well as commercial centers, modified agricultural production, emergency response center and associated supporting infrastructure, and the Middletown Housing. Proposed outdoor recreational and resort amenities included in the Project on the Guenoc Property include wineries, a wellness center and spa, golf course, equestrian facilities, polo grounds and a wilderness camp.

D.3. 2020 Environmental Review. On February 21, 2020, the County published a Draft EIR for the Project. On June 18, 2020, the County published the Final Environmental Impact Report which consisted of the Draft EIR, comments on the Draft EIR and responses to such comments, as well as a list of text changes to the Draft EIR (collectively, the “**2020 Final EIR**”). On June 25, 2020, the Planning Commission of Lake County (the “**Planning Commission**”) recommended that the Board of Supervisors (“**Board**”) certify the 2020 Final EIR, adopt CEQA findings and Statement of Overriding Considerations, and approve the Project subject to the findings, conditions of approval and mitigation measures recommended by the Planning Commission (as amended by such findings, conditions and measures, the “**Original Project**”). On July 15, 2020, the County published an Errata that made minor revisions and clarifications to the 2020 Final EIR.

D.4. 2020 Final EIR Certified. On July 21, 2020, the Board certified the 2020 Final EIR as adequate and complete for Developer’s Original Project proposal and approved the Original Project as further described below.

D.5. The 2020 Project Approvals. On July 21, 2020, the Board adopted CEQA findings and mitigation measures and Statement of Overriding Considerations, and adopted a GPA, a Zoning Ordinance for a new GVD zoning district, and several other approvals for the Original Project.

D.6. The Superior Court Ruling. After the Original Project was approved in 2020, the Center for Biological Diversity (CBD) and California Native Plant Society (CNPS) filed petitions for writs of mandate in the Superior Court for the County of Lake challenging the County’s approval, including the County’s certification of the 2020 Final EIR, asserting that the 2020 Final EIR was inadequate under CEQA on various grounds. The petitions were consolidated for purposes of briefing and hearing. The State Attorney General intervened in the pending CBD action and filed its own petition for writ of mandate. On January 4, 2022, the Lake County Superior Court issued a Ruling and Order on Petitions for Writ of Mandate. The Superior Court found that the 2020 Final EIR adequately complied with CEQA in all areas except for its analysis of impacts relating to community wildfire evacuations, where the Court identified two errors with the 2020 Final EIR analysis. On February 25, 2022, the Lake County Superior Court entered two separate judgments and issued a writ of mandate requiring the

County to set aside its certification of the 2020 Final EIR; vacate its findings relating to impacts to community evacuation or an adopted emergency evacuation plan; set aside and vacate all approvals in connection with the County's approval of the Original Project and certification of the 2020 Final EIR, including amendments to the Lake County General Plan, zoning ordinance text, and zoning maps; and take specific actions necessary to bring its EIR and findings as they relate to the issue of community emergency evacuation impacts into compliance with the Court's Ruling and Order and CEQA.

D.7. The Settlement Agreement. On July 5, 2022, the State filed a notice of appeal of the Superior Court's decision. Subsequently, the Applicant voluntarily entered into a Settlement Agreement with the State to resolve the State's petition and appeal which was thereafter dismissed. The Settlement Agreement included several project modifications that the Applicant agreed to incorporate into the project design pertaining to wildfire prevention and protection, greenhouse gas emissions, and land use.

D.8. The Project Modifications. Following its entry into the Settlement Agreement with the State, the Applicant made several modification to the Original Project, including all modifications required by the Settlement Agreement, as well as additional modifications that were either voluntary or required by laws and ordinances that became effective subsequent to the County's approval of the Original Project. The Original Project, as amended by the project modifications, is referred to herein as the "**Modified Project**").

D.9. The 2024 Draft Partially Revised EIR. The County prepared an initial Draft Partially Revised EIR ("**Draft PREIR**") to address the topic of community wildfire evacuation in order to comply with the Superior Court's decision, as well as an analysis of the project modifications. The initial Draft PREIR was circulated for public review and comment for a period of 55 days that began on July 19, 2024, and ended on September 11, 2024. Additionally, the County Planning Department held a public meeting on September 9, 2024, to receive comments from government agencies and the public on the Draft PREIR.

D.10. CBD and CNPS appealed the trial court's judgments upholding portions of the 2020 Final EIR other than the analysis of wildfire community evacuation impacts. On October 23, 2024, the First Appellate District Court of Appeal issued its decision. The Court of Appeal held that the 2020 Final EIR complied with CEQA in all areas remaining at issue on appeal, except for its analysis of impacts relating to wildfire risk created by the Original Project's potential to increase human-caused wildfire ignitions. The Court of Appeal remanded the case to the Superior Court, and directed it to issue an order and writ of mandate consistent with the Court of Appeal's decision.

D.11. The Updated Draft Partially Revised EIR. The County prepared an updated Draft PREIR to address the topic of wildfire risk in order to comply with the Court of Appeal's decision. The updated Draft PREIR also fully recirculated the initial Draft Partially Revised EIR with the original community evacuation analysis, the original analysis of the project modifications (with a few minor updates) and the additional analysis of impacts related to wildfire risk. The updated Draft PREIR was circulated for public review and comment for a period of 45 days that began on March 18, 2025, and ended on May 2, 2025.

D.12. **The Final Partially Revised EIR.** On July 15, 2025, the County published the Final PREIR which consisted of the 2020 Final EIR, the initial Draft PREIR, the updated Draft PREIR, comments on the initial and updated Draft PREIRs and responses to such comments, as well as a list of text changes to the updated Draft PREIR (collectively, the “**Final PREIR**”).

D.13. **Final PREIR Certified.** On August 8, 2025, the Planning Commission certified the Final PREIR as adequate and complete for Developer’s Project proposal, adopted CEQA findings and Statement of Overriding Considerations, and approved certain entitlements, as further described below, for the Modified Project subject to the findings, conditions of approvals, and mitigation measures set forth in the Mitigation Monitoring and Reporting Plan (as amended by such findings, conditions, and measures, the “**Project**”).

E. **The GPA and Zoning Ordinance and Project Approvals.** On August 8, 2025, the Planning Commission adopted CEQA findings and mitigation measures and Statement of Overriding Considerations, and adopted the Use Permit for the General Plan of Development and SPD for the Project. On August 26, 2025, the Board adopted CEQA findings and mitigation measures and Statement of Overriding Considerations, and adopted the GPA. In addition, the Board approved the zoning ordinance (the “**Zoning Ordinance**”) for the new GVD zoning district, as well as other Project Approvals described below.

E.1. **The General Plan Amendment.** The GPA designated the entire Guenoc Property as “**Resort Commercial.**” The GPA allowed a mixed-use development of about 400 hotel units, 450 resort residential units, 1,400 residential estate villas at the maximum development on the Guenoc Property. The first phase of development, as proposed in the updated SPD, included 147 hotel units, 100 workforce housing co-housing units, 141 resort residential units, and 385 residential estate villas.

E.2. **The Zoning Ordinance.** The map of the Guenoc Property attached hereto as **Exhibit C-1** shows the different development clusters and uses permitted under the GVD zoning district. Consistent with the GPA, the GVD zoning district allowed for the types and extent of development shown on the table attached hereto as **Exhibit C-2**.

F. **Planning Commission Public Hearing.** On August 8, 2025, at a duly noticed public hearing, the Planning Commission, serving as the County’s planning agency for purposes of development agreement review pursuant to Section 21-69.6 of the Lake County Code, considered this Agreement. The Planning Commission recommended that the Board approve the Project and recommended approval of this Agreement.

G. **Project and Project Approvals.** The County has also adopted the land use and other approvals in addition to the GPA, the GVD zoning district, the SPD, the General Plan of Development and the Design Guidelines for the Project identified in **Exhibit D** (all of such approvals and related ordinances being the “**Project Approvals**”), which Project Approvals include and are the subject of this Agreement. In adopting the Project Approvals, the Planning Commission and Board, as applicable, found that they are consistent with and implement the goals and policies of the County’s General Plan, and satisfy the necessary requirements and goals of all other applicable laws of the County. In particular, the GPA, the Use Permit for the General

Plan of Development and SPD, Zoning Ordinance Amendment, General Plan of Development, and Design Guidelines provide balanced and diversified land uses in order to maintain the overall quality of life and the environment within the County, to impose appropriate requirements with respect to land development and usage, and to provide substantial amounts of open space. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, the County found that this Agreement satisfies the Government Code Section 65867.5 requirement of general plan consistency.

H. **Costs of Project Infrastructure and Services.** Pursuant to this Agreement, Developer agrees to pay the costs of Project Infrastructure as necessary to serve the Project and to mitigate impacts on the community of the development of the Properties, and Developer may proceed with and complete development of the Project as described in the Project Approvals and in accordance with the terms of this Agreement. County and Developer recognize and agree that, but for Developer's contributions set forth herein, including but not limited to mitigating the impacts arising as a result of the Project Approvals and any Subsequent Approvals granted pursuant to this Agreement, County could not and would not approve the development of the Properties as provided by this Agreement. County's vesting of the right to develop the Properties as provided herein is in reliance upon and in consideration of Developer's and/or Owners' (and when applicable an assignee or Transferee as provided for in Section 15 below) agreement to, among other things, pay the costs of and construct Project Infrastructure.

I. **Appropriateness of Development Agreement.** County has determined that the Project is a development for which a development agreement is appropriate. A development agreement will eliminate uncertainty in the County's land use planning process and secure orderly development of the Project consistent with the Project Approvals, assure progressive and timely installation of necessary improvements and mitigation appropriate to each stage of development of the Project, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Project is highly capital intensive, especially in its initial phases, which, in order to make the Project economically and fiscally feasible, requires major commitment to and investment in on-site and off-site improvements prior to the construction and sale, lease or use of the resort, residential and commercial units. In order to enable the Developer to expend the necessary sums to prepare the plans referred to in this Agreement and to pursue other various pre-development work associated with the development of the Project, the County desires to provide certainty through this Agreement with respect to specific development criteria to be applicable to the Properties in order to provide for appropriate utilization of the Properties in accordance with sound planning principles.

J. **Community Benefits Provided Pursuant to the Development Agreement.** The Board has determined that the development of the Project will afford the County and its citizens and the surrounding region with the benefits described in **Exhibit F** hereto (collectively, the "Community Benefits").

K. **Reasons for the Agreement.** The County is entering into this Agreement in consideration of the Community Benefits described above. In exchange for the Community Benefits of the Project that exceed those required by law, Developer desires to receive assurances that County shall grant permits and approvals required for the development of the Project, over the Project's anticipated long term development horizon, in accordance with

procedures provided by law and in this Agreement, and that Developer may proceed with the Project in accordance with the Existing County Land Use Regulations (as hereinafter defined), subject to the terms and conditions of this Agreement. In order to effect these purposes, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Exhibits and Recitals.** The Preamble, Recitals, Exhibits and all defined terms set forth therein are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement.

2.1 **2020 Final EIR.** Defined in Recital D.3.

2.2 **Adoption Date.** April 21, 2026, the date the Board adopted the Ordinance approving this Agreement (“**Enacting Ordinance**”).

2.3 **Agencies.** Defined in Section 22.

2.4 **Board.** Defined in Recital D.3.

2.5 **CC&Rs.** Covenants, conditions and restrictions, including the Master Declaration, recorded in the Official Records and encumbering all or any portion of each of the Properties, imposing covenants, restrictions, equitable servitudes and/or easements running with the land, governing the design, maintenance, operation, access, use and other matters in connection with the Properties made subject to the CC&Rs, together with any amendments, supplements, declarations of annexation or other similar documents appending or amending the original CC&Rs.

2.6 **CEQA.** The California Environmental Quality Act (Public Resources Code §§ 21000, et seq.) and the Guidelines thereunder (Title 14, Cal. Code Regs. §§ 15000, et seq.).

2.7 **Complaining Party.** Defined in Section 23.

2.8 **Consent.** Defined in Section 38.

2.9 **Community Development Director.** The Lake County Community Development Director or his or her designee.

2.10 **Community Benefits.** Defined in Recital J.

2.11 **County.** The County of Lake, a political subdivision of the State of California.

2.12 **County Land Use Regulations.** The ordinances, resolutions, codes, rules, regulations and official policies of the County, governing the permitted uses of land, the subdivision of land, the density of development, design, improvement and construction standards and specifications to the extent applicable to the development of the Properties and property upon which required Off-Site Infrastructure will be constructed. Specifically, but without limiting the generality of the foregoing, County Land Use Regulations shall include the County's General Plan (including the GPA), the County's Zoning Code including the Zoning Ordinance and the County's Subdivision Code regulations, all as may be amended by the GVD zoning ordinance the SPD, the General Plan of Development, the Design Guidelines, this Agreement and all other Project Approvals.

2.13 **Default.** Defined in Section 21.

2.14 **Design and Construction Standards.** Defined in Section 7.3.

2.15 **Design Guidelines.** Defined in Recital E.3.

2.16 **Developer.** Lotusland Investment Holdings, Inc., as agent for Owners, and its and their Transferees, as applicable and as determined at the time in question.

2.17 **Development Agreement Statute.** Defined in Recital A.

2.18 **Development Fees and Exactions.** All monetary or other exactions including in-kind contributions and dedications, other than taxes, special assessments or administrative fees, which are required by the Local Agency in connection with any permit, approval, agreement or entitlement for development of Project Infrastructure or other improvements on the Properties, and any requirement for the dedication or reservation of land for construction of public facilities, Off-Site Infrastructure or Project Infrastructure, or any requirement to provide or contribute to any public amenity or services. Development Fees and Exactions do not include fees for ministerial processing based upon the County's processing costs.

2.19 **Draft PREIR.** Defined in Recital D.9.

2.20 **DRE.** Defined in Section 13.2.1.

2.21 **Effective Date.** Defined in Section 6.2.

2.22 **EIR.** Defined in Recital D.1.

2.23 **Emergency Response Center.** A building shell and core intended to eventually be fitted-out to serve as a fire station to house firefighting equipment such as a fire truck, and to include a conference room to provide a headquarters meeting location in the case of

emergency, to provide for an emergency response center, a medical office and exam room and a helipad location for emergency services.

2.24 **Enacting Ordinance.** Defined in Section 2.2 above.

2.25 **Existing County Land Use Regulations.** The County Land Use Regulations in effect as of the Adoption Date.

2.26 **Final Map.** Any final map applicable to the Properties approved and recorded in the Official Records pursuant to and in accordance with the California Subdivision Map Act (Government Code sections 66410 et seq.).

2.27 **Final PREIR.** Defined in Recital D.12.

2.28 **Finally Granted.** The date that (i) any and all applicable appeal periods for the filing of any administrative or judicial appeal challenging the issuance or effectiveness of any of the Project Approvals, this Agreement or the EIR shall have expired and no such appeal shall have been filed, or (ii) unless specifically waived by Developer provided notice, if such an administrative or judicial appeal is filed, the Project Approvals, this Agreement or the EIR, as applicable, shall have been upheld by a final decision in each such appeal, and (iii) if a referendum petition relating to this Agreement is timely and duly circulated and filed, certified as valid and an election is held, the date the election results on the ballot measure are certified by the Board in the manner provided by the Elections Code reflecting the final defeat or rejection of the referendum.

2.29 **General Plan.** The General Plan for the County as in effect as of the Adoption Date. The term “**General Plan**” as used herein includes the GPA.

2.30 **General Plan of Development.** A General Plan of Development as defined in the Zoning Ordinance, Chapter 21, Article 13, Section 21.13, for all or a portion of the Project as included in the Project Approvals or as a Subsequent Approval.

2.31 **GPA.** Defined in Recital D.1.

2.32 **Laws.** Any law, regulation, rule, order or ordinance of any governmental agencies having jurisdiction over the Project which are applicable to the Project or any portion thereof now in effect or as hereafter promulgated.

2.33 **Local Agency and Local Agencies.** Defined in Section 2.78.

2.34 **Local Agency-wide.** All (a) privately owned property in the territorial limits of a Local Agency, and (b) privately owned property within a designated use district or classification of the Local Agency, so long as (i) any such use district or use classification includes a substantial amount of affected private property other than the affected portion of the Properties, and (ii) the use district or use classification includes substantially all private property within the use district or use classification that receives the general or special benefits of, or

cause the burdens that occasion the need for the new or increased Development Fees or Exactions.

2.35 **Lot.** Defined in Section 6.6.

2.36 **Master Association.** That certain owners association governing the Project, in which all owners of Lots which have been subject to the Master Declaration are members.

2.37 **Minor Amendment.** Defined in Section 20.4.

2.38 **Master Declaration.** A Master Declaration of Covenants, Conditions and Restrictions and Grant of Reciprocal Easements, recorded or to be recorded in the Official Records and encumbering title to all or a portion of the Properties, as it may be amended or supplemented from time to time.

2.39 **Mitigation Measures.** The mitigation measures applicable to the Project developed as part of the EIR process and adopted as part of the Project Approvals, and identified in the MMRP, and to be implemented as provided in the MMRP.

2.40 **MMRP.** The Mitigation Monitoring and Reporting Plan adopted as part of the Project Approvals, adopted by the Planning Commission on August 8, 2025, by Resolution No. _____.

2.41 **Modified Project.** Defined in Recital D.8.

2.42 **Mortgage.** A mortgage or deed of trust, or other instrument, pursuant to which any or all of the Properties, or a portion thereof or an interest therein, or any improvements thereon, is conveyed or pledged as security, contracted in good faith and for fair value, or a sale and leaseback arrangement in which any or all of the Properties, or a portion thereof or an interest therein, or improvements thereon, is sold and leased back concurrently therewith in good faith and for fair value.

2.43 **Mortgagee.** The holder of the beneficial interest under a Mortgage, or the owner of the Properties, or interest therein, under a Mortgage.

2.44 **Off-Site Infrastructure.** The improvements and facilities, such as paving, curbs, gutters, sidewalks, storm drains and traffic signals, required under the Project Approvals or other Agency actions, to be constructed and/or installed on public property in connection with development of the Project.

2.45 **Official Records.** The Official Records of Lake County, State of California.

2.46 **Original Project.** Defined in Recital D.3.

2.47 **Original Tentative Maps or “OTM”.** The tentative subdivision maps, subdivide the portions of the Guenoc Property in the first phase of the Project and the Santa Clara Property.

2.48 **Owners’ Associations.** Defined in Section 13.2.2(c).

2.49 **Party.** County, Developer, Owners, and their respective successors, assignees or Transferees, determined as of the time in question, and collectively they shall be called the “**Parties.**”

2.50 **Party in Default.** Defined in Section 23.

2.51 **Permitted Delay.** Defined in Section 31.

2.52 **Person.** An individual, partnership, firm, association, corporation, trust, governmental agency, administrative tribunal or other form of business or legal entity.

2.53 **Planning Director.** The County’s Community Development Director.

2.54 **Prevailing Party.** Defined in Section 24.

2.55 **Prevailing State Laws.** The Laws and regulations of the State governing the following aspects of the design and construction related to the Project as such laws and regulations may be revised and superseded from time to time:

2.55.1 Clean Water Act, Grading Restrictions (SWPPP, etc.)

2.55.2 Air Quality re Temp Power

2.55.3 Fresh Water Standards

2.55.4 Temp Wastewater Handling

2.55.5 Building Code (CCR Title 24 as amended from time to time)

2.56 **Processing Fee.** A Local Agency-wide fee payable upon the submission of an application for a permit or approval which covers only the estimated actual and non-duplicative or supplemental costs to Local Agency of processing that application in accordance with regular practices on a Local Agency wide basis, and is not a Development Fee or Exaction.

2.57 **Project.** Defined in Recital D.13.

2.58 **Project Approvals.** Defined in Recital G.

2.59 **Project Component.** A Lot or group of Lots identified in the Project Approvals or the MMRP as being subject to requirements specific to that Lot or group.

2.60 **Project Infrastructure.** Those areas and facilities in the Project which are for the non-exclusive use, enjoyment and benefit of the owners of the Lots, including, but not limited to all roadways, back of house areas, offices, employee housing, maintenance and storage areas, open areas, landscaped areas, lakes, streams, fences, gates, fire life safety equipment and facilities, utility, communication, drainage systems, culverts, sump pumps, domestic water systems, storm and sanitary sewer systems, electrical systems, telephone systems, cable television systems, telecommunications systems, satellite communications systems, utility meters, lightning rods, vaults and switchgears, emergency generators, central utility services and all other utility systems, conduits, cabling and facilities serving the Project which are situated in, on, over and under the Project, and including any areas or facilities defined under the Master Declaration as “Master Common Areas” or “Master Common Facilities” and any other areas or facilities owned or controlled by the Master Association.

2.61 **Properties.** Defined in Recital C.

2.62 **Required Transferee.** Defined in Section 18.1.

2.63 **Review Procedures.** The procedures governing ministerial review of applications for Tentative Maps, building, grading and other construction-related permits, building inspections and certificates of occupancy and other Local Agency permits and approvals for conformance with the Design and Construction Standards, the Existing Land Use Regulations and other Project Approvals or Subsequent Approvals and the approval of such permits and other governmental actions which do not require Board, planning commission or other discretionary approval, as such procedures are set forth in Exhibit E attached hereto.

2.64 **State.** The State of California.

2.65 **Subsequent Approvals.** Any and all Local Agency approvals, entitlements or permits of any kind or character consistent with the Project Approvals that are necessary or advisable for the implementation and development of the Project in accordance with this Agreement and the other Project Approvals, including, but not limited to, approvals required under the Zoning Ordinance, SPD, General Plan of Development, Design Guidelines, the subdivision maps, site permits, minor administrative permits, sign permits, lot mergers and lot line adjustments, building permits and approvals under building permits, street and park improvement permits, improvement plans, use permits, variances, demolition permits, site clearance permits, grading and excavation plans and permits, certificates of occupancy, abandonment or establishment of streets or rights-of-way, utility easements, right-of-way transfers, sewer and water conversion permits, and encroachment permits. A Subsequent Approval shall also include any amendment to the foregoing land use approvals, entitlements, permits and approvals, or any amendment to the Project Approvals, future SPDs and other discretionary approvals and amendments thereto that are sought by Developer and approved by County.

2.66 **Subsequent Rule.** Defined in Section 8.

2.67 **Substantial Compliance.** With respect to any Project Approval or Subsequent Approval, a proposed action, design, size, area or other dimension or attribute, but

not formula for the payment of fees or other monetary obligations, which is within ten percent (10%) of the amount specified in the Project Approval or Subsequent Approval.

2.68 **Substantive Amendment.** Defined in Section 20.3.

2.69 **Tentative Map.** Any tentative parcel map or subdivision map which approved by the County Planning Commission or the Board at any time in the future, which subdivides all or a portion of the Properties and which is not a Final Map. All tentative maps shall comply with California Government Code Section 66473.7.

2.70 **Term.** Defined in Section 6.3.

2.71 **Third Party Project Infrastructure.** The portions of the Project Infrastructure which are developed, owned and operated by third parties (i.e., other than the Master Association or Developer), including facilities, equipment, poles, conduit, pipes, wires, cable and works of improvement, such as water systems, sewage treatment systems and public and utilities' facilities, which serve occupants of the Project, whether located on the Properties or otherwise, and which are not owned or operated by the Master Association.

2.72 **Transfer.** Defined in Section 15.1.

2.73 **Transferee.** Defined in Section 15.1.

2.74 **Transferred Property.** Defined in Section 15.1.

2.75 **Transient Occupancy Tax.** The tax imposed under Lake County Code Chapter 18, Article II.

2.76 **Vested Rights.** Defined in Section 7.1.

2.77 **Zoning Ordinance.** Defined in Recital E.

2.78 **Parties to the Development Agreement.** The Parties to this Development Agreement are:

(a) County: The County of Lake, a political subdivision of the State of California exercising general governmental functions and power. The principal place of business of the County is located at 255 N. Forbes Street, Lakeport, CA 95453.

(b) Developer: Lotusland Investment Holdings, Inc., a California corporation, as agent for each of the Owners as listed on Exhibit A-1.

For purposes of this Agreement, the term “**Local Agency**” means the County as to any portion of any of the Properties that is within County jurisdiction, and any other subsequently created municipal agency, should any of the Properties be located with the jurisdictional boundaries of such agency.

3. **Description of Properties.** The Properties that are the subject of this Agreement are described generally in Recital C and with greater particularity in **Exhibit B-1, B-2** and **B-3** attached hereto.

4. **Interest of Developer.** The Developer hereby represents and warrants on behalf of Owners that Owners presently have a legal or equitable interest in the entirety of the Properties sufficient to satisfy the requirement of California Government Code Section 65865.

5. **Relationship of Local Agencies and Developer.** The Parties specifically acknowledge that the Project is a private development, that no Party is acting as the agent of the other in any respect hereunder (other than Developer acting as agent for each of the Owners), and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Developer, the affairs of a Local Agency, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Local Agencies and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making a Local Agency and Developer joint venturers or partners.

6. **Execution and Recording; Effective Date; Term.**

6.1 **Execution and Recording.** County and Developer shall execute and acknowledge this Agreement in a manner consistent with California Government Code Sections 65864 et seq.

6.2 **Effective Date.** Provided that no referendum applicable to the Enacting Ordinance or any other Project Approval has been timely filed and submitted to the County, then the Effective Date of this Agreement shall be May 21, 2026, which is the effective date of County Ordinance No. _____ adopting this Agreement (the “**Effective Date**”). If such a referendum has been timely filed and submitted, then this Agreement shall remain binding upon all of the Parties but all of the Parties’ respective rights and obligations shall be suspended until the date upon which the Enacting Ordinance is Finally Granted, which date shall then be the Effective Date and an amendment to this Agreement reflecting such revised Effective Date shall be executed by the Parties and recorded in the Official Records.

6.3 **Term.** The term of this Agreement shall commence on the Effective Date and extend for a period of thirty-five (35) years or, as to any portion of the Properties that becomes subject to a newly incorporated municipal corporation, such shorter period as shall be the maximum permitted by law as of the Effective Date (the “**Term**”), unless said Term is terminated, modified or extended by the terms of this Agreement. Following the expiration of the Term or any extension thereof this Agreement shall have no force and effect, except as specifically provided herein.

6.4 **Extension of Term Due to Litigation.** In the event that litigation is filed by a third party (i.e., an entity other than a Local Agency that is a Party to this Agreement, Developer, Owners, or any of their respective successors, assigns or Transferees) that seeks to

invalidate this Agreement or any of the Project Approvals, the Term of this Agreement shall be extended for a period of time equal to the length of time from the date a summons and complaint and/or petition are first served on the defendant(s)/respondent(s) until the date that the resolution of the litigation is final and not subject to appeal.

6.5 Term of Subdivision Maps and Project Approvals. The term of the each Tentative Map, including any master map which is an initial tentative map in a multiple tentative map series covering the same parcel(s) of land, with respect to any portion of the Properties, including the OTM, shall be the longer of (i) the Term, or (ii) the term otherwise allowed under the Subdivision Map Act or applicable Subdivision Ordinance for each such Final Map. The term of all other Project Approvals and Subsequent Approvals shall be coextensive with the Term of this Agreement.

6.6 Automatic Termination Upon Issuance of Certificate of Occupancy. This Agreement shall be terminated with respect to any legal lot or parcel created under a Final Map (in each case, a “**Lot**”) which is designated for residential or commercial purposes in the Project Approvals or Subsequent Approvals, regardless of the type of structure eventually constructed on the Lot, upon the issuance of a temporary certificate of occupancy, final certificate of occupancy or similar approval applicable to the first habitable structure to be constructed on such Lot, without any further action by any Party or need to record any additional document.

6.7 Rights and Obligations Upon Expiration of the Term or Earlier Termination.

6.7.1 Upon expiration or sooner termination of this Agreement, all of the rights, duties and obligations of the Parties hereunder with respect to the Properties or the portion of the Properties to which such termination applies shall terminate and be of no further force and effect, except as otherwise expressly set forth herein; and except with regard to the Parties’ respective obligations under the Project Approvals that are applicable to any construction activities that are in progress as of the time of such expiration or termination.

6.7.2 Expiration or earlier termination shall not affect any right of Developer arising from any previously granted Project Approval and Subsequent Approval for development of all or any portion of the Project, including, whether completed or uncompleted, without limitation, Developer’s right to complete and/or occupy any Project Infrastructure, building or other improvement authorized by such Project Approval or Subsequent Approval, provided that any such Project Infrastructure, building or improvement is completed in accordance with all previously granted Project Approvals and Subsequent Approvals in effect at the time of such termination.

7. Vested Rights.

7.1 Vested Rights and Permitted Uses. Except as otherwise explicitly set forth in this Agreement, during the Term of this Agreement, the subdivision and permitted uses of the Properties, the density and intensity of use, the rate, timing and sequence of development, the location and number of buildings, maximum height and design and size of proposed

buildings, parking standards, provisions for reservation and dedication of land for public purposes and limitations on Development Fees and Exactions shall be those set forth in the Existing County Land Use Regulations, this Agreement, the Project Approvals and any Subsequent Approvals. Developer shall have those benefits granted and obligations created to develop the Project in accordance with the Project Approvals and Existing County Land Use Regulations consistent therewith and the Prevailing State Laws (the “**Vested Rights**”). By stating that the terms and conditions of this Agreement, the Existing County Land Use Regulations, the Project Approvals, any Subsequent Approvals and the Prevailing State Laws control the overall design, development and construction of the Project, this Agreement is consistent with the requirements of California Government Code Section 65865.2 (requiring a development agreement to state permitted uses of the Properties, the density or intensity of use, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes).

7.2 Exactions. Except as otherwise explicitly provided in this Agreement, Local Agency shall not impose any further or additional Development Fees or Exactions on the development of the Project, whether through the exercise of the police power, the taxing power, design review, conditions of approval or any other means other than the Development Fees and Exactions set forth in the Project Approvals, the Mitigation Measures and this Agreement. Local Agency and Developer acknowledge that the provisions contained in this Section 7.2 are intended to implement the intent of the Parties that Developer has the right to construct, occupy and use the Project pursuant to specified and known criteria and rules, and that Local Agency receive the benefits which will be conferred as a result of such development without abridging the right of Local Agency to act in accordance with its powers, duties and obligations.

7.3 Rules Regarding Design, Engineering and Construction for the Project. All ordinances, resolutions, codes, rules, regulations and governmental officials’ interpretations thereof governing design, engineering and other design standards and/or construction standards and specifications (collectively, “**Design and Construction Standards**”) applicable to the Project shall be those set forth in the Project Approvals, or if not so specified, then those in force and effect as of the Effective Date. Notwithstanding the foregoing, unless a particular Design and Construction Standard is required by state or federal law, the Local Agency shall not apply any changes in the Design and Construction Standards in effect as of the Effective Date hereof if such changes would require modification of the density or intensity of uses as set forth in the Project Approvals or apply any changes to the extent that such changes conflict with specifications for Project Infrastructure contained in the SPD, the General Plan of Development, or the OTM, and provided that any changes in the Design and Construction Standards shall conform to the Project Approvals with regard to the Project Infrastructure, Third Party Project Infrastructure and Off-site Infrastructure. In the event of a conflict among the Project Approvals or Subsequent Project Approvals, the more specific Project Approvals shall control such that, for example, the specific design of Project Infrastructure as shown on a Tentative Map shall control over more general requirements of other Design and Construction Standards.

7.4 Transient Occupancy Tax. The Transient Occupancy Tax and any successor thereto or other tax of governmental fee calculated based upon the revenues of hotel or other short-term residential revenues applicable to activities on the Properties shall be that in

effect as of the Adoption Date and the Local Agency shall not increase such tax or impose additional or substitute fees or taxes in lieu thereof or in addition thereto.

8. **Subsequent Approvals.** Except as set forth herein, during the Term of this Agreement, no Local Agency ordinances, resolutions, rules, regulations or official policies enacted after the Adoption Date (“**Subsequent Rule**”), or governmental officials’ interpretations of any Subsequent Rule, that conflict with the Vested Rights of Developer set forth in this Agreement shall be applicable to the Project without Developer’s written consent; provided, however, that nothing herein shall prevent Local Agency from taking such action as may be necessary and appropriate to protect the physical public health and/or safety impacts caused by the Project or to protect residents of the Local Agency against specific physical health and/or safety impacts.

8.1 **Conflicting Actions.** Any action or proceeding of the Local Agency (whether enacted by administrative action, or by a commission, board, the legislative body or the electorate) undertaken without the consent of Developer, that has any of the following effects on the Project shall be considered in conflict with the Vested Rights, this Agreement, and the Existing County Land Use Regulations and shall be deemed to have no force or effect on the Properties:

8.1.1 limiting, reducing or modifying the uses, height, bulk, density or intensity of permitted uses of all or any part of the Project, or otherwise requiring any reduction in the square footage or total number or location of buildings, residential units or other improvements;

8.1.2 limiting the location or sites, grading, roadways or other improvements or facilities on the Properties in a manner that conflicts with, or is more restrictive than the limitations included in, this Agreement or the Project Approvals;

8.1.3 requiring the dedication of any roadways or any other portions of the Properties for public use, whether or not offers of dedication are accepted thereafter;

8.1.4 limiting, reducing or modifying the Project requirements set forth in the Project Approvals with regard to the Project Infrastructure, Third Party Project Infrastructure or Off-site Infrastructure;

8.1.5 limiting or controlling the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of a Project except as otherwise provided in this Agreement, including the demolition or removal of existing buildings, facilities or materials;

8.1.6 requiring the issuance of Subsequent Approvals other than those required under the Existing County Land Use Regulations;

8.1.7 limiting the availability of water, sewage treatment, water, electricity, telecommunications or other utilities services or facilities or any privileges or rights

to utilities, services or facilities for the Project, or any portion thereof, that may be necessary or convenient in connection with the development, use and occupancy of the Project;

8.1.8 limiting or refusing the processing of applications for and/or the obtaining of approvals of Subsequent Approvals that are necessary or convenient to implement the Project Approvals;

8.1.9 imposing or increasing any Development Fees and Exactions in a manner that conflicts with this Agreement;

8.1.10 changing or limiting Project Approvals; or

8.1.11 limiting, reducing or substantially modifying vehicular access or parking from that described in the Project Approvals or as otherwise contemplated under the Project Approvals.

8.2 **Change in State or Federal Law.** Except for and subject to Section 8.3 below, this Agreement shall not preclude the application to development of the Properties of Subsequent Rules mandated and required by changes in Laws that are required by California or United States law.

8.3 **Moratoria, Quotas, Restrictions or Other Growth Limitations.** Developer and Local Agency intend that, except as otherwise provided in this Agreement, this Agreement shall vest the Project Approvals against subsequent Local Agency resolutions, ordinances, initiatives, and other actions, of whatever nature, that would limit the extent, rate, timing, or sequencing of development (except as provided for herein), or prevent or conflict with the permitted uses, and the density and intensity of uses as set forth in the Project Approvals; provided, however, Developer shall be subject to any growth limitation ordinance, resolution, rule, regulation or policy which (a) is adopted or applied on a Local Agency-wide basis, and (b) directly concerns an actual and serious risk to health and safety and is mandated and required by California or United States Laws, in which case Local Agency shall treat Developer in a uniform, Local Agency-wide, equitable and proportionate manner with all properties, public and private, which are impacted by that actual and serious risk to safety.

8.4 **OTM Approvals and Subsequent Approvals.**

8.4.1 Consistent with this Agreement, applications for any Subsequent Approvals pursuant to an OTM and future Tentative Maps shall allow for any such OTM (and any future Tentative Map) to be reconfigured to rearrange, combine or resize, within the same subdivision footprint, those Lots included in the Project Approvals and/or to move such Lots from one Map to another and such applications may relate to OTM's in the sequence or order determined by Developer. Development of the Project is subject to discretionary and ministerial Subsequent Approvals in accordance with the Project Approvals. In considering, reviewing and acting on applications for Subsequent Approvals, the County shall apply the Existing County Land Use Regulations subject to any changes to Existing County Land Use Regulations permitted or provided for under this Agreement. Local Agency's review of Subsequent Approvals shall be limited to a determination of Substantial Compliance and consistency with the Project Approvals and any prior Subsequent Approvals and in the course of such review,

Local Agency shall not apply criteria or standards that would conflict with or impose requirements or Exactions in addition to those set forth in the Project Approvals or prior Subsequent Approvals. Consequently, the Local Agency shall not use its authority to change the policy decisions reflected by the Project Approvals and this Agreement or otherwise to prevent, delay or modify development of the Project as contemplated by the Project Approvals.

8.4.2 Applications for Local Agency permits and approvals that require review and approval for consistency with the SPD, the General Plan of Development, and the Design Guidelines shall be processed in accordance with the Review Procedures.

8.5 Subsequent Environmental Review.

8.5.1 Subsequent Environmental Review. The provisions of CEQA, as they may be amended from time to time, shall apply to any Subsequent Approval for the Project. The Parties acknowledge, however, that the EIR contains a thorough analysis of the Project and Project alternatives and specifies the feasible Mitigation Measures necessary to eliminate or reduce to an acceptable level any adverse environmental impacts of the Project. For these reasons, no further review or mitigation under CEQA shall be required by Local Agency for any Subsequent Approvals unless the standards for further environmental review under CEQA are met for reasons as specified in California Public Resources Code Section 21166.

8.5.2 Compliance with CEQA Mitigation Measures. Developer shall perform, or cause to be performed, all Mitigation Measures applicable to each Project Component that is identified in the MMRP as the responsibility of the Project Applicant (including its successors in interest and contractors), until there is a Transfer of that Project Component, whether to the Master Association, an Owner or another responsible party such as a public utility or community facilities district. The Parties expressly acknowledge that the EIR and its associated MMRP are intended to be used in connection with each of the Project Approvals and any Subsequent Approvals to the extent appropriate and permitted under applicable Laws. Nothing in this Agreement shall limit the ability of the Local Agency to impose mitigation measures on any new, discretionary permit resulting from Substantive Amendments to the Project from that described by the Project Approvals or any Subsequent Approvals as determined by the Local Agency to be necessary to mitigate adverse environmental impacts identified through the CEQA review process; provided, however, any such measures must be in accordance with this Section 8 and applicable law.

8.6 **Net Zero Energy.** For the purpose of interpreting a mitigation measure requiring achievement of net zero energy, the determination shall be made on a community-wide basis such that the actual annual consumed energy will be less than or equal to the renewable generated energy utilized.

8.7 **Temporary Offices.** In recognition of the size and scope of the Project and the greater length of time that development activities are likely to occur, and notwithstanding anything to the contrary in Article 27 of the County Zoning Ordinance, one or more mobile modular office structures may be used as temporary offices in connection with development activities on the Properties. Applicants for a temporary office zoning permit shall, prior to issuance of a zoning permit obtain building and health permits for the inspection of the water

supply, waste discharge system and electrical installation for the temporary office; the temporary office shall not be permanently attached to the ground and shall be in modules of such a size that may be readily removable; and the temporary office shall be removed from the site within ten (10) years following installation. A temporary office shall meet the development standards of the zoning district but need not meet the general performance standards of Zoning Ordinance Article 41.

9. **Other Governmental Permits.** Developer shall apply for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, sale of, or provision of services to, the Project. Local Agency shall reasonably cooperate with Developer in its efforts to obtain such permits, agreements, entitlements or approvals as may be necessary or desirable for the development, operation, use, financing and sale of the Project or portions thereof.

10. **Easements.** Upon Developer's written request, the Local Agency shall reasonably cooperate with Developer in connection with Developer's efforts to abandon or relocate existing utility or other easements and facilities or create new easements within the Properties necessary or appropriate for development, operation and use of such Properties in accordance with the Project Approvals.

11. **Subdivision of Properties; Future Tentative Maps.** Developer shall have the right, from time to time or at any time, to apply for one or more Tentative Maps, subdividing the Properties into smaller developable parcels as may be necessary in order to develop, sell, lease or finance any portion of the Properties in connection with development of the Project consistent with the Project Approvals and the Agreement Regarding Development of Guenoc Valley Project entered into on November 28, 2022, by and between the People of the State of California ex rel. Rob Bonta, Attorney General of California and Developer. Applications for Tentative Maps shall be processed in accordance with the California Subdivision Map Act and the applicable Local Agency's Subdivision Code as modified by the Review Procedures.

12. **Certain Developer Obligations.**

12.1 **Community Benefits.** The Project shall provide the Community Benefits.

12.2 **Stormwater Management Requirements.** Developer shall construct Stormwater Management Improvements in accordance with the Project Approvals. Because the Local Agency does not have Phase 2 MS4 post-construction stormwater guidelines approved by the applicable Regional Water Quality Control Board, such improvements and any on-going maintenance requirements, will comply with regionally applicable guidelines for neighboring counties that meet State and Federal requirements.

12.3 **Emergency Response Center.** Developer shall cause the Emergency Response Center to be substantially completed as a condition to the issuance of a certificate of occupancy for the first commercial building to be constructed on the Properties following the Adoption Date. At Developer's option, the cost of design and construction of the Emergency Response Center, including permit and other governmental fees, shall be credited by the Local Agency against the first amounts of the fire mitigation impact fees (Lake County Code Chap. 27)

that are otherwise payable in connection with construction on the Properties or at Developer's request, County shall cooperate with the South Lake County Fire Protection District (the "**Fire District**"), with the consent of property owners as required under the Mello-Roos Community Facilities Act (California Government Code Section 53311, et seq.), or the successor of such Act (the "**Mello-Roos Act**"), to cause the sale of bonds and the acquisition by the Fire District of the Emergency Response Center from Developer.

12.4 **Public Financing.** Developer may finance all or a portion of the costs of the Project Infrastructure with one or more methods of public financing, including, but not limited to Community Facilities Districts pursuant to the Mello-Roos Act, Assessment Districts under California Streets and Highways Code, Division 10 and 12, or any successor thereto, special assessment district(s), facilities assessment district(s), community taxing districts, climate resilience districts, geologic hazard abatement districts, enhanced infrastructure financing districts, benefit assessment districts, commercial business districts, landscaping, lighting or other service maintenance districts and other infrastructure or fee financing devices or public facilities financing or maintenance districts now or hereafter permitted to be created (collectively, "**Districts**") as well as the Property Assessed Clean Energy (PACE) Program, and any other similar laws or programs available in California for financing the Project infrastructure, and as well as grants or subsidies or other means of reducing the cost of funding the Project Infrastructure (collectively "**Financing Plans**"). In connection with any such Districts and Financing Plans, Local Agency agrees:

12.4.1 That a District or Financing Plan may (i) encumber the Project with the levy of special taxes, assessments, exactions, fees or charges (collectively, "**Impositions**"), and (ii) pledge all or a portion of the Properties as security for a borrowing, for the issuance of bonds, and/or for the payment of Impositions.

12.4.2 To cooperate with Developer and all participating governmental entities and take such actions as shall be reasonably required in connection with matters relating to the formation of one or more Districts, Financing Plans and Impositions on the Properties, and the issuance of bonds in connection therewith.

12.4.3 At any time prior to completion of all Project Infrastructure, not to contest, protest or otherwise challenge, reduce, or repeal the formation of any Districts or Financing Plans, the authorization, amendment and/or levy of the Impositions of such Districts or Financing Plans on the Properties, or the issuance of any Bonds secured by such Impositions, provided they are consistent with this Agreement.

12.5 The County encourages the Developer to continue to work with the Callayomi County Water District regarding the District's purchase of a portion of the offsite well site and the District's operation of a well thereon pursuant to the existing term sheet between the Developer and the District.

13. **Project Infrastructure; Master Associations.**

13.1 **Developer Responsibilities.** Developer shall be solely responsible for all costs necessary to design and construct the Project Infrastructure necessary for development and

operation of the Project, except for the Third Party Project Infrastructure. Developer shall be responsible for the on-going operation, maintenance and repair associated with all Project Infrastructure, other than the Third Party Project Infrastructure, until such time as the obligations for all or any portion of the Project Infrastructure are assumed by the Master Association in accordance with Section 15.2 hereof; provided, however, Developer may from time to time convey ownership of individual Lots containing portions of the Project Infrastructure to the Master Association or otherwise assign to the Master Association responsibility for operation, maintenance and repair of the Project Infrastructure on a schedule determined by Developer such that at certain times the Master Association is responsible for the operation, maintenance and repair of some of the Project Infrastructure and Developer is responsible for the operation, maintenance and repair of the remaining Project Infrastructure. The respective owners of any Third Party Project Infrastructure shall respectively be responsible for the operation, maintenance and repair for the portions of the Third Party Infrastructure and neither Developer or the Master Association shall have such responsibility. The obligations for operation, maintenance and repair for the privately-owned Project Infrastructure shall be contained within CC&Rs recorded against the Properties as more particularly described in Section 13.2 hereof, and shall be at no cost or expense to Local Agency, or any other public agency. The on-going operation, maintenance and repair obligations of Developer and the Master Association described in this Section 13 shall survive the expiration or earlier termination of this Agreement.

13.2 Conditions, Covenants & Restrictions.

13.2.1 Approval and Timing of Recordation of CC&Rs. As a condition of approval for each Final Map, Developer shall submit to Local Agency which shall review and approve pursuant to the Review Procedures any CC&Rs applicable to the portion of the Properties subject to such Final Map. Such review shall be limited to consistency with the conditions imposed for already recorded Final Maps in the Project, County Ordinance, and State law. Local Agency shall provide written notice of its approval or disapproval of the CC&Rs to Developer within sixty (60) days of receipt thereof. In the event of a disapproval, Local Agency shall provide reasonably detailed comments as to the reasons for its disapproval, and Developer shall revise and re-submit the CC&Rs accordingly until approved by Local Agency. If Local Agency fails to respond to submittal of such CC&Rs within such sixty (60) day period, the CC&Rs shall be deemed approved for the purposes of this Section 13.2.1. Notwithstanding the foregoing, if CC&Rs have already been approved by Local Agency for the Project, Developer may subject the property shown on such Final Map to such approved CC&Rs by means of a supplemental declaration or declaration of annexation. In such case the approved CC&Rs shall not be subject to another review by Local Agency, however, such supplemental declaration or declaration of annexation shall be subject to Local Agency review as provided in this Section 13.2.1. Such review by Local Agency shall be limited to confirming that the CC&Rs comply with the Project Approvals (including, without limitation, the requirements of this Agreement), the conditions of approval for the Final Map at issue, consistency with State law, and that the CC&Rs do not, directly or indirectly and intentionally or unintentionally, burden the Local Agency with any costs, obligations or responsibilities that the Local Agency has not agreed to accept pursuant to this Agreement or through the conditions of approval for the Final Map at issue. If the Final Map contains Lots designated for residential use or a combination of residential and commercial use, the Local Agency through its Board of Supervisors or Director of Community Development, shall approve the CC&Rs required by the conditions of approval

for such Final Map prior to the recording of such Final Map; provided however, Developer shall not be required to record the CC&Rs against any Lots for residential use shown on such Final Map until after the California Department of Real Estate, or the successor of such Department regulating the sale of subdivided real property (the “DRE”) has reviewed those CC&Rs applicable to the residential Lots which are subject to DRE review and has issued to the Developer a Conditional Subdivision Public Report or Final Subdivision Public Report or other approval permitting the offering for sale of the residential Lots; and further provided that, in no event shall Developer record CC&Rs in a form that has not been approved by the Local Agency, or in a form that is different from the form of CC&Rs reviewed and approved by the Local Agency without the consent of the Local Agency. If Local Agency fails to approve, disapprove or conditionally approve the CC&Rs (or any modifications thereto) within sixty (60) days following submittal of Developer’s request for approval (subject to extension by mutual agreement of the Parties), the CC&Rs shall be deemed approved by Local Agency.

13.2.2 CC&Rs Requirements.

(a) Davis-Stirling. CC&Rs for the residential property shall comply with the requirements of applicable law governing the offering for sale of common interest subdivisions (currently, the Davis-Stirling Common Interest Development Act, California Civil Code Section 4000, et seq.), as amended from time to time, and this Section 13.2.2.

(b) Recordation/Legal Effect. The Master Association shall be made responsible for the on-going operation, maintenance and repair associated with all Project Infrastructure within the Guenoc Property and, at Developer’s discretion, the Butts Canyon Property, excluding any Third Party Project Infrastructure. Subject to the foregoing, the Developer may record the Master Declaration as overall CC&Rs to govern said Properties and/or may record separate CC&Rs against separate geographic regions of such Properties and/or may record separate CC&Rs against the commercial portions of the Guenoc and Butts Canyon Properties and separate CC&Rs against the residential portions of the Properties. Such CC&Rs shall be binding on all owners of the Properties described in each Final Map which have been subjected to such CC&Rs and all successors thereto, and on any Owners’ Associations formed by the property owner(s), and shall run with the land.

(c) Contents of CC&Rs.

(i) The Master Declaration shall describe the various relationships among the Local Agency, the Developer and its successors, including the Master Association and individual property owners regarding payments for funding the Master Association’s obligations and detailing the Master Association’s responsibility for the use, maintenance and repair of the Project Infrastructure covered by each Final Map. The CC&Rs for any other homeowners’ and/or commercial property owners’ associations formed within the Project (excluding the Master Association) pursuant to which a portion of the Properties are subject (each an “**Owners’ Association**” and collectively, the “**Owners’ Associations**”) shall describe the various relationships between the Local Agency, the Developer and its successors, including the obligation of

the individual property owners and the applicable Owners' Association regarding the payment of such Owners' Association's fair share of the cost associated with the Master Association's obligations under the Project Approvals (including, without limitation, this Agreement).

(ii) The CC&Rs shall require each Owners' Association to comply with all requirements of the CC&Rs and applicable state and local laws.

(iii) The CC&Rs shall (i) provide for a minimum term of sixty (60) years with ten (10) year automatic renewals, (ii) provide for the establishment of an Owners' Association comprised of the owners of each individual lot or condominium unit within the portion of the property covered by such CC&Rs, and (iii) provide for the ownership of the privately maintained Project Infrastructure, or "common area", by either the Owners' Association or the owners of each individual lot or condominium unit as tenants in common.

13.3 Budget Review. At least forty-five days prior to submittal to DRE, the Developer shall submit to the Community Development Director of the Local Agency for its approval a copy of the draft build-out budget for the portion of the Project that Developer intends to submit to the DRE and any subsequent update to such build-out budget. The draft build-out budget shall conform to DRE requirements, but shall include, at a minimum, anticipated costs of and all sources of revenue for (including anticipated monthly Owners' Association dues per unit) the maintenance, repair and operation of all Project Infrastructure (excepting any Third Party Project Infrastructure), and other common areas to be owned or maintained by the Owners' Association, and anticipated reserves. Said review and approval shall be limited to ensuring that the build-out budget includes funds for the Master Association's maintenance and repair of the Project Infrastructure, including reserves that are necessary for the replacement of said Project Infrastructure in accordance with the budget guidelines of the DRE and compliance with any terms of this Agreement or the Project Approvals that Owners' Association has assumed including any mitigation measures under the MMRP. Local Agency shall provide written notice of its approval or disapproval of the build-out budget to Developer within thirty (30) days of receipt thereof. In the event of a disapproval, Local Agency shall provide reasonably detailed comments as to the reasons for its disapproval, and Developer shall revise and re-submit the build-out budget accordingly until approved by Local Agency. If Local Agency fails to respond to such build-out budget within such thirty (30) day period, the build-out budget shall be deemed approved.

13.4 Local Agency as Third Party Beneficiary. The CC&Rs required by this Section 13 shall be subject to reasonable review and approval as to form by the Local Agency's County Counsel, and shall expressly provide the Local Agency with a third party right to enforce the Developers' or its successors' and assigns', including each Owners' Association's obligations under Sections 13.2 and 13.3 above.

13.5 Joint Powers Authority. At Developer's request, the Local Agency shall cooperate and, with the consent of the requisite ownership of the Properties intended to be subject to assessment, shall cause the formation of a Community Facilities District under the Mello-Roos Act or other governmental unit, such as a water district, as enabled under State law

to finance the construction, acquisition and/or operation of public facilities and services within or serving the Properties or portions thereof. At the request of such district, the Local Agency shall form a joint powers authority to construct, acquire, own and operate public facilities on or serving the Properties, such as water and sewage treatment systems, open space easements and other qualified facilities, and to issue indebtedness in connection with such activities.

14. **No Development Obligation; Phasing.**

14.1 **No Development Obligation.** There is no requirement under this Agreement that Developer initiate or complete development of the Project, or any portion thereof. There is no requirement that development be initiated or completed within any period of time or in any particular order. The development of the Project is subject to numerous factors that are not within the control of Developer or the Local Agency, such as the availability of financing, interest rates, access to capital and other market conditions and similar factors. Except as expressly required by this Agreement, Developer may develop the Project in such order and at such rate and times as Developer deems appropriate within the exercise of its sole and subjective business judgment. In *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), the California Supreme Court ruled 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 and controlling the parties' agreement. It is the intent of the Parties to avoid such a result by acknowledging and providing for the timing of development of the Project in the manner set forth herein. The Parties acknowledge that such a right is consistent with the intent, purpose and understanding of the Parties to this Agreement, and that without such a right, Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute and by this Agreement.

15. **Transfers and Assignments.**

15.1 **Transfers Generally.** Developer shall have the right to assign (a "Transfer") all or any portion of its interest, rights or obligations under this Agreement to a Person (the "Transferee") acquiring a fee or leasehold interest or estate in all or a portion of the Properties that then are subject to this Agreement (the "Transferred Property"). Developer shall provide written notice to County promptly following the effective date of any Transfer and, whether or not such notice is given, upon the filing in the Official Records of a deed or other instrument effecting such Transfer, the Transferee shall be deemed a Party.

15.2 **Assignment and Release of Project Infrastructure Obligations.**

15.2.1 Conditions to Release. Developer shall remain responsible for all obligations and requirements under this Agreement after the effective date of a Transfer unless Developer satisfies the following conditions: (i) on or about the effective date of the Transfer, Transferee executes and delivers to County an agreement specifying the obligations and requirements assumed by the Transferee; and (ii) Developer has not received a notice of a Default under this Agreement that remains uncured as of the effective date of the Transfer.

15.2.2 Effect of Transfer. If conditions (i) and (ii) in Section 15.2.1 above are satisfied, then Developer shall be released from any further liability or obligation under this

Agreement related to the Transferred Property and the Transferee shall be deemed to be the Developer under this Agreement with all rights and obligations related thereto, with respect to such Transferred Property, and the Local Agency shall provide Developer a written instrument to such effect in a form and substance reasonably satisfactory to Developer. Notwithstanding anything to the contrary contained in this Agreement, if a Transferee Defaults under this Agreement, such Default shall not constitute a Default by Developer (or any other Transferee) with respect to any other portion of the Properties not owned by such defaulting Transferee and shall not entitle Local Agency to terminate or modify this Agreement with respect to such other portion of the Properties. Upon the release of Developer set forth in this Section, the Local Agency shall provide Developer with a written release in a form that may be recorded in the official records and substance reasonably satisfactory to Developer from the obligations so Transferred (but excluding therefrom any default which occurred prior to the date of such Transfer).

15.2.3 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Properties is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Properties. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Properties and undertakes any development activities on the Properties is, and shall be, constructively deemed to have consented and agreed to, and is obligated by, all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Properties.

15.2.4 Rights of Developer. The provisions in this Section 15 shall not be deemed to prohibit or otherwise restrict Developer from (i) granting easements or licenses to facilitate development of the Properties, (ii) encumbering the Properties or any portion thereof or of the improvements thereon by any mortgage, deed of trust, or other devise securing financing with respect to the Properties or the Project, (iii) granting a leasehold interest in portions of the Properties, (iv) entering into a joint venture agreement or similar partnership agreement to fulfill its obligations under this Agreement, or (v) transferring all or a portion of the Properties pursuant to a foreclosure, conveyance in lieu of foreclosure, or other remedial action in connection with a mortgage.

15.2.5 Transfer to Owners' Association. In addition to the other Transfer provisions of this Agreement, following the issuance of a temporary or final certificate of occupancy for an individual building project or approval of final inspection under the building permit for a portion of Project Infrastructure associated with either an individual building project, or all or an identified portion of the Lots created under a Final Map, Developer may Transfer any remaining obligations which pertain to the individual building project or to the applicable work of Project Infrastructure to the Master Association to perform such duties so Transferred, including, without limitation, obligations associated with the operation, maintenance and repair of Project Infrastructure and obligations associated with any transportation systems management plan or other on-going obligations under the MMRP, this Agreement, other Project Approvals or Subsequent Approvals. Provided written notice to the Local Agency is provided in accordance with this Section 15, the Local Agency shall provide Developer with a written release in a form

that may be recorded in the official records and substance reasonably satisfactory to Developer from the obligations so Transferred (but excluding therefrom any default which occurred prior to the date of such Transfer).

16. Lender Obligations and Protections.

16.1 Encumbrances on the Properties. The Parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, from encumbering the Properties or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, development, use, or operation of the Properties.

16.2 Mortgagee Obligations. A Mortgagee not in legal possession of a Properties or any portion thereof shall not be subject to the obligations or liabilities of the Developer under this Agreement, including the obligation to construct or complete construction of improvements or pay fees. A Mortgagee in legal possession shall not have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. A Mortgagee in legal possession of said Properties or portion thereof shall only be entitled to use of Properties or to construct any improvements on the Properties in accordance with the Project Approvals and this Agreement if Mortgagee fully complies with the terms of this Agreement as applicable to the Properties or portion(s) thereof subject to its Mortgage.

16.3 Mortgage Protection. This Agreement shall be superior and senior to any lien placed upon the Properties, or any portion thereof, after the date of recording this Agreement, including the lien for any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any Person or entity, including any deed of trust beneficiary or Mortgagee that acquires title to the Properties, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise, and any such Mortgagee or successor to a Mortgagee that takes title to the Properties or any portion thereof shall be entitled to the benefits arising under this Agreement.

16.4 Notice of Default to Mortgagee; Right of Mortgagee to Cure. If Local Agency receives notice from a Mortgagee requesting a copy of any notice of Default given Developer under this Agreement and specifying the address for service thereof, then Local Agency shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by Local Agency that Developer is in Default and/or Certificate of Non-Compliance. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the Default or non-compliance as provided in this Agreement; provided, however, that if the Default, noncompliance or Certificate of Non-Compliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Default, noncompliance or Certificate of Non-Compliance within ninety (90) days after obtaining possession. If any such Default, noncompliance or Certificate of Non-Compliance cannot, with diligence, be remedied or cured within such ninety (90) day

period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Default, noncompliance or Certificate of Non-Compliance (including but not limited to proceeding to gain possession of the Properties) if such Mortgagee commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible.

17. **Estoppel Certificate.** Any Party may, at any time, and from time to time, deliver written notice to any other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Default; and (d) such other information as may reasonably be requested. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The Community Development Director, or his or her designee, shall have the right to execute any certificate requested by Developer hereunder. Local Agency acknowledges that a certificate hereunder may be relied upon by Transferees, lenders and Mortgagees.

18. **Annual Review.**

18.1 **Review Date.** The annual review date for this Agreement may occur each year on the anniversary date of the Effective Date of this Agreement (“**Annual Review Date**”) if requested by Local Agency of Developer and/or its Transferee (either, a “**Required Transferee**”), or if requested by Developer.

18.2 **Required Information from Developer.** Not more than sixty (60) days following Local Agency’s written request, the Developer and each Required Transferee shall provide a letter to the Local Agency’s Planning Director demonstrating its compliance with this Agreement.

18.3 **Local Agency Report.** Within forty (40) days after Developer and each Required Transferee submits its letter, the Local Agency Planning Director shall review the information submitted and all other available evidence on Developer’s and each Required Transferee’s compliance with this Agreement. All such available evidence including public comments and final staff reports shall, upon receipt by the Local Agency, be made available as soon as practicable to Developer and each Required Transferee. The Planning Director shall notify the Developer and each Required Transferee in writing whether it has complied with the terms of this Agreement. If Planning Director finds the Developer or a Required Transferee in compliance, the Planning Director shall issue a Certificate of Compliance. If Planning Director finds the Developer or a Required Transferee is not in compliance, the Planning Director shall issue a Certificate of Non-Compliance after complying with the procedures set forth in Section 18.4 below. The Local Agency’s failure to timely complete the annual review shall not deemed to be a waiver of the right to do so at a later date.

18.4 **Non-compliance with Agreement; Hearing.** Prior to issuing a Certificate of Non-Compliance, if the Local Agency Planning Director, on the basis of

substantial evidence, finds that the Developer or a Required Transferee has not complied with the terms of this Agreement, it shall specify in writing to such Developer or Required Transferee, with reasonable specificity, the respects in which Developer or Required Transferee has failed to comply. The Planning Director shall also specify a reasonable time for Developer and Required Transferee to respond, provide additional evidence of compliance or to meet the terms of compliance, which time shall be not less than thirty (30) days, and shall be reasonably related to the time necessary for Developer or Required Transferee to adequately bring its performance into compliance with the terms of this Agreement, subject to any Permitted Delay; provided, however, that if the non-compliance solely involves a monetary Default, then the Planning Director may require payment in sixty (60) days. If after the reasonable time for Developer or Required Transferee to meet the terms of compliance has passed and the Planning Director, on the basis of substantial evidence, continues to find that the Developer or Required Transferee has not complied, then the Planning Director shall issue a Certificate of Non-Compliance. Any Certificate of Non-Compliance shall be made in writing with reasonable specificity as to the reasons for the determination, and a copy shall be provided to Developer and Required Transferee in the manner prescribed in Section 18.3. If the Planning Director issues a Certificate of Non-Compliance, then the Local Agency's legislative body shall conduct a hearing within thirty (30) days of the Planning Director's issuance of the Certificate of Non-Compliance, or at the next available, regularly scheduled hearing thereafter. The Developer and Required Transferee shall be given not less than twenty (20) days written notice of the hearing and copies of the evidence upon which the Planning Director made her/his determination. Developer and Required Transferee will be given the opportunity to present evidence at the hearing. If the legislative body determines that the Developer or a Required Transferee is not in compliance with this Agreement, it may proceed to enforce the Local Agency's rights and remedies, including, modifying or terminating this Agreement at a subsequent public hearing.

18.5 Appeal of Determination. The decision of the legislative body as to Developer's or a Required Transferee's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Board shall be commenced within thirty (30) days of the final decision by the legislative body.

18.6 Costs. Costs reasonably incurred by the Local Agency in connection with the annual review and related hearings shall be paid by Developer and Required Transferee(s) in accordance with the Local Agency's schedule of fees and billing rates for staff time in effect at the time of review.

18.7 Effect on Transferees. If Developer has completed one or more Transfers so that its interest in the Properties has been divided among Transferees, and an annual review hereunder has been performed with respect to Developer and one or more Transferees, then the Local Agency Planning Director, and if appealed, its legislative body shall make its determinations and take its actions separately with respect to each Party. If the Planning Director or its legislative body terminates, modifies or takes such other actions as may be provided by this Agreement in connection with a determination that such Party has not complied with the terms and conditions of this Agreement, such action by the Planning Director, or the legislative body shall be effective only as to the Party as to whom the determination is made and the portions of the Properties in which such Party has an interest.

18.8 **No Limit on Remedies for Default.** The rights and powers of the Local Agency legislative body under this Section 18 are in addition to, and shall not limit, the rights of the Local Agency to terminate or take other action under this Agreement on account of the commission by Developer or a Transferee of an event of Default.

19. **Indemnification.** Developer agrees to indemnify, defend pursuant to the provisions of Section 25 and hold harmless Local Agency, and their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death or physical property damage (including inverse condemnation) and from any and all claims, demands and actions in law or equity (including attorneys' fees and litigation expenses) (collectively, "**Claims**") by any Person or entity; directly or indirectly arising or alleged to have arisen out of or in any way related to (1) any third party claim arising from the approval of or Developer's default or failure to comply with the Project Approvals (including this Agreement) or any Subsequent Approvals; (2) failure of the Project Infrastructure to comply with Laws; (3) any development or use of the Properties under this Agreement, the Project Approvals or any Subsequent Project Approvals; and (4) any actions or inactions by the Developer or its contractors, subcontractors, agents, or employees or by any one or more persons directly or indirectly employed by or acting as an agent for Developer or any of Developer's contractors or subcontractors in connection with the construction or improvement of the Properties and the Project, including Project Infrastructure. Notwithstanding the foregoing, with respect to any Project Infrastructure to be dedicated to a Local Agency, or any other public entity or agency or utility service provider, once the Local Agency or any other public entity or agency or utility service provider accepts the Project Infrastructure, Developer's indemnification obligation with respect to those improvements shall cease subject to the terms of any ongoing warranty or other improvement agreement obligation.

Notwithstanding the foregoing, Developer shall have no defense or indemnification obligation with respect to (1) the gross negligence or willful misconduct of County or their respective contractors, subcontractors, agents or employees, or by any one or more persons directly or indirectly employed by or acting as an agent for Developer or any of Developer's contractors or subcontractors; or (2) the maintenance, use or condition of any improvement or portion of the Properties after the time it has been dedicated to and accepted by the County or another public entity or agency or utility service provider, or taken over by an Owners' Association, so long as such indemnification obligation has been assumed by such Owners' Association through the CC&R's or otherwise. The indemnity under this Section shall survive termination of this Agreement.

20. **Amendment, Cancellation or Suspension.**

20.1 **Modification Because of Conflict with State or Federal Laws.** In the event that Laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require substantial and material changes in Project Approvals, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such change in Laws. Any such

amendment of the Agreement shall be approved by the Local Agency's legislative body, in accordance with existing local laws and this Agreement.

20.2 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State Law, Local Agency Law and this Agreement.

20.3 Substantive Amendments. Any substantive amendment to the Agreement shall require approval of an amendment to this Agreement in accordance with State Law and Local Agency Law. The term "**Substantive Amendment**" is defined to include the following: (a) any change to the Term of this Agreement; (b) any changes to the permitted uses of the Project or a material change in the density and/or intensity of use of the Project; (c) any changes to provisions in this Agreement or the Project Approvals related to reservation or dedication of land or easements; (d) any changes to provisions in this Agreement or the Project Approvals related to monetary contributions or payments by Developer; or (e) any other similar proposed amendment reasonably determined by the Community Development Director to be a Substantive Amendment. A Substantive Amendment shall not include future SPDs and modifications thereto which are consistent with the GVD zoning district.

20.4 Minor Amendment. A "**Minor Amendment**" is any amendment of this Agreement other than a Substantive Amendment. Subject to compliance with the requirements of Section 20.2, a Minor Amendment may be approved by means of a written agreement between Developer and/or Transferees and the Local Agency, approved, without a public hearing, by the Community Development Director or similar public official.

20.5 Amendment Exemptions. No Subsequent Approval and no amendment of a Project Approval or a Subsequent Approval, shall require an amendment to this Agreement. Upon approval of an amendment to a Project Approval, the meaning of the term "Project Approvals" as used in this Agreement shall be amended to reflect the approved amendment to the Project Approval (and any conditions imposed by the approving Local Agency thereon), and, along with any Subsequent Approval or amendment to a Subsequent Approval, shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the Subsequent Approval or amendment). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to a Project Approval or Subsequent Approval, the terms of this Agreement shall prevail.

20.6 Cancellation by Mutual Consent. This Agreement may be terminated in whole or in part by the mutual consent of all the Parties or their successors in interest, in accordance with the provisions of the State law and the Local Agency's Code. Any fees or payments of any kind paid pursuant to this Agreement prior to the date of mutual termination shall be retained by the Local Agency.

20.7 Suspension by Local Agency. Local Agency may suspend a portion of this Agreement within the Local Agency's jurisdiction, if it finds, in its reasonable and sole discretion, that suspension is necessary to protect persons or property from a condition which would create an immediate and serious risk to the physical health and safety of the general public

or residents or employees who are occupying or will occupy the Properties, such as might be the case in the event of a major earthquake or natural disaster of similar magnitude.

21. **Default.** Subject to Section 23, a Party's violation of any material term of this Agreement or failure by any Party to perform any material obligation of this Agreement required to be performed by such Party shall constitute a default ("**Default**"). A Default by the Developer includes, but is not limited to any failure by the Developer to: (a) pay when due any fee, tax, assessment or other charge applicable to the Project or Properties and required pursuant to this Agreement to be paid by Developer; or (b) implement or comply with terms and conditions set out in the Project Approvals, including, but not limited to, Mitigation Measures. While a Developer is in Default under this Agreement, Local Agency may in its sole discretion, but shall not be obligated to grant to such Developer any Subsequent Approval with respect to any Properties that is owned by such Developer, until such Developer cures the Default in accordance with Section 23.

22. **Remedies for Default.** Subject to the notice and opportunity to cure provisions in Section 23 below, the sole and exclusive judicial remedy for any Party in the event of a Default by the other Party (except with respect to a payment Default) shall be an action in mandamus, specific performance, or other injunctive or declaratory relief. In addition, upon the occurrence of a Default and subject to the procedures described in Section 23, the non-defaulting Party shall have the right to terminate this Agreement, but any such termination shall not affect such Party's right to seek such remedies as are provided for in this Agreement on account of the Default for which this Agreement has been terminated, and shall be subject to the procedures specified in this Agreement. Developer expressly agrees that except in the case of monetary disputes, neither Local Agency, nor any of their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives (collectively, for purposes of this Section 22, the "**Agencies**") shall be liable for any monetary damage for a Default by the Agencies or any claims against the Agencies arising out of this Agreement. Except as provided above, Developer hereby, for itself and all of its officers, agents, employees, volunteers and representatives (collectively, for purposes of this Section 22, "**Developer**") expressly waives any such monetary damages against the Agencies, and, except with respect to payment or cost disputes arising under specific terms of this Agreement, the Agencies expressly agree that the Developer shall not be liable for any monetary damage for a Default by the Developer or any claims by the Agencies against Developer arising out of this Agreement. The Agencies hereby expressly waive any such monetary damages against Developer. Any legal action by a Party alleging a Default shall be filed within one hundred eighty (180) days from the end of the default procedure described in Section 23.

23. **Procedure Regarding Defaults.** For purposes of this Agreement, a Party claiming another Party is in Default shall be referred to as the "**Complaining Party**," and the Party alleged to be in Default shall be referred to as the "**Party in Default**." A Complaining Party shall not exercise any of its remedies as the result of Default unless such Complaining Party first gives notice to the Party in Default as provided in this Section, and the Party in Default fails to cure such Default within the applicable cure period.

23.1 **Notice; Meet and Confer.** The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining

Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default. Before sending a Notice of Default, the Party which may assert that the other Party has failed to perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement or (ii) if a delay in sending a notice pursuant to this Section would materially and adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section and may proceed in accordance with the issuance of a notice of default.

23.2 Notice. The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default.

23.3 Cure. The Party in Default shall have thirty (30) days from receipt of the Notice of Default to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged Default is such that it cannot practicably be cured within such thirty (30) day period, then it shall not be considered a Default during that thirty (30) day period so long as: (a) the cure was commenced at the earliest practicable date following receipt of the notice; (b) the cure was diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing Party's receipt of the notice), the curing Party provided written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure was completed at the earliest practicable date. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be agreed to by the Complaining Party to be reasonably necessary to correct the matter).

23.4 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

23.5 Procedure for Terminating Agreement upon Default. If the Local Agency desires to terminate this Agreement in the event of a Default that has not been cured pursuant to this Section 23, the matter shall be set for a public hearing before the Board. The burden of proof of whether a Party is in Default shall be on the Complaining Party. If the Local Agency's legislative body determines that Developer is in Default and has not cured to the Local Agency's reasonable satisfaction, or that the Default presents a-serious risk to the physical public

health, safety or welfare, the Local Agency's legislative body, if appropriate, may terminate this Agreement.

23.6 No Cross Default. Notwithstanding anything to the contrary in this Agreement, if Developer has completed a Transfer so that its interest in the Properties has been divided between Developer and one or more Transferees, then any determination that a Party is in Default (and any termination of this Agreement or portion thereof, pursuant to Section 23.5) above shall be effective only as to the Party to whom the determination is made and the portions of the Properties in which such Party has an interest.

24. Attorneys' Fees and Costs In Legal Actions by Parties to the Agreement. If either Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another Party by reason of a Default, or otherwise arising out of this Agreement, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. "**Prevailing Party**" shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

25. Attorneys' Fees and Costs In Legal Actions by Third Parties. If any Person or entity not a Party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement, the Project Approvals or Subsequent Approvals, the Parties shall cooperate in defending such action. Developer shall bear its own costs of defense as a real party in interest in any such action, and Developer shall timely reimburse the applicable Local Agency for all costs (including, court costs) and attorneys' fees incurred by Local Agency in defense of any such action or other proceeding. For purposes of this provision, "**timely**" reimbursement means full payment by Developer of costs incurred by Local Agency, as applicable, not later than sixty (60) days following Developer's receipt of an invoice from Local Agency describing costs previously incurred by Local Agency in defense of such action. In its sole discretion, Local Agency may tender its defense of such action to Developer or defend the action itself. Upon a tender of defense to Developer by Local Agency, Developer shall defend through counsel approved by Local Agency, which approval shall not be unreasonably withheld, and Developer shall bear all attorneys' fees and costs from the date of tender.

26. Third Party Court Action/Limitation on Action. If any court action or proceeding is brought by any third party to challenge any Project Approval or this Agreement, then (a) Developer shall have the right to terminate this Agreement upon thirty (30) days' notice, in writing to Local Agency, given at any time during the pendency of such action or proceeding, or within ninety (90) days after the final determination therein (including any appeals), irrespective of the nature of such final determination, and (b) any such action or proceeding shall constitute a Permitted Delay(s).

27. Eminent Domain. If Developer is required by Local Agency to acquire from a third party an interest in property necessary for construction of Project Infrastructure and is unable to do so despite commercially reasonable, good-faith efforts, the Local Agency may

attempt to negotiate a purchase with the property owner. If necessary, and in compliance with State law, Local Agency may use its power of eminent domain, in which case Developer shall pay for all costs, expenses and fees, including attorneys' fees and staff time, incurred by Local Agency in an eminent domain action.

28. **Agreement Runs with the Land.** Except as otherwise provided for in this Agreement, all of the provisions, agreements, rights, terms, powers, standards, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other Persons acquiring the Properties, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, California Civil Code Section 1468, and the burdens and benefits shall be binding upon and inure to the benefit of each of the Parties and their respective heirs, successors (by merger, consolidation, or otherwise), assigns, devisees, administrators, representatives, and lessees.

29. **Bankruptcy.** The obligations of this Agreement shall not be dischargeable in bankruptcy.

30. **Insurance.**

30.1 **Liability and Property Damage Insurance.** At all times that Developer is constructing any improvements that will become Project Infrastructure, Developer shall maintain an effective policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than five million (\$5,000,000) dollars and a deductible not more than is commercially reasonable taking into consideration the scope of the work then in progress and the financial capacity of Developer.

30.2 **Workers' Compensation Insurance.** At all times that Developer is causing construction of any improvements that will become Project Infrastructure, if it has any employees, Developer shall maintain workers' compensation insurance as required by California law for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees.

30.3 **Evidence of Insurance.** Prior to commencing construction of any improvements which will become Project Infrastructure, Developer shall furnish Local Agency with satisfactory evidence of insurance as required under State Law and/or Local Agency Law.

31. **Excuse for Nonperformance.** Notwithstanding anything to the contrary in this Agreement, Developer and the applicable Local Agency shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, civil unrest, quarantine restrictions, pandemic, invasion, insurrection, riot, mob violence, sabotage, inability to procure or shortage of labor,

equipment, facilities, materials or supplies in the open market, failure of transportation, freight embargoes, strikes, lockouts, labor disputes, condemnation, requisition, changes in Laws, litigation, orders of governmental, civil, military or naval authority, the failure of any governmental agency, public utility or communication or transportation provider to issue a permit, authorization, consent, or approval required for development, construction, use, or operation of the Project or portion thereof within typical, standard or customary timeframes, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a “**Permitted Delay**”). The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

32. **Third Party Beneficiary.** This Agreement is made and entered into solely for the protection and benefit of the Developer, and Local Agency, and their respective successors and assigns, and no other Person shall have any right of action based upon any provision in this Agreement.

33. **Notice.** Any notice to any Party or Third Party Beneficiary required by this Agreement, the enabling legislation, or the procedure adopted pursuant to California Government Code Section 65865, shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, return receipt requested, or by overnight delivery with acknowledgement of receipt, in all cases with postage prepaid, to the party’s mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

County:

County of Lake
255 N. Forbes Street, #109
Lakeport, CA 95453
Attention: Clerk of the Board of Supervisors

with a copy to:

Office of the County Counsel
255 N. Forbes Street
Lakeport, CA 95453
Attention: County Counsel

Developer:

Lotusland Investment Holdings, Inc.
P.O. Box 2549
San Francisco, CA 94126-2549
Attention: Alex Xu

with a copy to:

Coblentz Patch Duffy & Bass LLP
One Montgomery Street, Suite 3000
San Francisco, CA 94104
Attention: Robert B. Hodil

Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is affected. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown 'on the return receipt.

34. **Severability.** Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any Person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to Persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

35. **Waiver; Remedies Cumulative.** Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. Except as may be explicitly provided in this Agreement, all of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

36. **Applicable Law and Venue.** This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the Law of the State of California. The Parties agree that any lawsuit or legal proceeding arising hereunder shall be heard in the Federal District Court in the Northern District (San Francisco branch) if in federal court or the Lake County Superior Court if in California Superior Court.

37. **Further Assurances.** Each Party covenants, on behalf of itself and its successors, heirs and assigns, to use good faith efforts to take all actions and do all things as may reasonably be necessary or appropriate to effect the purposes of this Agreement, the Project Approvals and the Subsequent Approvals, and to execute, with acknowledgment or affidavit if

required, any and all documents and writings that may be necessary or appropriate to achieve the purposes and objectives of this Agreement, the Project Approvals and the Subsequent Approvals.

38. **Approvals.** Unless otherwise herein provided, whenever a determination, approval, consent or satisfaction (herein collectively referred to as “**Consent**”) is required of a Party pursuant to this Agreement, such Consent shall not be unreasonably withheld, conditioned, or delayed. If a Party shall not Consent, the reasons therefore shall be stated in reasonable detail in writing. Consent by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary Consent to or of any similar or subsequent acts or requests. Consent given or withheld by the Community Development Director or the County’s Planning Director may be appealed to the Board.

39. **Not a Public Dedication.** Except as provided herein and in the Project Approvals, nothing contained herein shall be deemed to be a gift or dedication of the Properties to the general public, for the general public.

40. **Entire Agreement.** This written Agreement and the Exhibits hereto contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof Except as otherwise specified in this Agreement, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

41. **Form of Agreement; Entirety; Recordation; Exhibits.** This written Agreement, which consists of 40 pages and 6 exhibits (**Exhibits A** through **F**), contains all of the representations and the entire agreement between the Parties with respect to its subject matter. The ~~County shall cause~~ clerk of the Board of Supervisors shall record with the County Recorder a copy of this Agreement, any amendment hereto and any termination of any parts or provisions hereof, ~~to be recorded,~~ at Developer’s expense, with the County Recorder within ten (10) days after the county enters into this Agreement ~~has been executed by both Parties~~, the date of the approval of an amendment hereto, or the date of termination of any parts or provisions hereof, as applicable. Any amendment or termination of this Agreement to be recorded that affects less than all of any of the Properties shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

42. **Construction of Agreement.** The provisions of this Agreement shall be construed as a whole according to their common meaning in order to achieve the objectives and purposes of the Parties, and not strictly for or against any Party. The captions and headings are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. The exhibits to this Agreement are intended to be and shall be incorporated into this Agreement as if stated fully herein. The use in this Agreement of the words “including”, “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as “without limitation” or “but not limited to”, or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement,

term or matter. This Agreement has been reviewed and revised by legal counsel for Developer and Local Agency, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

43. **Signature Pages.** For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages in counterparts which, when attached to this Agreement, shall constitute this as one complete Agreement.

44. **Time.** Time is of the essence of this Agreement and of each and every term and condition hereof.

IN WITNESS WHEREOF, the County of Lake, a political subdivision of the State of California, has authorized the execution of this Agreement in duplicate by the Community Development Director and attested to by its County Clerk under the authority of Ordinance No. _____ adopted by the Board of Supervisors of Lake County on April 21, 2026, and Developer has caused this Agreement to be executed.

“COUNTY”

COUNTY OF LAKE,
a political subdivision of the State of California

Name:

Its: Executive Officer

APPROVED AS TO FORM:

County Counsel

“DEVELOPER” as agent for each of the Owners
LOTUSLAND INVESTMENT HOLDINGS,
INC., a California corporation

By: _____

Name: _____

Its: _____

[Notary Acknowledgement follows on next page.]

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 _____)

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

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

WITNESS my hand and official seal.

Signature _____

Exhibit A

LIST OF OWNERS

Guenoc Property:

Bohn Valley 1 LLC, a California limited liability company

Bohn Valley 2 LLC, a California limited liability company

Butts Creek, LLC, a California limited liability company

Guenoc Valley, LLC, a California limited liability company

Santa Clara Property:

LIH SCR Holdings Inc, a California corporation

Butts Canyon Property:

Lotusland Investment Holdings, a California corporation

Exhibit B-1

GUENOC PROPERTY LEGAL DESCRIPTION

The land described herein is situated in the unincorporated area of the County of Lake, State of California and is described as follows:

TRACT ONE:

Parcel 1: Certificate of Compliance No. CC 11-30

Lots numbered Five, Six, Seven and Ten of Section Six in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006016.

APN: 013-022-190

Parcel 2: Certificate of Compliance No. CC 11-31

The Northeast quarter of Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian.

Excepting therefrom the Southwest quarter of the Northeast quarter of said Section Twelve. All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006010.

APN: 013-023-200

Parcel Three: Certificate of Compliance No. CC 11-32

Lot numbered One and the Northeast quarter of the Northwest quarter of Section Twelve, and the Lot numbered Ten and the East half of the Southwest quarter of Section One, all in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006011.

APN: 013-023-210

Parcel 4: Certificate of Compliance No. CC 11-33

Lots numbered One and Two of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006015.

APN: 013-023-230

Parcel Five: Certificate of Compliance No. CC 11-34

The Southeast quarter of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006012.

APN: 013-023-220

Parcel Six: Certificate of Compliance No. CC 11-35

Lot One of Section Thirty and Lots Three and Four and the Southeast quarter of the Southwest quarter of Section Nineteen, Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

Tract One:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running South 33'15' West 911 feet; thence South 480 feet to the South line of Lot One of said Section Thirty; thence East along said Lot line 502 feet to the Southeast corner thereof; thence North 1,320 feet along the East line of said Lot One to the place of beginning.

Tract Two:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running North 33'15' East 89.7 feet; thence East 1,300 feet, parallel to the North line of said Section Thirty, to a point 75 feet North of the Northeast corner of said Northwest quarter of Section Thirty; thence South to the said Northeast corner of the Northwest quarter of Section Thirty; thence West 1,350 feet along the North line of said Section Thirty to the place of beginning.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007456.

APN: 013-019-250

Parcel Seven: Certificate of Compliance No. CC 11-36

Lot numbered Four of Section Two, and the Lots numbered Eight and Nine, and the West half of the Lot numbered Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006017.

APN: 013-023-240

Parcel Eight: Certificate of Compliance No. CC 11-37

Lots numbered Eleven and Twelve and the Southeast quarter of the quarter of the Northwest quarter of Section Seven in Township Ten described in that certain Certificate of Compliance recorded April Document No. 2012006013.

APN: 013-022-180

Parcel Nine: Certificate of Compliance No. CC 11-38

Lots numbered Two, Three and Four and the Southeast quarter of the Southwest quarter of Section Thirty in Township Eleven North, Range Five West, Mount Diablo Meridian, as

described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006014.

APN: 013-021-180

Parcel Ten: Certificate of Compliance No. CC 11-39

The Southwest quarter of the Northeast quarter and the South half of the Northwest quarter of Section Twenty-five, and the Southeast quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007458.

APN: 013-016-150

Parcel Eleven: Certificate of Compliance No. CC 11-40

The East half of the Northeast quarter of Section Thirty-one, and the South half of the Southeast quarter of Section Thirty, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006018.

APN: 013-021-190

Parcel Twelve: Certificate of Compliance No. CC 11-41

The Southwest quarter of the Northeast quarter, the North half of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006019.

APN: 013-019-240

Parcel Thirteen: Certificate of Compliance No. CC 11-42

The North half of the South half of Section Twenty-five and the Northeast quarter of the Southeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017313.

APN: 013-016-120

Parcel Fourteen: Certificate of Compliance No. CC 11-43

The East half of the Southeast quarter of Section Twenty-four, and the East half of the Northeast quarter of Section Twenty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005996.

APN: 013-016-130

Parcel Fifteen: Certificate of Compliance No. CC 11-44

Lot Four of Section One, Lot One of Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, and Lot Four of Section Thirty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005997.

APN: 013-023-180

Parcel Sixteen: Certificate of Compliance No. CC 11-45

Lots numbered One and Two, the Southeast quarter of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007459.

APN: 013-016-160

Parcel Seventeen: Certificate of Compliance No. CC 11-46

The South half of the Southeast quarter of Section Fifteen and the East half of the Northeast quarter of Section Twenty-two, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005998.

Excepting from said Section Twenty-two all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other minerals contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting from said Section Twenty-two all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977 in Book 899 of Official Records at Page 694.

APNs: 013-024-370 and 013-024-380

Parcel Eighteen: Certificate of Compliance No. CC 11-47

The South half of the Southwest quarter of Section Twenty-five, and the Southeast quarter of the Southeast quarter, the Northwest quarter of the Southeast quarter, and the Southwest quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007460.

APN: 013-016-170

Parcel Nineteen: Certificate of Compliance No. CC 11-48

The West half of the Southeast quarter and the East half of the Southwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005999.

APN: 013-015-590

Parcel Twenty: Certificate of Compliance No. CC 11-49

Lot numbered Two and the Southeast quarter of the Northwest quarter of Section Nineteen in Township Eleven North, Range Five West, Mount Diablo Meridian, and the South half of the Northeast quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006000.

APN: 013-019-220

Parcel Twenty-one: Certificate of Compliance No. CC 11-50

The Northwest quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007463.

APN: 013-015-600

Parcel Twenty-two: Certificate of Compliance No. CC 11-51

The East half of the Northeast quarter, the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006001.

APN: 013-019-230

Parcel Twenty-three: Certificate of Compliance No. CC 11-52

Lot numbered Two of Section Fifteen, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006002.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-024-400

Parcel Twenty-four: Certificate of Compliance No. CC 11-53

Lot numbered Three and the Southwest quarter of the Southeast quarter of Section Twenty-six and the Lot numbered One and the Northeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007462.

APN: 013-016-180

Parcel Twenty-five: Certificate of Compliance No. CC 11-55

The South half of the Southeast quarter of Section Six, and the West half of the Northeast quarter of Section Seven, all in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006003.

APN: 013-022-160

Parcel Twenty-six: Certificate of Compliance No. CC 11-57

The South half of the Southeast quarter of Section Twenty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006020.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-016-140

Parcel Twenty-seven: Certificate of Compliance No. CC 11-58

The North half of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the portion lying within Napa County.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017314.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, as reserved to the State of California by the provisions of the Act of the Legislature, Statute of 1921, Page 404, and amendments thereto.

APN: 013-021-200

Parcel Twenty-eight: Certificate of Compliance No. CC 11-60

The West half of the Northeast quarter and the North half of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006022.

APN: 013-021-170

Parcel Twenty-nine: Certificate of Compliance No. CC 11-61

Lots Five and Six of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006023.

APN: 013-023-250

Parcel Thirty: Certificate of Compliance No. CC 11-63

The South half of the Southeast quarter, the Northwest quarter of the Southeast quarter, the Northeast quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Seven in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

1. Any portion lying within the County of Napa.
2. All the portion as described in the Lot Line Adjustment recorded March 12, 1998, in Document No. 98-003880.
3. Any portion lying within the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section 7.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017315.

APN: 013-022-200

Parcel Thirty-one: Certificate of Compliance No. CC 11-64

The Northwest quarter of the Southwest quarter, Lot Six and the West half of Lots Seven and Eight of Section Five, the North half of the Southeast quarter, the Northeast quarter of the Southwest quarter and Lots One, Two, Three, Four, Eight and Nine of Section Six, all in

Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006005.

Excepting from the West half of Lots Seven and Eight all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the patent from the United States of America, recorded in Book 9 of Patents, Page 280, Records of said County.

APN: 013-022-170

Parcel Thirty-two: Certificate of Compliance No. CC 11-65

The West half of Section Thirty-one in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006004.

APN: 013-021-160

Parcel Thirty-three: Certificate of Compliance No. CC 11-66

Lots Two and Three and the Southeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005987.

APN: 013-016-100

Parcel Thirty-four: Certificate of Compliance No. CC 11-68

The Southeast quarter of the Southeast quarter of Section Twenty-three, and the Northeast quarter of the Northeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that parcel of land as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005989.

APN: 013-016-110

Parcel Thirty-five: Certificate of Compliance No. CC 11-69

The Southwest quarter of the Northeast quarter of Section Twelve, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005990.

APN: 013-023-160

Parcel Thirty-six: Certificate of Compliance No. CC 11-74

Section Thirty-six in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005991.

APN: 013-016-061

Parcel Thirty-seven: Certificate of Compliance No. CC 11-75

The East half of Lot Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005992.

APN: 013-023-170

Parcel Thirty-eight: Certificate of Compliance No. CC 11-76

The West half of the Southwest quarter and the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section Thirty-two, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017316.

APN: 013-021-210

Parcel Thirty-nine: Certificate of Compliance No. CC 11-77

The West half of the Northwest quarter, and the Southeast quarter of the Northwest quarter, and the Southwest quarter of the Northeast quarter of Section Thirty-two, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017317.

APN: 013-021-220

Parcel Forty: Certificate of Compliance No. CC 11-78

Lot Three of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006006.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 268, Page 229, Official Records of said County.

APN: 013-023-061

Parcel Forty-one: Certificate of Compliance No. CC 11-79

The Northwest quarter of the Southwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017318.

Excepting therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-230

Parcel Forty-two: Certificate of Compliance No. CC 11-80

Lot Two, Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006007.

APN: 013-023-091

Parcel Forty-three: Certificate of Compliance No. CC 11-81

Lot Three, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006008.

APN: 013-023-190

Parcel Forty-four: Certificate of Compliance No. CC 11-82

Lot Two, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006009

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 899, Page 694, Official Records of said County.

APN: 013-023-111

Parcel Forty-five: Certificate of Compliance No. CC 11-83

The Southeast quarter of the Northeast quarter and the East half of the Southeast quarter of Section Thirty-two, and the Southwest quarter of the Southwest quarter of Section Thirty-three, all being in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017319.

Excepting from said lands lying within Section Thirty-three, one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-240

Parcel Forty-six: Certificate of Compliance No. CC 11-84

The Southeast quarter of the Northeast quarter and the Northeast quarter of the Southeast quarter of Section Seven, and the West half of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017320.

APN: 013-022-210

Parcel Forty-seven: Certificate of Compliance No. CC 11-85

The Southwest quarter of the Southwest quarter of Section Five, the Northeast quarter of the Northeast quarter of Section Seven, and the West half of the Northwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017321.

APN: 013-022-220

Parcel Forty-eight: Certificate of Compliance No. CC 11-86

The Southeast quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005988.

APN: 013-021-150

Parcel Forty-nine: Certificate of Compliance No. CC 11-87

The Southwest quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005993.

Excepting therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-130

Parcel Fifty: Certificate of Compliance No. CC 11-88

The Southwest quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005994.

APN: 013-021-140

Parcel Fifty-one: Certificate of Compliance No. CC 11-89

The South Half of the Southeast quarter and the Northwest quarter of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Twenty-eight, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017322.

APN: 013-021-050

Parcel Fifty-two: Certificate of Compliance No. CC 11-90

Lots numbered Four and Five of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian, and the Southeast quarter of the Southwest quarter, and the Southwest quarter of the Southeast quarter of Section Thirty-two in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017323.

APN: 013-021-250

Parcel Fifty-three: Certificate of Compliance No. CC 11-91

The Southeast quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017324.

Excepting therefrom an undivided one-sixteenth of all coal, oil, gas, and other mineral deposits contained in said land as reserved in the patent from the State of California, recorded in Book 9 of Patents, Page 230, Records of said County.

APN: 013-021-260

Parcel Fifty-four: Certificate of Compliance No. CC 11-92

Lots One and Two, the East half of Lot Eight, the East half of Lot Seven and the East half of the Southwest quarter of Section Five, and the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017325.

APN: 013-022-230

Parcel Fifty-five: Certificate of Compliance No. CC 12-16

Lot Three of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian. Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003323.

APN: 013-022-240

Parcel Fifty-six: Certificate of Compliance No. CC 12-17

The Southwest quarter of the Southwest quarter of Section Twenty-four and the North half of the Northwest quarter and the Northwest quarter of the Northeast quarter of Section Twenty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003324.

APN: 013-016-190

Parcel Fifty-seven: Certificate of Compliance No. CC 12-18

The West half of the Northeast quarter and the East half of the Northwest quarter of Section 22, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003325.

APN: 013-024-390

Parcel Fifty-eight:

All that certain real property designated and described in Exhibit "A" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered Three and Four of Section Fifteen, and Lot number Four and that portion of Lot numbered Three of Section Fourteen, lying Southerly of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on February 27, 1957, in Book 273 of Official Records at Page 304, all lying within Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-024-290

Parcel Fifty-nine:

All that certain real property designated and described in Exhibit "B" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of Lot numbered Two and that portion of the Southwest quarter of the Northeast quarter of Section Fourteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder of the County of Lake, on November 22, 1955 in Book 259 at Page 203, Lake County Records.

APN: 013-024-300

Parcel Sixty:

All that certain real property designated and described in Exhibit "H" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot Numbered One in Section Eleven, Lots numbered Four and Five, and that portion of the Southwest quarter of the Southeast quarter of Section Twelve, lying Northwesterly of a line described as Beginning at the Southwest corner of said Southwest quarter of the Southeast quarter and running thence Northeasterly, in a direct line, to the Northeast corner of said Southwest quarter of the Southeast quarter of said Section Twelve; all lying with Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-130

Parcel Sixty-one:

All that certain real property designated and described in Exhibit "I" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot numbered Three, the Southeast quarter of the Northwest quarter, the Northwest quarter of the Southeast quarter, and that portion of the Northeast quarter of the Southeast quarter, lying Northwesterly of a line described as Beginning at the Southwest corner of said Northeast quarter of the Southeast quarter, and running thence Northeasterly, in a direct line, to the Northeast corner of said Northeast quarter of the Southeast quarter of Section Twelve, Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-140

Parcel Sixty-two:

All that certain real property designated and described in Exhibit "J" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Northwest quarter, the North half of the South half of the Northwest quarter, and the Southwest quarter of the Southwest quarter of the Northwest quarter of Section Seven, Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting from Tract One any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom any portion thereof of Tract One lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN: 013-022-130

TRACT TWO:

Lots 1 and 3 as shown on that certain Subdivision Map filed in the office of the County Recorder of said Lake County on December 17, 1999 in Book 15 of Subdivision Maps at Pages 46, 47, 48 and 49 being a portion of Parcel Z as shown on a map filed in the office of the County Recorder of said Lake County on March 31, 1981, in Book 19 of Parcel Maps at Page 48.

Excepting therefrom all that portion thereof granted to the County of Lake by Deed recorded June 12, 1974, in Book 763 of Official Records at Page 188.

Not in crosswalk. APNs active in GIS

APN's: 014-310-071, 014-310-091, 014-330-091, 014-340-041, 014-004-251, 014-320-080 and 014-320-100.

TRACT THREE:

All that certain real property designated and described in Exhibit "C" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of the Northwest quarter of the Southwest quarter of Section Thirteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13 1955, in Book 254 of Official Records at Page 399, Lake County Records.

APN 013-024-310

TRACT FOUR:

All that certain real property designated and described in Exhibit "D" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Southwest quarter, the Northwest quarter of the Southeast quarter, the East half of the Southeast quarter of the Southwest quarter, and the South half of the Southeast quarter of Section Thirteen, the East half of the Northeast quarter of the Northwest quarter and the North half of the Northeast quarter of Section Twenty-four, Township Ten North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion lying North of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13, 1955, in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion of the lands described herein, which may lie within Napa County, California.

APN's 013-024-350 and 013-024-360

TRACT FIVE:

Parcel No. 1 as shown on a map filed in the Office of the County Recorder of said Lake County on October 29, 1974, in Book 8 of Parcel Maps at Page 23, and being part of Section 28, 29 and 32, all in Township 11 North, Range 5 West, M.D.M.

APN 013-053-011

TRACT SIX:

[Intentionally deleted.]

TRACT SEVEN:

Parcel One:

All that certain real property designated and described in Exhibit "E" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 1, 2, and 3, and the South half of the Northeast quarter of Section 14, the Northwest quarter, the North half of the Southwest quarter, the North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, and the West half of the Southeast quarter of Section 13, and that portion of the Southeast quarter of Section 12, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of Section 12 and running from said point of beginning, Northeasterly, in a direct line, to the Northwest corner of the Southeast quarter of the Southeast quarter of said Section 12, and thence Northeasterly, in a direct line, to the Northeast corner of said Southeast quarter of Section 12, all in Township 10 North, Range 6 West, M.D.B. & M., together with Lot numbered 1, that portion of Lot numbered 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2 and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, the South half of the Southeast quarter of the Northwest quarter and the Southeast quarter of the Southwest quarter of the Northwest quarter of Section 7, Township 10 North, Range 5 West M.D.B. & M.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

Excepting from the Northwest quarter and the Southwest quarter of the Northeast quarter of said Section 13 all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the

patent from the United States of America, recorded in Book 157, Page 358, Official Records of said County.

APN: 013-023-120, 013-024-330 and 013-022-080

Parcel Two:

All that certain real property designated and described in Exhibit "Fw in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The East half of the Southeast quarter, the Southeast quarter of the Northeast quarter of Section 13, Township 10 North, Range 6 West, M.D.B. & M., and Lot numbered 1 and that portion of Lot 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, within Section 18, Township 10 North, Range 5 West, M.D.B. & M., and that portion of Lot numbered 2 and the Southeast quarter of the Southwest quarter of Section 7, Township 10 North, Range 5 West, M.D.B. & M., described as beginning at the Southwest corner of said Section 7, also being the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, also being the Northwest corner of the Southeast quarter of the Southwest quarter of said Section 7, thence East, along the North line of said Southeast quarter of the Southwest quarter to the Northeast corner thereof; thence Southwesterly, in a direct line, to the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, also being the Southeast corner of said Lot 2, and thence West, along the South line of said Lot 2 to the point of beginning.

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8,

1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN: 013-024-340, 013-022-090 and 013-022-100

Parcel Three:

All that certain real property designated and described in Exhibit "G" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 3 and 4, that portion of Lot numbered 2 lying Southeasterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence Northeasterly, in a direct line, to the Northeast corner of said Lot 2, the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section 18, and that portion of the Southeast quarter of the Southwest quarter of Section 7, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, and running thence Northeasterly, in a direct line, to the Northeast corner of said Southeast quarter of the Southwest quarter of said Section 7, all within Township 10 North, Range 5 West, M.D.B. & M., Lake County California

Excepting therefrom all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

Also excepting therefrom all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

Also excepting therefrom any portion thereof lying within the County of Napa, State of California.

Also excepting therefrom that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

Also excepting therefrom any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN's: 013-022-110 and 013-022-120

Exhibit B-2

SANTA CLARA PROPERTY LEGAL DESCRIPTION

Exhibit "B-2"
Legal Description

The land described herein is situated in the State of California, County of Lake, unincorporated area, described as follows:

Real property in the unincorporated area of the County of Lake, State of California, described as follows:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF THAT CERTAIN TRACT OF LAND CONVEYED BY HARRIET JANE STANLEY, ET VIR., TO HORACE E. CHILDERS, ET UX., BY DEED DATED MARCH 20, 1944, OF RECORD IN BOOK 155 OF OFFICIAL RECORDS OF LAKE COUNTY AT PAGE 16, AT THE NORTHWESTERLY CORNER OF THE TRACT CONVEYED BY HORACE E. CHILDERS, ET UX., TO ARTHUR L. ROGERS, ET UX., BY DEED DATED AUGUST 5, 1947, OF RECORD IN BOOK 189 OF OFFICIAL RECORDS OF LAKE COUNTY AT PAGE 100, AND RUNNING THENCE, FROM SAID POINT OF BEGINNING, ALONG THE BOUNDARY LINE OF SAID TRACT SO CONVEYED TO ROGERS, ET UX., AND ITS SOUTHERLY EXTENSION SOUTH 29° 30' 00" WEST, 457.00 FEET, TO THE SOUTHWESTERLY LINE OF SAID TRACT CONVEYED BY STANLEY, ET VIR., TO CHILDERS, ET UX.; THENCE NORTH 71° 15' 00" WEST, ALONG THE SOUTHWESTERLY LINE OF SAID CHILDERS TRACT, TO THE MIDDLE OF DRY CREEK; THENCE NORTHEASTERLY, ALONG THE MIDDLE OF DRY CREEK, TO THE MOST NORTHERLY CORNER OF SAID CHILDERS TRACT; AND THENCE SOUTH 71°15' 00" EAST, ALONG THE NORTHERLY LINE OF SAID CHILDERS TRACT, TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE APPROVING A LOT LINE ADJUSTMENT, RECORDED OCTOBER 13, 1992, AS INSTRUMENT NO. 1992-021672 OF OFFICIAL RECORDS.

APN: 014-380-090-000

Exhibit B-3

BUTTS CANYON PROPERTY LEGAL DESCRIPTION

Exhibit "B-3"

Legal Description

The land described herein is situated in the State of California, County of Lake, unincorporated area, described as follows:

Parcel One:

Parcel B as shown on a map filed in the office of the County Recorder of said Lake County on December 12, 1978, in Book 15 of Parcel Maps at Page 41.

Excepting therefrom all that portion of said Parcel B more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East, 280.00 feet to the most easterly corner of said Parcel B at the centerline of Long Valley Creek; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50" West, 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map, said point also being the True Point of Beginning of this Description; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 412.59 feet, more or less, to a point on the northwesterly line of Said Parcel B, said point lies on that certain course shown as South 42°19'00" West, 520.00 feet, on said Parcel Map, said point bears North 42°19'00" East, 26.62 Feet from a 6"x 8" Fence post tagged L.S. 3546 as shown on said Parcel Map; thence northeasterly along the northwesterly line of said Parcel B, North 42°19'00" East 493.38 feet, more or less, to a 5/8" iron rod tagged L.S. 3546; thence South 47°41'00" East, 230.00 feet to a 5/8" iron rod tagged L.S. 3546; thence North 42°19'00" East, 435.05 feet to a 5/8" iron rod tagged L.S. 3546 thence North 42°19'00" East, 41.72 feet, more or less, to the True Point of Beginning of this Description.

Also excepting therefrom all that portion of said Parcel B that lies northwesterly of the following described line being more particularly described as follows:

Commencing at a 3/4" rebar tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; thence South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 3235; thence North 26°53'45" East, 280.00 feet to the most easterly corner of said Parcel B; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50 West, 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 108.31 feet to a point, said point being the True Point of Beginning of this Description; thence South 34°45'13" West, 453.94

feet, more or less, to a point on the southwesterly line of said Parcel B, said point bears North 56°18'00" West, 867.32 feet from the Point of Commencement.

Together with all that portion of Parcel No. 1, as it is shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27. that lies southeasterly of the following described line being more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B, said point also being the most easterly corner of said Parcel No. 1 and running northwesterly along the common line of said Parcel B and Parcel No. 1 North 56°18'00" West 1016.27 feet to a point on said common line, said point being the True Point of Beginning of this Description; thence leaving said point and generally following an existing fence line South 34°45'13" West 541.91 feet; thence leaving said fence line North 55°25'22" West, 150.00 feet; thence South 34°45'13" West, 100.24 feet, more or less, to a point on the southwesterly line of said Parcel No. 1.

The Basis of Bearings of this description is the bearing between the 3/4 inch iron rods, tagged L.S. 3235, on the southwesterly line of Parcel "B" shown as having a bearing of North 56°18'00" West on that certain Parcel Map filed in the Office of the Recorder of the County of Lake, State of California, recorded December 12, 1978 in Book 15 of Parcel Maps at Page 41.

Parcel Two:

Parcel 1 as shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27 together with Parcel B as shown on a map filed in the office of the County Recorder of said Lake County on December 12, 1978, in Book 15 of Parcel Maps at Page 41.

Excepting therefrom all that portion of Parcel No. 1. as it is shown on a map filed in the office of the County Recorder of said Lake County on May 29, 1973, in Book 6 of Parcel Maps at Page 27, that lies southeasterly of the following described line being more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of Parcel B, said point also being the most easterly corner of said Parcel No. 1, and running northwesterly along the common line of said Parcel B and Parcel No. 1 North 56°18'00" West 1016.27 feet to a point on said common line, said point being the True Point of Beginning of this Description; thence leaving said point and generally following an existing fence line South 34°45'13" West 541.91 feet; thence leaving said fence line North 55°25'22" West, 150.00 feet; thence South 34°45'13" West, 100.24 feet more or less to a point on the southwesterly line of said Parcel No. 1

Also excepting therefrom all that portion of Parcel 1, as contained in the Deed from Lake County Vineyard Ventures, LLC to the State of California, recorded February 10, 2004 as Instrument No. 2004003340, Lake County Records.

Also excepting therefrom all that portion of said Parcel B more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East. 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East. 280.00 feet to the most easterly corner of said Parcel B at the centerline of Long Valley Creek; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map. North 23°14'50" West. 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map, said point also being the True Point of Beginning of this Description; thence leaving said point South 31°46'12" West 75.61 feet, more or

less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 412.59 feet, more or less, to a point on the northwesterly line of Said Parcel B, said point lies on that certain course shown as South 42°19'00" West, 520.00 feet, on said Parcel Map, said point bears North 42°19'00" East, 26.62 feet from a 6"x 8" Fence post tagged L.S. 3546 as shown on said Parcel Map; thence northeasterly along the northwesterly line of said Parcel B, North 42°19'00" East 493.38 feet to a 5/8" iron rod tagged L.S. 3546; thence South 47°41'00" East 230.00 feet to a 5/8" iron rod tagged L.S. 3546; thence North 42°19'00" East, 435.05 feet to a 5/8" iron rod tagged L.S. 3546 thence North 42°19'00" East, 41.72 feet, more or less, to the True Point of Beginning of this Description.

Also excepting therefrom all that portion of said Parcel B lying southeasterly of the following described line, more particularly described as follows:

Commencing at a 3/4" iron rod tagged L.S. 3235 at the most southerly corner of said Parcel B and running along the southeasterly line of said Parcel B the following courses: North 31°31'57" East, 462.00 feet to a 3/4" iron rod tagged L.S. 3235; South 57°01'41" East, 236.49 feet to a 5/8" iron rod tagged L.S. 2581; North 26°53'45" East, 280.00 feet to the most easterly corner of said Parcel B at the centerline of Long Valley Creek; thence leaving said corner and running northwesterly along the northeasterly line of said Parcel B and the centerline of Long Valley Creek, as shown on said Parcel Map, North 23°14'50" West, 1164.82 feet to a point that is the most easterly corner of Parcel A as it is shown on said Parcel Map; thence leaving said point South 31°46'12" West, 75.61 feet, more or less, to a fence post that is at the intersection of two fence lines; thence leaving said intersection and running southwesterly and generally along said fence line and its southwesterly extension South 31°11'00" West, 849.03 feet to a point in a row of oak trees that run northwesterly; thence leaving said point and running northwesterly and generally along said row of oak trees North 56°24'45" West, 108.31 feet to a point, said point also being the True Point of Beginning of this Description; thence South 34°45'13" West, 453.94 feet, more or less, to a point on the southwesterly line of said Parcel B, said point bears North 56°18'00" West, 867.32 feet from the Point of Commencement.

The Basis of Bearings of this description is the bearing between the 1/4 inch iron rods, tagged L.S. 3235, on the southwesterly line of Parcel "B" shown as having a bearing of North 56°18'00" West on that certain Parcel Map filed in the Office of the Recorder of the County of Lake, State of California, recorded December 12, 1978 in Book 15 of Parcel Maps at Page 41

Parcel Three:

An easement for well, utilities and water line as described in that certain Easement Grant Deed to Joseph R. Sullivan and David B. Sanson, recorded December 31, 2018, as Instrument No. 2018016416, Official Records.

Parcel Four:

An easement for well, utilities and water line as described in that certain Easement Grant Deed to Joseph R. Sullivan and David B. Sanson, recorded December 31, 2018, as Instrument No. 2018016417, Official Records.

APN: 014-430-120 & 014-430-130

Exhibit C-1

GVD DEVELOPMENT CLUSTERS/USES

[see attached]

RESORT COMMUNITIES

Although the site boundary determines the extent of the Guenoc Valley Resort project, a majority of development will occur within a series of resort communities. These resort communities—as defined by the boundaries shown below—include a series of amenities and structures all designed by the same architect. Each resort community will include a signature boutique hotel accompanied by a series of residential properties. These hotels, resorts, and resort communities will be further described in Section 3: Architecture and Land Use Plans.

	HOTEL UNITS	RESORT RESIDENTIAL UNITS	RESIDENTIAL ESTATES
BOHN RIDGE RESORT COMMUNITY	49	30	112
EQUESTRIAN CENTER COMMUNITY	50	0	67
MAHA FARM COMMUNITY	48	104	73
DENNISTON GOLF ESTATES COMMUNITY	0	7	133
TOTAL	147	141	385

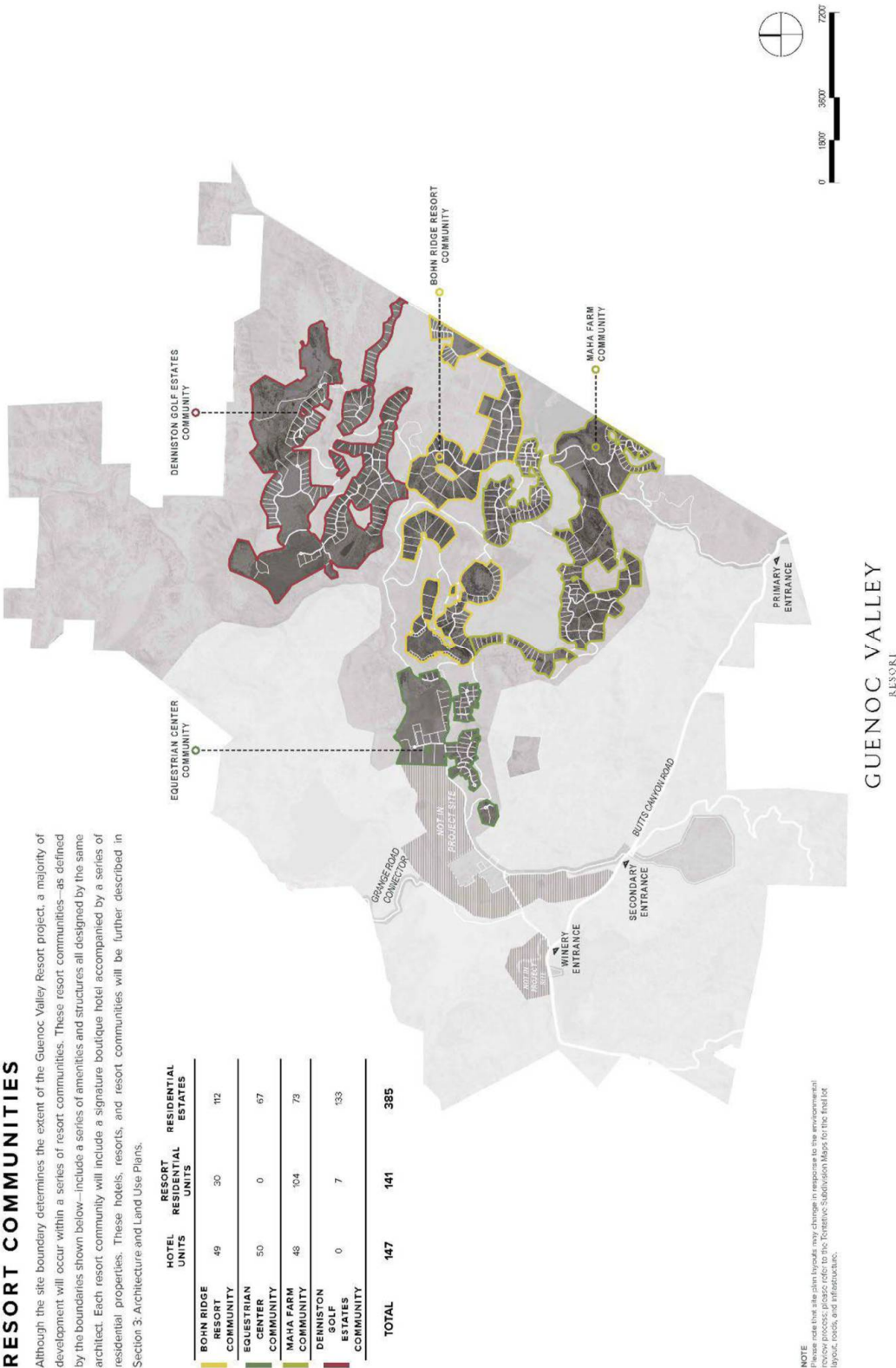


Exhibit C-2

GVD DEVELOPMENT LIMITS TABLE

Table 1: Proposed Table Primary Uses of the Guenoc Valley District

Uses	Characteristics	Range of Units or Approximate Acreage			First Phase GVD Floor Area***
		GVD Total	First Phase GVD	Future Phases GVD	
1. Resort Facilities*					
1.1 Hotel's Units	Hotel units are attached or detached hotel rooms without kitchens and include normal uses and structures related to the operation of a hotel. The combination of hotel units are distributed between several boutique hotel's spread out in Maha Farm, Boon Ridge, and Equestrian Center.	400 units	247 units (Lot Area in Section 3)	253 units	326,000 sf
1.2 Resort Residential Units	Attached or detached units with kitchens; fractional or whole ownership.	450 units	144 units (203 acres)	309 units	1,500 to 5,000 sf
2. Residential Development					
2.1 Residential Estate Villas*	Whole ownership units intended for sale and subject to GVD Design/Development standards.	1,400 units	385 units (1,364 acres)	1,015 units	3,000 to 20,000 sf
2.2 Workforce Co-housing	Mixed unit types to accommodate essential employees for the various resorts and commercial uses. Workforce housing units are defined as a 400 square foot bedroom and bathroom unit with shared cooking and eating areas, referenced as co-housing unit.	500 units	300 units (439 acres)	400 units	(+/-) 400 sf/unit
3. Resort Amenities**					
3.1 Commercial, Retail, & Resort Accessory	Includes but not limited to coffee shops, butcher shop, creamery, florist, fish monger, art displays, bakery, newsagent or stand, post office, deli, wine store, restaurant(s), accessory retail stores, recording studio, car parking, public restrooms, open air markets, art san workshops, gardens, pavilions, bowling, theater, educational facilities such as a culinary school, resort accessory uses, etc.	45 acres	344 acres (Include Lot Area for Hotels)	259 acres	394,900 sf
3.2 Outdoor Entertainment	Includes but not limited to outdoor events such as sports events, boating, conference centers, amphitheater, amplified music, etc.	55 acres			296,100 sf (outdoor area)
3.3 Sports and Recreation	Includes but not limited to outdoor recreation areas such as soccer, rugby, field hockey, football fields, tennis, soccer, basketball, badminton court, swimming pools and recreational surf complex. Indoor facilities include circuit training, organized classes, indoor courts, rock climbing, etc.	300 acres			16,200 sf (indoor area) 54,200 sf (outdoor area)
3.4 Equestrian Area	Indoor and outdoor arena, stables, polo club, polo fields, clubhouse, spectator area.	200 acres			259,700 sf
3.5 Golf	Development of a new non-returning course, clubhouses, storage and service areas, restrooms and the potential to reconstruct the previous golf course.	626 acres	441 acres	175 acres	65,500 sf
3.6 Spa and Wellness Area	Offering wide range of health and beauty services and accompanying amenities such as gym & yoga rooms, restrooms/showers, food services, and treatment rooms.	40 acres	0 acres	40 acres	0 sf
3.7 Tented Camp Area	Includes semi-permanent tents for high end glamping opportunities and surrounding outdoor recreational facilities such as but not limited to designated skeet shooting area, hunting, off road courses, fishing, etc.	45 acres	0 acres	45 acres	0 sf
4. Agriculture					
4.1 Agricultural Production Facilities	Wineries to allow production supported by accessory facilities Two boutique wineries with tasting rooms and accessory uses including caves for barrel storage, commercial kitchens.	57 acres (up to a total of 850,000 gal/yr of production)	39 acres (+/- 150,000 gal/yr of production)	18 acres (+/- 700,000 gal/yr of production)	375,200 sf (indoor area) 26,800 sf (outdoor area)
4.2 Accessory to Agricultural Production	Diversified agricultural production facilities included but not limited to herbal distillery, fruit dehydrations, jams and jellies production, creamery, aquaponic agriculture, falow candles, flower arranging, and honey.	50 acres	34 acres	16 acres	27,672 sf (indoor area) 15,863 sf (outdoor area)
4.3 Accessory to Livestock and Farm Management	Includes but not limited to barns, equipment storage facilities, fencing, etc.	50 acres	34 acres	16 acres	29,000 sf
5. Accessory Uses					
5.1 Back of House Facilities	Centralized shipping/receiving center, staff support services, centralized laundry facility, private entrance, staff parking, restrooms, maintenance and service areas.	75 acres	55 acres	20 acres	226,800 sf (indoor area) 23,000 sf (outdoor area)
5.2 Fire Station and Emergency Response Center (ERC)	Fire station, emergency command center, emergency medical technician (EMT) office, nursing station, security operations center, kitchen, restrooms, service rooms, on-site emergency response vehicle storage, and ERC staff parking.	25 acres	18 acres	7 acres	16,600 sf (fire station) Emergency Response Center - TBD
5.3 Alternative Energy Production	Alternative energy sector for solar, wind, and ground source heat pump resources.	50 acres	50 acres	0 acres	-
5.4 Float Plane Dock	Allowance for float plane landings on Detert Reservoir; welcome center; transportation services	3 acres	2 acres	1 acres	16,200 sf (indoor area) 54,200 sf (outdoor area)
5.5 Helipads	For medical emergencies there will be a heliport landing center to be located next to the emergency response center; additional locations for guest arrivals and departure will be located proximate to the float plane dock and dedicated welcome kiosks.	2 acres	1 acres	1 acres	6,400 sf (helipad) 78,400 sf (safety zone)

* All short term rentals under 30 days subject to the payment of Transient Occupancy Tax (TOT). Resort Hotel Units may be transferred to Resort Residential Units and vice versa.

** Ability to swap Resort Amenities acreage between uses.

*** Unless otherwise stated, all areas are approximated indoor areas per 2025 SPD.

Guenoc Valley Permitted Uses as per Zoning Ordinance & SPD - submitted 2025

Exhibit D

LIST OF PROJECT APPROVALS

- General Plan Amendment (GPAP (Map) 24-01 and GPAP (Text) 24-02) & Zoning Ordinance Amendment (AM 24-01 and RZ 24-01) establishing a new zoning district and to rezone the Guenoc Property to Guenoc Valley District, which would permit the development of up to 850 hotel and resort residential units, 1,400 residential estates, workforce housing, resort amenities, and accessory uses within the Guenoc Property. The zoning ordinance amendment also establishes an Agricultural Preserve Combining District and an Open Space Combining District.
- Approval of entitlements for Phase 1 of development, including a Use Permit for the General Plan of Development (GPD 24-01) and Specific Plan of Development (SPD; UP 24-05; Appendix SPD).
- Phased Tentative Subdivision Maps (SD 24-01, SD 24-02, SD 24-03, and SD 24-04) for the Guenoc Property that would allow for the development of seven separate subdivisions with approximately 385 residential estate units villas, 141 resort residential units, 147 hotel rooms, and 100 on-site co-housing workforce bedroom units (equivalent to 35 housing units).
- Approval of entitlements for the proposed Workforce Housing on the Santa Clara Property (the “**Middletown Housing Site**”), including a rezone (RZ 24-02), tentative subdivision map (SD 24-05) for 50 units and a use permit (UP 24-08) for a community center.
- Rezone (RZ 24-02) of approximately 3.5 acres in the center of the Middletown Housing Site from Single Family Residential to Two-Family Residential.
- Complex Grading Permit to allow for development of off-site water supply well and pipeline to the Detert Reservoir within the Guenoc Property in Butts Canyon Road.
- Map Amendment (GPAP (Map) 24-01) to the Middletown Area Plan Special Study Area Number 3 GPAP.

Exhibit E

REVIEW PROCEDURES

1. **Electronic Submission.** Notwithstanding anything to the contrary in the Existing County Land Use Regulations or the Design and Construction Standards, all applications for permits, inspections, reviews, approvals and other Local Agency actions, and supporting documentation, may be submitted by Developer in electronic form, and all communications among Developer and Local Agency staff relating to such matters shall be by electronic means.
2. **Independent Professionals.** In the processing of requests and applications for Subsequent Approvals, at Developer's request and at its expense, the Local Agency shall engage independent professionals with appropriate qualifications (each, an "**Independent Professional**") to review the requests for inspections and applications for approvals or other Local Agency action and to request additional information and/or changes in the document or condition being reviewed or inspected from Developer and to recommend approval by the Local Agency official with jurisdiction of the requested Subsequent Approval. Developer shall propose the identity of each Independent Professional for Local Agency approval, which approval shall not unreasonably be withheld or delayed. Developer shall enter into a reimbursement and indemnification agreement with the Local Agency in form and substance reasonably acceptable to each providing for Developer's obligation to pay all fees and reimbursable expenses of the Independent Professional and of Local Agency staff related to the approval, permit or other Local Agency applied for and to indemnify the Local Agency from third party claims arising out of or related to the engagement of the Independent Professional. The Local Agency shall credit all costs incurred by Developer in connection with the Local Agency's engagement of an Independent Professional and related Local Agency staff time against the Local Agency's scheduled application, review and approval fees.
3. **Response Times.** Local Agency departments shall, and shall cause any Independent Professionals to, review and respond to initial applications for Local Agency consents, approvals and permits within ninety (90) Local Agency working days from application deemed complete date, and to review and respond to resubmittals following previous deemed incomplete comments and requests for revision within twenty (20) Local Agency working days of the receipt of the resubmitted applications. If responses are not in the form of approval or the granting of consent or issuance of a permit, the Local Agency shall within such time periods provide detailed descriptions of any additional information or changes required in the documentation previously submitted.

Exhibit F

COMMUNITY BENEFITS

[See attached.]

COMMUNITY BENEFITS

This project provides employee training and opportunities for both the construction and the hospitality industries. It anticipates relying on over 500 construction workers over the next 10 years as well as 300, year round, full time hospitality, maintenance, and administrative employees within the first phase. The project will also result in traffic improvements along Butts Canyon Road within the project area. Furthermore, increased tax revenue for the County, through transient occupancy taxes and property taxes, will directly benefit the community.

LEGEND:

- + AERIAL TRANSPORTATION ACCESS
- BUTTS CANYON ROAD TRAFFIC CALMING
- EMERGENCY RESPONSE CENTER
- EQUESTRIAN CENTER
- FARMER'S MARKET & OUTDOOR THEATER
- GOLF COURSE
- ▲ ON-SITE WORKFORCE HOUSING & COMMUNITY CENTER
- CONSTRUCTION EMPLOYMENT EDUCATION CENTER
- HOSPITALITY EMPLOYMENT EDUCATION CENTER
- ★ LOCAL ARTISAN & SUPPLIER OPPORTUNITIES
- ★ SUPPORTING LOCAL BUSINESSES
- ★ EMPLOYMENT OPPORTUNITIES
 - AG AGRICULTURE
 - AS ADMINISTRATION & SUPPORT SERVICES
 - EO EQUESTRIAN
 - GC GOLF COURSE
 - GM GOLF MAINTENANCE
 - MT MAINTENANCE
 - RS RESCUE/REPAIR
 - WN WINERY

NOTE: While the site plan depicts major changes in response to the environmental review process, please refer to the Tentative Sub-division Maps for the final lot, road, and infrastructure.

Summary report: Litera Compare for Word 11.14.1.3 Document comparison done on 3/31/2026 11:11:08 AM	
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