EH SPARKS STATUS REPORT Reported May 2nd, 2021 to the Membership.

In early December 2020, a purchase offer was submitted to the DeMonte Family Trust for purchase of their property adjacent to our community. Negotiations continued and a purchase agreement was reached in mid-March. On March 16th, 2021, the Court of Appeals mediator returned the case to the Appellate Mediation Program for 45-days.

As part of the purchase agreement between the DeMonte Family Trust and the purchaser questions have arose regarding the legality of the DeMonte Family Trust Measure 49. During the due diligence process the purchaser met with Jefferson County regarding the pending sale. Following that meeting Oregon's Land Conservation and Development Commission (LCDC) was notified by the county of the pending sale. The LCDC determined that the measure 49 subdivision may not be valid. Attorneys for the DeMonte and purchaser are working together to resolve this matter with the LCDC. Both parties are on a short clock. Association counsel is focused on moving the vacation and appeal processes to center stage.

The Board continues to be encouraged that a change in ownership of the DeMonte property puts the EH Sparks matter in a favorable light to resolve.

Further information will be provided when available. Updates and filings can be found on the Three Rivers Website at <u>www.3rrec.com</u>.