

Update on CEPC and ROBE



December 17, 2018

Timeline

- May 2012: MOU incorporating sale of parkland by PVE and PVHA to Lugliani
- May 2013: CEPC Suit Filed to reverse sale
- September 2015: MSJ Judgement in favor of CEPC
- November 2015: Defendants (City of PVE, PVHA and Lugliani) appeal
- January 2018: Appellate Court Upholds earlier judgment against PVHA. Sends back to Trial to determine if City was complicit
- Feb 2019: Trial set over the role of the City

Tentative Comprehensive Settlement

- We have a tentative Settlement with representatives of the PVHA, the City of PVE, and the Lugliani's that would resolve both the Parklands litigation and the ROBE/Quorum litigation
- It will be the subject of a public meeting of the PVE City Council on January 9, 2019, and prior to that session the other parties (the full PVHA Board, the Luglianis, CEPC/Harbison and ROBE/Schott) will confirm that they are all supportive of the Settlement once it has been written up and finalized

Impact on Panorama Parklands

- Public regains access to 0.4 acres most accessible from Via Panorama returned as City-owned deed restricted Parkland with all encroachments removed
- View easement incorporated to expand Panoramic view. Roughly doubles the size of the park frontage along Via Panorama, and expands the view corridor
- Implemented within 90 days, as opposed to potential years if the trial continues as scheduled along with a likely appeal from the losing party

Panorama Parkland



- All of the structures and vegetation encroachments removed
- All the visible property returned to parkland in its original natural state
- Standard curb to unify retained and returned parkland into a single parcel

Panorama Parkland



- Driveway and all structures removed

Panorama Parkland



- View Easement over retained property to restore vistas from parkland

Bluff Cove Park



Bluff Cove Park



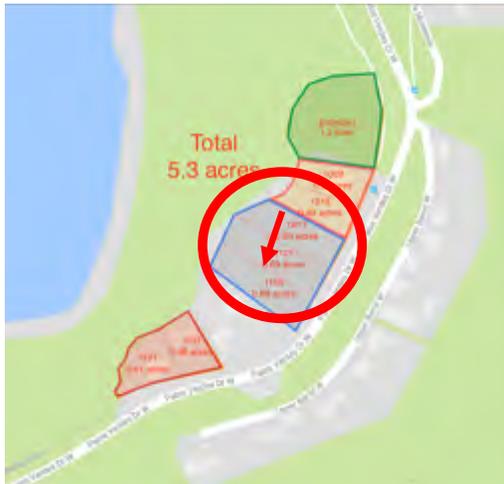
Bluff Cove Park



Bluff Cove Park



Bluff Cove Park





Bluff Cove Park

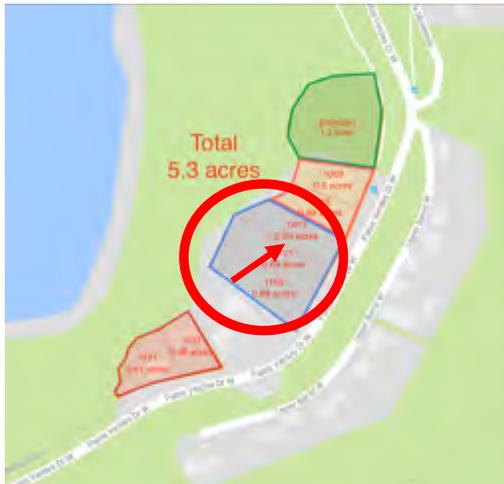
Bluff Cove Park





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Bluff Cove Park



Bluff Cove Park



Bluff Cove Park





Bluff Cove Park

Positives for the Public (page 1 of 3)

- End to all litigation between the parties
- All Parties re-affirm validity of 1940 deed restrictions on parkland and lack of discretion in interpreting or changing them
- Public gets 4+ acres of open space at Bluff Cove along PV Drive West deed restricted as all other City owned Parkland
- Public regains access to 0.4 acres most accessible from Via Panorama returned as City-owned deed restricted Parkland with all encroachments removed. View easement incorporated to expand Panoramic view. Roughly doubles the size of the park frontage along Via Panorama, and expands the view corridor. Implemented within 90 days, as opposed to potential years if the trial continues as scheduled along with a likely appeal from the losing party
- City does not pay anything more

Positives for the Public (page 2 of 3)

- PVHA avoids obligation to repay \$500k for parkland returned as well as significant legal exposure to a lawsuit from Lugliani to recover \$1 million in legal fees having relied on PVHA representation that sale was legal. We believe those costs would have necessitated a special assessment on all homes in PVE and Miraleste
- Residents within 300 feet of subject properties on Via Panorama and PV Drive West will be noticed by mail and signatures collected for approval under the 1923 Protective Covenants
- Settlement will be discussed at January 9, 2019 City Council Meeting, which will be noticed by mail (for those within 300 ft of Panorama Parkland) and with a sign and publicized for transparency
- CEPC to host a meeting on December 17 to explain the transaction in advance of the City Council Meeting

Positives for the Public (page 3 of 3)

- PVHA Board now supporting lowering the quorum to 35% and instituting changes in the election procedures that will improve voter turnout. The 35% quorum would apply to the January 2020 election which would also have a public referendum on permanently lowering the quorum. Changes include
 - If there are challengers, everyone, including incumbents must obtain 100 signatures within 30 days to be listed on the ballot
 - Up to three full ballot mailings
 - Walk-in drop box in PVE City Hall (specific time period not stipulated, but includes time period PVHA is closed in December/January)
 - Ballots can be submitted at Annual Meeting
- A second ROBE candidate to be selected by PVHA to serve as Director along with ROBE candidate Mike Moody who is now on the Board
- ROBE and Jeff Lewis (attorney) are walking away from \$75,000 in legal fees associated with the Quorum Litigation

Negatives to the Public

- PVHA pays for Plaintiff legal fees in the CEPC Parklands Case of \$396k (partially with insurance)
- PVHA reimburses Lugliani for encroachment removal costs (up to \$225k)
- Lugliani gets to retain 1.4 acres and encroachments behind his house, but there is a net gain of 3 acres of deed restricted parkland

Thank You for Your Interest and Support

Questions?