

SUMMARY REPORT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION
53083(a) ON A PROPOSED AGREEMENT BY AND AMONG

THE COUNTY OF MADERA AND
SKY RANCH YOSEMITE, LLC

This summary report (“Summary Report”) has been prepared pursuant to California Government Code Section 53083(a). The report sets forth certain details of the proposed Economic Incentive Agreement (“Agreement”) between the following parties:

1. The County of Madera, a political subdivision of the State of California (“County”); and
2. Sky Ranch Yosemite, LLC, a California Limited Liability Company (“Developer”).

The Agreement requires the County to provide an incentive to the Developer associated with the redevelopment of Sierra Sky Ranch, an existing 28-room hotel originally built in 1875 located just outside of Yosemite National Park in the community of Oakhurst, in Madera County. The hotel and property will be rebranded and undergo a major redevelopment into an upscale lifestyle hotel with 150 rooms and villas, combined with a host of full-service amenities including a restaurant / bar (including full-service kitchen), outdoor event space, and approximately 29-acres of natural beauty to enjoy outdoor activities year-round. (“Project”).

The following Summary Report is based upon information contained within the Agreement:

I. Identity and address of the Developer, the beneficiary of the economic development subsidy:

Sky Ranch Yosemite, LLC
5051 E. Copa De Oro Dr.
Anaheim, CA 92807

II. Start and end of the economic development subsidy:

The incentive payment will be in the form of an annual conditional obligation to pay the Developer economic incentive payments starting on January 1st in the year after the date in which the first Transient Occupancy Tax (“TOT”) payment is made by Developer to the County following the initial opening of the Project and will remain in effect, unless otherwise terminated, for a period of 25 years.

III. Description of the economic development subsidy:

The annual incentive payment is equal to seventy-five percent (75%) of all TOT payments which are collected by the Project and remitted to the County annually,

each year for a period of 15 years, and then fifty percent (50%) of all TOT payments which are collected by the Project and remitted to the County annually, each year for an additional period of 10 years. Annual payments are conditioned upon the Project opening and operating on an annual basis within the parameters established in the Agreement. The estimated total of the incentive payments is \$11.33 million over the 25-year period of the Agreement calculated based on a 7.5% discount rate from the year of the first incentive payment. For reference, the future value of the total of the incentive payments is estimated to be approximately \$24.43 million (without a discount rate applied).

The Developer will also make a special payment of \$2.50 million to the County, and will receive a 50% reduction in the amount of all standard impact fees levied by the County for the Project. The value of the 50% reduction in impact fees is currently estimated to represent approximately \$144,000 in savings. Thus, on a net basis, the Developer will not realize net savings on impact fee payments to the County, but instead, will effectively make a special payment to the County in the amount of approximately \$2.36 million.

IV. Public purpose:

The implementation of this agreement will provide economic incentives to encourage the development, construction, and operation of the Project within the County which will provide unique experiences in the area for residents and tourists; promote job creation; generate a net increase in TOT revenue to the County, which will support the public services provided by the County to its residents, visitors, and businesses; and promote an increase in visitors to the County, which will spend money on dining, retail, and entertainment activities in the County.

V. Projected tax revenue to the County of Madera:

Net projected tax revenue generated by the Project includes approximately \$14.53 million from Transient Occupancy Tax (after / net of the annual incentive payment), approximately \$3.27 million from property tax, and approximately \$1.83 million from sales tax from the start of the operation of the Project through the 25 years of the incentive agreement.

VI. Estimated jobs created:

This Project is estimated to directly support approximately 72 full time equivalent ("FTE") employees on an annual basis.