Community Outreach Committee Report for DVCA Board meeting on 8/28/2024

INTRO: My name is Ron McRae and I'm the committee chair of the "Community Outreach Committee" (COC). First, let me thank the 8 committee members and the six board members for all the work they have done. The committee has created a detailed report but I'm going to summarize and expand on that document.

APOLOGY: I apologize in advance for the length of this report; however, there is a lot of background and currently, a lot of moving parts. It normally takes me an hour to explain, in detail, the problems and solutions. I will try to do it now in a fraction of that time.

THE HISTORY: Let's sum up 30 years of our community history in 1 paragraph. DVCA was part of a master association called Eldorado Lakes. The master association covered all of the housing developments on Dayton Valley Rd. When the 1st developer went bankrupt the HOAs split apart. When the property was purchased out of bankruptcy by DAYTON VALLEY INVESTORS (remember this name for later), they decided to create a new community called Legado instead of integrating it with DVCA. This means DVCA will never have more than 842 homes and Legado HOA will eventually have 1,700 homes. The master association would have ensured that DVCA was properly compensated for use of the roads by Legado and gated like all the other communities.

THE MASTER ASS'N: Because we lack a master association, and multiple bankruptcies have occurred, we are all on our own to address the issues. Prior boards have tried to fix the problems. We can see "echoes" of agreements in meeting minutes and newsletters but these aren't contracts.

THE PLAYERS: Currently there are two developers – The RED, Ltd and LD Lots/Silverado. There is also Legado HOA. All of the old homes by the Legado Roundabout or across Dayton Valley Rd at "Point Legado" AND all new homes that are being built are in the Legado HOA. As of today, the Legado HOA doesn't have any money because only 200 of the 1,700 homes were built.

THE DEVELOPMENTS: Legacy 49 is building 1,200 homes and a commercial zone that are all accessible off Dayton Valley Rd. Silverado is building between 200-250 homes off the Palmer Roundabout that is landlocked and require Palmer for access. Please note that the vehicles using Palmer do not pass by any DVCA houses.

THE EASEMENTS: In the DVCA CC&Rs, Section 7.1(d), our HOA states, quote, "The Association Shall Maintain…all roadways". In their dying days, around 2016, Dayton Valley Investors gave LD Lots, Silverado and Legado HOA easement rights to ALL of our roads with, quote "no duty to maintain" via a recorded easement document #522345. This document is a killer since it gives them unlimited access to our roads without any reciprocity. The board also has the right via the CC&R section 3.2(d) to "Grant Easements and rights of way in, on, over and under the common area".

THE BASINS: Part of Legacy 49 is enormous stormwater basins that replace the second golf course. They are large enough to hold a 300-year flood worth of water the flows off the

mountains and falls from the sky. The basins will be maintained by a special tax on LEGACY 49 homes that are paid to, and maintained by, the county. The annual cost to maintain is estimated in the 6-figures. These highly landscaped basins have an asphalt road on the top that can be used as a cart path. These cart paths extend past the basins and around the property. The middle of the basins has dirt trails that are also heavily landscaped with exercise stations and parks. Legacy 49 sees the golf course and the basins as an amenity of their new homes. If the basins added $10k to the value of each Legacy 49 home RED would reap an additional $12M in profit.

TRANSITION: Now that I've explained the community history, players, easements, developments and basins let's talk about the desires of DVCA's founders and forefathers.

GOVERNING DOCUMENTS: Per our Articles of Incorporation, which is the most foundational of all our governing documents, it is clear that the DVCA HOA must…and I quote here, "promote DAYTON VALLEY COUNTRY CLUB as a well-planned and controlled residential community with first class improvement for the benefit of each and every owner in the DAYTON VALLEY COUNTRY CLUB."

THE CONSTITUTION: The DVCA corporation has a 1st amendment right of freedom of speech. This allows our corporation to have an opinion. If we cannot reach "mutually beneficial agreements" with the developers we can let our opinion be known publicly. Because public participation is an important part of the Lyon County's approval process this could make or break a development's future.

THE GATES: We need to be a properly gated community like Legacy 49 and Point Legado. Legacy 49 will have 9 different "villages" ranging from modest homes to McMansions. We have private roads that we must pay for and therefore must limit access by gating our community from the outside world. There are actually four gates that are needed

1) A gate on La Costa will properly close off La Costa, Royal Troon, Champions, Turnberry and the other side streets.
2) A gate on Cypress Point Dr will close the road past the NEW Country Club entrance
3) …and a gate on Lakeview Dr will close the road past the OLD country club entrance
4) Finally, a second gate on Lakeview Dr should be placed past the maintenance shed. This will delineate DVCA's private roads from Airpark's County roads. There are already medians for the keypad and gate on DVCA property. This gate will be locked open.

THE ROADS: Most of our community has an alternate egress in case of fire or disaster. For homes off La Costa there are two routes – the main route towards the Country Club and an alternate route at the end of La Costa Circle. The La Costa Circle "fire road" is actually a non-conforming 20' wide asphalt road. La Costa PUD requirements are for a 30' wide asphalt road with concrete curbs and gutters. The road currently has a barrier that was installed by a past board member. Although the issue of continued gating of this road is up for debate, the need to expand the road is not. At 20' wide only one egress lane can be accommodated. This will delay

egress from Stonehaven or La Costa. Moore Ave, off of Lakeview Dr, is a stub road that is incomplete and lacks a cul-de-sac.

PALMER LANDSCAPING: The Palmer median is looking a little tired and dated. DVCA received a recent bid for $180,000 to completely redo the Palmer median. The committee feels that the new communities would benefit from an updated ascetic as it would maximize their home values but DVCA would need a significant contribution to rehabilitate the median.

RECAP: 1. DVCA must pay to maintain our private roads. 2. The new developments do not owe any fees to use our roads. 3. All of the new builders have full access rights to our roads. 4. There are three entities that the board must negotiate with – The RED Ltd, LD Lots/Silverado and Legado HOA. 5. DVCA has no leverage over any of the developers beyond our public letter of support or lack thereof. 6. We need four gates and a road replaced. 7. We need the #522345 document re-recorded with a new exhibit-A to remove all roads except Palmer. 8. Optionally, the Palmer Median should be replaced.

MOVING ON: Now, let's talk specifics.

THE PROCESS: After the committee met, workshopped with Jaimee Yoshizawa from RED and Mike Evans from Silverado, then met again, nine recommendations were made to the board. The board voted at the last meeting to confer with legal in a private session to discuss the recommendations.

FIRST - THE RED LETTER:

> The first recommendation was for the DVCA to create a letter of recommendation for the Legacy 49 project. This letter was created, vetted and finalized in a week. After edits by legal, the letter was unanimously signed by the board last week. Copies are available.

SECOND – THE RED GATES AGREEMENT

> The RECORDED AGREEMENT: RED has agreed to the cost of two gates -La Costa and Cypress Point (and $12k worth of legal fees) totaling $322,500 at map recordation – which should be at the end of 2025 if the project passes the BOCC. Even if the project doesn't pass, RED will bind this agreement to the parcel and any future developer would have to pay it.

THIRD – THE RED BASIN EASEMENT

> The RECORDED EASEMENT: RED has agreed to give DVCA perpetual easement access to all of the amenities of the basins at no cost to us. Again, the easement is bound to the property and can't be undone. Jaimee has Moore Ave slated as one of the access points for Lyon County to access the basins roads for maintenance. This means that our residents will be able to park on Moore and walk, ride or enjoy the basins without leaving the gates.

FOURTH – THE 1st FAIRWAY FENCING

The PUD PLAN: Red has already modified the master plan to mandate the homes and businesses built along the 1st fairway have 4' tall wrought iron metal fences that match our architectural standards.

FIFTH – CONNECT SENIOR COMMUNITY TO PALMER

1) It is the board's belief that the more vehicles that pass the country club the better for business. The 129 senior homes on the casino footprint have a main entrance off Dayton Valley Rd. The senior housing community on the old casino footprint must have a second egress point and the board has asked her to connect it to Palmer instead of using an alternate route. Jaimee has not committed to a solution at this time. No matter her choice, the $322,500 must still be paid.

WHAT DOES RED WANT?

1) RED wants our support and to remove uncertainty from the project. Because the casino footprint has "echoes" that imply we are owed two gates, Jaimee wants DVCA to agree that the monies promised remove any other obligations that DVCA may have over the property. Remember that DVCA can not locate any of these original agreements and our new "mutually beneficial solution" is fair to all parties.

LEGAL: All of this has been agreed to and our lawyer Gayle Kern and RED's lawyer Amanda Stevens are currently hammering out the details. Time is of the essence since the agreement and easement must be finalized by the next board meeting on 9/25/2024.

LD LOTS/SILVERADO

1) Because Silverado cannot build without Legacy 49's sewer infrastructure the committee has decided to delay any workshop with Silverado.
2) We are confident that we can reach a deal with Silverado that is equitable for both sides and similar to the agreement made with RED.
3) We would like LD Lots, Silverado and Legado HOA, which is all the same people, to re-record #522535 with a new Exhibit A that limits access to Palmer ONCE THE PALMER GATE IS REMOVED!

LEGADO HOA

1) Developers build and then disappear. They are not the proper entity to try to negotiate an ONGOING annual maintenance fee for roads or landscaping.
2) Legacy 49 is the declarant over their land but they are not CURRENTLY majority vote in the Legado HOA. In time, Legacy 49 will build enough lots to get majority vote and will be able to immortalize agreements that bind Legado HOA. With 1,700 homes Legado

will gross $110k per month – twice DVCA's budget. Legado HOA can't afford an annual road maintenance fee now but they will be able to in the future.

3) Any desire to negotiate an annual maintenance fee with Legado must wait.

GOLF COURSE: We get asked a lot what the HOA is doing for the golf course. The committee explained to Jaimee about how her problems were intertwined with Jim's problems. She has a permit to discharge the wastewater but doesn't have a guarantee that the golf course will deliver it. She needs an inordinate amount of water for 100 acres of landscaping which would cost 5-figures A DAY if she used city water. If the poor state of the golf course shaved $50k off the price of each of Legacy 49's 1,200 homes Jaimee would lose over 60 million dollars in profit. It makes good business sense to ensure the course has the infrastructure repaired and the sprinkler heads replaced. On Monday, Jim graciously drove Jaimee around the course in a cart to identify the issues and the solutions. What Jim mostly needs is a civil engineer with a construction company who cares about the golf course. This described Jaimee to a Tee.

BRIDGE: You can't have a discussion of new homes without talking about the second bridge. I'll cut to the chase: Jaimee presented the county with a plan for a $5MM emergency egress bridge paid for in its entirety by Legacy 49 and built in advance. The county told her to focus on the drainage basins and they would handle the bridge. For the county to actually build a bridge they need BLM to transfer property and an easement across Vidler Water's land surrounding the river along with the millions of dollars to build a causeway across the wide floodplain of the river. Your home values aren't connected to a second bridge – they are connected to the state of the golf course.

TIMELINE: If Legacy 49 is approved in December of this year, bulldozers would be moving dirt by May 2025. The basins, along with the infrastructure, would be done by the end of 2025. The commercial zone and the senior homes will be built first, starting in 2nd quarter 2026. There are multiple home builders and construction will happen simultaneously. Silverado could also start building in the 1st quarter 2026 when RED's sewer lift pump is complete.

ALTERNATIVE: If Legacy 49 is not approved Jaimee will sell the land (and purchase options) to an east coast developer who will ram the development through by taking the path of lawsuits instead of collaboration with the local community.

SUPPORT: Please help move Legacy 49 across the goal line by going to www.legacy49.com and clicking the "SUPPORT" button.

OUTRO: At the end of this board meeting everyone is given a three-minute opportunity to address the board. If you have comments or questions for the board, please step up then. If you have questions for me, I'll stay after the meeting to answer all of them or give you my cell number so we can talk at a later date. Thanks for your time.