



RESOLUTION NO. _____
OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

**Authorizing Execution of Agreement and Ground Lease with City of South Lake Tahoe for
Development, Operation, and Maintenance of the 56-Acre Property**

WHEREAS, The City of South Lake Tahoe owns approximately 15 acres of property (Assessor's Parcel Number 026-050-004) and El Dorado County owns the other approximately 41 acres of property (APNs 026-050-003, 026-050-005, and 026-050-006) within the area known as the 56-Acres; and

WHEREAS, The City and County currently use the 56-Acres for both City and County facilities, including a public beach, campground, senior center and senior nutrition program, ice arena, library, and vector control facilities; and

WHEREAS, The City and County have entered into various agreements over the last few decades for the City to lease and operate much of the County portion of the 56-Acres, including the Lease of Real Property between the County and City dated December 12, 1972 and various subsequent amendments; and

WHEREAS, The City and County have worked collaboratively to identify future public improvements on the 56-Acres and negotiate terms for a new agreement for the 56-Acres to replace the 1972 Lease, subsequent amendments, and other agreements regarding the use and operation of various facilities on the 56-Acres; and

WHEREAS, The City has prepared a Master Plan for the 56-Acres which includes, among other things, a new Multi-Generational Recreation/Swim/Senior Center Facility; and

WHEREAS, The City and County have agreed to exchange certain real property located on the 56-Acres to effectuate its development and for the County to lease certain property to the City for the City's ongoing development of the 56-Acres in accordance with the Master Plan; and

WHEREAS, The subject property is exempt surplus property under the Surplus Lands Act, Government Code section 54220 et seq., and implementing guidelines, because the property is being exchanged and leased to another local public agency for that agency's use; and

WHEREAS, In connection with the consideration of the Master Plan and the new Agreement for the Development, Operation, and Maintenance of the 56-Acre Property ("Agreement") and accompanying Ground Lease and Grant Deeds, the City completed review under the California Environmental Quality Act and prepared an Initial Study/Mitigated Negative Declaration. The City Council approved the Master Plan and Mitigated Negative Declaration on January 18, 2022.

NOW, THEREFORE, BE IT RESOLVED that the El Dorado County Board of Supervisors:

1. Finds and declares that the transfer and lease of the subject property to the City, as set forth in the Agreement attached hereto as Exhibit A, is exempt surplus property pursuant to Government Code section 54221(f)(1)(D) as a transfer of property to another local public agency for that agency's use.
2. Authorizes the Chair to sign the Agreement in the form attached hereto as Exhibit A.
3. Authorizes the Chair to sign the Ground Lease, Grant Deed, and Certificate of Acceptance, attached as exhibits to the Agreement, with minor revisions and on the terms described in the Agreement as may be approved by the Chief Administrative Officer in consultation with County Counsel.
4. Authorizes and directs the Chief Administrative Officer to take any other steps necessary to effectuate the terms of the Agreement.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of the Board of Supervisors, held the _____ day of _____, 20____, by the following vote of said Board:

Attest: Kim Dawson Clerk of the Board of Supervisors	Ayes: Noes: Absent:
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By: _____
Deputy Clerk

Chair, Board of Supervisors

AGREEMENT FOR DEVELOPMENT, OPERATION AND MAINTENANCE OF THE 56-ACRE PROPERTY

THIS AGREEMENT FOR DEVELOPMENT, OPERATION AND MAINTENANCE OF THE 56-ACRE PROPERTY (“**Agreement**”) dated as of this ____ day of _____, 2022, the last day of execution (the “**Effective Date**”), is entered into by and between the CITY OF SOUTH LAKE TAHOE, a municipal corporation (“**City**”), and EL DORADO COUNTY, a political subdivision of the State of California (“**County**”). The City and County may each be referred to as a “**Party**” or collectively as the “**Parties**.”

RECITALS

The following Recitals are a substantive part of this Agreement:

A. The City owns approximately 15 acres of property in the City of South Lake Tahoe, also known as Assessor’s Parcel Number 026-050-004 (the “**Original City Property**”). The Original City Property is a portion of an overall property known as the 56-Acres. The County owns the other approximately 41 acres of property that make up the 56-Acres, also known as Assessor’s Parcel Numbers 026-050-003, 026-050-005, and 026-050-006 (the “**Original County Property**”). The Original City Property was conveyed to the City by County by Grant Deed dated April 17, 1973, and recorded in the Official Records of El Dorado County on April 23, 1973 (“**Grant Deed**”). The Grant Deed includes certain terms regarding the City’s use of the Original City Property, including that the property be used for public park, recreation, cultural and visitor services. The Original City Property and the Original County Property may hereinafter be referred to as the “**56-Acre Property**,” which is depicted in Exhibit A, Site Map, attached hereto and incorporated herein by reference.

B. The City and County currently utilize the 56-Acre Property for both City and County facilities, including a public beach, campground, senior center and senior nutrition program, ice arena, library, and vector control facilities. In addition, the City has leased portions of the 56-Acre Property to community groups and public agencies for visitor, art and emergency medical services purposes.

C. County and City have entered into various agreements over the last few decades to provide for the County’s lease of the entire portion of the Original County Property to City and the construction of various facilities on the County Property. The original Lease of Real Property between the County and City was dated July 1, 1968, and thereafter replaced with a new lease and series of amendments as follows: (1) Lease of Real Property between the County and City dated December 12, 1972; (2) Amendment to Lease of Real Property dated December 9, 1986; (3) Amendment to Lease of Real Property dated April 14, 1987; (5) Amendment to Lease of Real Property dated January 26, 2010; (4) Memorandum of Understanding Between the County of El Dorado and the City of South Lake Tahoe for the Construction of the El Dorado Beach Improvement Project in the South Lake Tahoe Recreational Area (“**Beach Improvement MOU**”); and (5) Amendment 1 to the Beach Improvement MOU dated April 17, 2014 ” (collectively, the “**Original 56-Acre Agreements**”). In addition, the City and County entered

into a Facility Use Agreement, dated February 15, 2012 for the County's use of a portion of the City's leased property (collectively, the "**Existing Use Agreement**").

D. The City has subleased certain portions of the Original County Property pursuant to the following lease agreements: (1) Lease Agreement between the City of South Lake Tahoe and the South Lake Chamber of Commerce dated April 4, 2006; and (2) a Lease Agreement between the City of South Lake Tahoe and the Tahoe Art League dated May 7, 2012 ("**County Property Subleases**"). In addition, City has entered into a Sublease Agreement between the California Tahoe Emergency Services Operations Authority, dated February 11, 2020 ("**EMS Sublease**").

E. The City and County desire to work collaboratively to maximize the public benefits from the 56-Acre Property, update previous planning efforts and enable the provision of the highest quality recreation and government facilities and services on the 56-Acre Property.

F. The 56-Acre Property is anticipated to become the identifiable recreation and government center of the South Lake Tahoe, with the development of the site as a park-like campus with plentiful recreation facilities, the centralization of City government facilities and services and a "downtown" environment centered on the 56-Acre Property and neighboring Harrison Avenue commercial district.

G. The City and County have worked collaboratively to identify future public improvements on the 56-Acre Property and negotiate terms for a new agreement for the 56-Acre Property to replace the Original 56-Acre Agreements.

H. The California Tahoe Conservancy has provided grant funding for the development of the 56-Acre Property and has expressed support for this Agreement.

I. On January 14, 2020, the City Council of the City of South Lake Tahoe and the Board of Supervisors of the County of El Dorado adopted similar resolutions, Resolution 2020-006, and Resolution 007-2020 respectively, Outlining Proposed Terms for a New Agreement between El Dorado County and the City of South Lake Tahoe for the Development, Operation, and Maintenance of Recreation and Government Facilities on the "56-Acres" ("**56-Acre Terms Resolution**").

J. The City has prepared a Master Plan for the 56-Acre Property ("**Master Plan**"), which includes, among other things, a new Multi-Generational Recreation/Swim/Senior Center Facility (the "**New Multi-Generational Center**"), a depiction of which is shown on Exhibit B, attached hereto and incorporated herein by reference.

K. City and County have also agreed to exchange certain real property located on the 56-Acre Property to effectuate its development and to lease certain property to City for City's ongoing development and use of the 56-Acre Property in accordance with the Master Plan. The subject property is exempt surplus property under the Surplus Lands Act, Government Code section 54220 et seq., and implementing guidelines as the transferring agency's property is being exchanged for other property necessary for the transferring agency's use and is being transferred to another local agency for the transferee's use.

L. In connection with consideration of the Master Plan and this Agreement, the City completed review under the California Environmental Quality Act (“**CEQA**”) and prepared a Mitigated Negative Declaration.

M. On January 18, 2022, the City Council approved a Mitigated Negative Declaration and the Master Plan.

N. City and County desire to enter into this Agreement in accordance with the 56-Acre Terms Resolution and subsequent negotiations in order to set forth the terms and conditions, among other things relating to (1) the amendment and restatement of the Original 56-Acre Agreements; (2) City and County transfers of certain City and County-owned property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with the Master Plan; and (4) County’s use of certain portions of the 56-Acre Property.

A G R E E M E N T

NOW, THEREFORE, City and County hereby agree as follows:

1. REPRESENTATIONS AND WARRANTIES / TERM.

1.1 Representations and Warranties.

(a) **City Representations.** City represents and warrants to County as follows:

(i) **Authority.** City is a municipal corporation of the State of California. City has full right, power and lawful authority to perform its obligations hereunder and the execution, performance and delivery of this Agreement by City has been fully authorized by all requisite actions on the part of City.

(ii) **No Conflict.** City’s execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

(iii) **Ownership of Property.** City is the owner of the Original City Property.

(iv) **No Litigation or Other Proceeding.** To City’s current actual knowledge, no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of City to perform its obligations under this Agreement.

Until the expiration or earlier termination of this Agreement, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section (a) not to be true, immediately give written Notice of such fact or condition to County.

(b) **County's Representations.** County represents and warrants to City as follows:

(i) **Authority.** County is a political subdivision of the State of California. County has full right, power and lawful authority to undertake all of its obligations hereunder and the execution, performance and delivery of this Agreement by County has been fully authorized by all requisite actions on the part of County.

(ii) **No Conflict.** County's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which County is a party or by which it is bound.

(iii) **Ownership of Property.** County is the owner of the Original County Property.

(iv) **No Litigation or Other Proceeding.** To County's current actual knowledge, no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of County to perform its obligations under this Agreement.

Until the expiration or earlier termination of this Agreement, County shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section (b) not to be true, immediately give written Notice of such fact or condition to City.

1.2 **Term.** The term of this Agreement shall be fifty (50) years from the effective date of the Lease described in Section 3.1 below, unless and until earlier terminated as provided herein ("**Initial Term**"). The Agreement shall be automatically extended on an annual basis up to a total of ninety-nine (99) years, unless either Party notifies the other Party no later than sixty days prior to the end of the Initial Term, or the then-current term, of a Default (as defined in Section 7.2 below) under this Agreement. If the defaulting Party does not cure the Default as provided herein, the other Party may terminate this Agreement. The Initial Term in addition to any automatic extensions pursuant to this Section 1.2 shall be referred to as the "**Term.**"

2. **PROPERTY EXCHANGE.**

2.1 **Exchange of Property Interests.** City and County have determined that the transfer of the property interests as provided herein will further a governmental purpose by facilitating development of the 56-Acre Property as provided in this Agreement. County will transfer certain real property concurrently with execution of the Lease at the Closing, and City and County will transfer other parcels after certain demolition work is performed, as provided in more detail below.

(a) Concurrently with execution of the Lease, County agrees to transfer to City that approximately 10.2 acres of the Original County Property to be used for the purpose of development and construction of the New Multi-Generational Center, civic center, and parking lot (collectively the "**New Multi-Generational Center Site**") and approximately 4.8 acres of the Original County Property to be used as a right-of-way, as shown in Attachment 1 to Exhibit C, attached hereto and incorporated herein by this reference ("**City Transfer Property**"). In the

event, all or a portion of the City Transfer Property is not developed within fifteen (15) years of the Effective Date consistent with the Master Plan, City shall transfer title and ownership of that portion of the City Transfer Property not developed as provided herein back to the County and the Lease shall be amended to incorporate such property to the Leased Property. The City Transfer Property shall be conveyed pursuant a Grant Deed in the form attached hereto as Exhibit C, which provides that title to the City Transfer Property shall revert to the County in the event that City no longer uses the City Transfer Property for public use (“**City Transfer Property Grant Deed**”).

(b) Concurrently with execution of the Lease, City agrees to transfer to County that approximately 11.45 acres of the Original City Property where the existing Recreation Center, excluding the ice arena, is located, as shown in Attachment 1 to Exhibit D, attached hereto and incorporated herein by this reference (“**Existing Recreation Center Site**”). The Existing Recreation Site shall be conveyed to County pursuant to a Grant Deed in the form attached hereto as Exhibit D, which provides that title to the Existing Recreation Center Site shall revert to the City in the event that County no longer uses the Existing Recreation Center Site for public use (“**Existing Recreation Site Grant Deed**”). The Existing Recreation Center Site shall also be included in the Leased Property. City shall continue to operate the existing facilities on the Existing Recreation Center Site until completion of the New Multi-Generational Center, at which time City shall, at its sole cost and expense, vacate, abandon, and demolish, including removal of all Hazardous Materials, as defined in Section 5.2(b) below, the existing Recreation Center facility, in accordance with all Governmental Requirements to the satisfaction of the County (“**Demolition of Existing Recreation Center Facility**”). The Demolition of the Existing Recreation Center Facility shall be completed within fifteen (15) years of the Effective Date. Upon the Demolition of the Existing Recreation Facility, City shall provide Notice to County. County shall review such Notice and may either accept completion of the Demolition of the Existing Recreation Center Facility or provide Notice to City of such work that remains to be completed.

(c) County agrees to transfer to City that approximately one acre of the Original County Property that is currently being used for a vector control facility (“**Vector Control Facility**”), as shown in Attachment 1 to Exhibit E, attached hereto and incorporated herein by this reference (“**Vector Control Property**”) within thirty (30) days of City’s acceptance of the Demolition of the Vector Control Facility, as defined in Section 5.2(b). The Vector Control Property shall be conveyed pursuant a Grant Deed in the form attached hereto as Exhibit E, which provides that title to the Vector Control Property shall revert to the County in the event that City no longer uses the Vector Control Property for public use (“**Vector Control Grant Deed**”). Upon transfer of the Vector Control Property to City, the Vector Control Property shall be the sole responsibility of City.

2.2 **As-Is Transfer.** City and County specifically acknowledge that the City Transfer Property, the Existing Recreational Center Site and the Vector Control Property (collectively, the “**Transfer Properties**”) being exchanged pursuant to the terms of this Agreement are being accepted by the transferee agency on an “AS IS WITH ALL FAULTS” basis and that neither party is relying on any representations or warranties of any kind whatsoever, expressed or implied, from the other as to any matters concerning the properties, including without limitation: their physical condition; geology; the development potential of the properties and their use,

habitability, merchantability, or fitness for a particular purpose; their zoning or other legal status; compliance with law; the presence or removal of hazardous or toxic materials, substances, or wastes on, under or about the properties or any neighboring property.

2.3 **Amendment to Grant Deed.** In order to provide consistent restrictions among the various property deeds on the 56-Acre Property and remove restrictions that are no longer applicable, the Parties shall amend a prior Grant from County to City to modify the restrictive covenants. The Amendment to Grant Deed shall be in the form attached hereto as Exhibit G (“**Amendment to Grant Deed**”).

2.4 **Covenants.** Prior to the transfer of the City Transfer Property and Vector Control Property, as applicable, County will not enter into any contract or lease or convey any real property interest, including easements, affecting the City Transfer Property or the Vector Control Property, as applicable, without City’s written consent. Prior to the transfer of the Existing Recreation Center Site, City will not enter into any contract or lease or convey any real property interest, including easements, affecting the Existing Recreation Center Site, without County’s written consent.

3. **LEASE OF CERTAIN PORTIONS OF THE COUNTY PROPERTY.**

3.1 **Lease.** Subject to the terms and conditions of this Agreement, County shall lease to City and City shall ground lease from County the Leased Property, as defined below. The ground lease for the Property shall be in the form of the Ground Lease attached hereto as Exhibit E, subject to such minor revisions as may be approved by City and County (the “**Lease**”). City acknowledges and agrees that the Leased Property shall be used for purposes of development of governmental, recreation and community facilities to serve the community, with primary emphasis on recreation, as set forth in more detail in the Lease. Further, the Parties acknowledge that all structures and improvements on the Leased Property as of the date of the Lease are and shall be the sole property of the City and the City shall be responsible for all maintenance costs, as set forth in more detail in the Lease.

3.2 **Leased Property.** Prior to the Closing, the City and County shall process changes to the boundaries of the Original City Property and the Original County Property in order for the property lines to more accurately align with existing and planned facilities and structures, as shown on the Master Plan attached hereto as Exhibit B. The Original County Property, as modified herein shall be referred to as the “**Leased Property.**” The Original City Property, as modified herein shall be referred to as the “**City Property.**”

(a) The City shall process a lot-line adjustment to modify the boundaries of the Original City Property and the Original County Property and adjust the lot-line so no structure is located on the lot line.

(b) The City shall process a Parcel Map to create a separate parcel for the real property on which the El Dorado County Library facility is located (“**County Library Property**”) and the parties acknowledge that the real property subject to the EMS Sublease (“**EMS Property**”) is excluded from the Leased Property. Both the County Library Property and the EMS Property shall be retained by County and shall not be included in the Leased

Property or subject to the terms of the Lease. City covenants that, as of the Effective Date, the City has completed lead, mold, and asbestos remediation and roof replacement on the EMS Property, and the County's ambulance service provider has initiated a major renovation project on the EMS Property, such that the City is not aware of outstanding maintenance or repair issues associated with the EMS Property. Prior to the Closing, City and County shall negotiate the termination of the existing EMS Sublease in order for County to have direct control and authority for the EMS Property and its use. City shall continue to be responsible for snow removal on the EMS Property and will assist with securing land coverage for the ambulance housing project as required by the Tahoe Regional Planning Agency, including but not limited to the transfer of not less than 50 square feet of City held land coverage for the project. Upon completion of the New Multi-Generational Center, the City shall be responsible for snow removal on County Library Property, which obligation shall be documented in the use agreement between the City and County for the New Multi-Generational Center as provided in Section 5.3(b) below.

3.3 Lease Rent Payments. Payments of rent for the Leased Property shall be as provided in the Lease, which provides for City to pay: (a) 50 percent (50%) of net operating profits from all existing and future revenue sources generated in the 56-Acre Property, excluding the ice arena, after the City sets aside fees from the campground on the 56-Acre Property and two percent (2%) of the total asset value of the facilities on the 56-Acre Property into a repair and replacement funds to be managed by the City; and (b) an amount equal to \$200,000 (increased annually from the Effective Date) in year 30 of the Lease or retirement of debt for the New Multi-Generational Center, all as set forth in more detail in the Lease (the "**Lease Rent**"). As set forth in the Lease, County agrees to use all Lease Rent received for County infrastructure initiatives and services in the Tahoe Basin area of El Dorado County, including, but not limited to, roads, trails, facilities, and utilities.

3.4 County Property Subleases. The existing County Property Subleases shall remain in full force and effect under this Agreement and the Lease, as set forth in more detail therein. City shall also have authority to enter into further subleases consistent with the terms of the Lease.

3.5 Extension of County Lease Agreements. The County Lease Agreements are hereby extended and remain in full force and effect until the date the Lease is fully executed and effective.

3.6 Termination of Original 56-Acre Agreements. Upon full execution of the Lease, the Original 56-Acre Agreements shall be terminated and of no further force and effect.

4. CLOSING.

4.1 Title Review. Each Party may request title reports for the various parcels that comprise the 56-Acre Property and may work with a title company, at its sole cost and expense, to purchase title insurance for any property being accepted by such party prior to acceptance. In the event there are any exceptions on title to any property required to be transferred herein that impact the transferee's ability to develop the property consistent with the terms of this Agreement, the Parties shall coordinate to remove such title exceptions prior to transfer.

4.2 **Execution and Recordation of Lease, City Transfer Grant Deed and Amendment to Grant Deed.** Within five business days of the satisfaction of the City and County Conditions Precedent to Closing, the City and County shall execute the Lease and the Amendment to Grant Deed and shall have the Lease or a Memorandum of Lease recorded against the Leased Property and the Amended Grant Deed recorded (“**Closing**”).

4.3 **City’s Conditions Precedent to Closing.** City’s obligation to proceed with the Lease is subject to the fulfillment or waiver by City of each and all of the conditions precedent described below (“**City Conditions Precedent to Closing**”). City’s Conditions Precedent to Lease are solely for the benefit of City and shall be fulfilled or waived within the time periods provided for herein:

(a) **No Default.** County shall not be in Default under this Agreement and no event shall have occurred which with the passage of time or giving of notice or both would constitute a default hereunder.

(b) **Leased Property.** City and County shall have adjusted the property lines of the Original City Property and the Original County Property as provided in Section 3.2.

(c) **Lease.** County shall have executed the Lease in the form attached as Exhibit F.

(d) **Grant Deeds.** County shall have executed the City Transfer Property Grant Deed in the form attached as Exhibit C.

(e) **Amendment to Grant Deed.** County shall have executed the Amendment to Grant Deed in the form attached as Exhibit G.

(f) **CEQA.** No legal challenge has been filed under CEQA within the applicable time period.

4.4 **County’s Conditions Precedent to Closing.** County’s obligation to proceed with the Lease is subject to the fulfillment or waiver by County of each and all of the conditions precedent described below (“**County Conditions Precedent to Closing**”), which are solely for the benefit of County, and which shall be fulfilled or waived within the time periods provided for herein:

(a) **No Default by City.** City shall not be in Default under this Agreement, and no event shall have occurred which with the passage of time or giving of notice or both would constitute a default hereunder.

(b) **Leased Property.** City and County shall have adjusted the property lines of the Original City Property and the Original County Property as provided in Section 3.2.

(c) **Lease.** City shall have executed the Lease in the form attached as Exhibit F.

(d) **Grant Deed.** City shall have executed a Certificate of Acceptance to the City Transfer Property Grant Deed.

(e) **Amendment to Grant Deed.** City shall have executed the Amendment to Grant Deed in the form attached as Exhibit G.

(f) **CEQA.** No legal challenge has been filed under CEQA within the applicable time period.

5. DEVELOPMENT AND OPERATION OF THE 56-ACRES.

5.1 **City Development.** Except as otherwise provided in this Agreement, City shall have the sole authority over the development, operation and use of the 56-Acre Property, including without limitation, the Leased Property, and may determine, in its sole and absolute discretion, the type and nature of any and all improvements to be located on the 56-Acre Property, subject to the use requirements set forth in Section 6.1 below. The City authority described herein shall include the sole responsibility for the development, construction, operation and maintenance of all existing and new improvements on the 56-Acre Property, subject to the exceptions set forth in Section 5.2 below. County and City staff will work cooperatively in the development, construction, operation and maintenance of the 56-Acre Property.

5.2 **Exceptions to City Authority and Responsibility.** The following are the only exceptions to the City's sole authority and responsibility over the 56-Acre Property:

(a) County shall retain ownership and maintenance responsibilities for the EMS Property and the County Library Property, which is not included in the Leased Property and shall not be subject to the terms of the Lease, and all improvements and facilities located thereon.

(b) County shall vacate, abandon, and demolish, including removal of all Hazardous Materials, as defined below, the Vector Control Facility, in accordance with all Governmental Requirements to the satisfaction of the City ("**Demolition of Vector Control Facility**"). The Demolition of the Vector Control Facility shall be completed no later than fifteen (15) years after the Effective Date. Demolition of the Vector Control Facility is expressly contingent upon finding approximately one (1) acre of improved City-owned real property that County determines, in its reasonable discretion, is a suitable site for a new vector control facility ("**New Vector Control Site**"), which shall be transferred by City to County at no cost with full coverage credits. In the event that City and County have not agreed upon the New Vector Control Site within thirteen (13) years of the Effective Date, City and County shall meet and confer to ensure that an agreement is reached as to a reasonable site within the 15-year timeframe set forth herein. Upon the Demolition of the Vector Control Facility, County shall provide Notice to City. City shall review such Notice and may either accept completion of the Demolition of the Vector Control or provide Notice to County of such work that remains to be completed. The Vector Control Property shall be transferred to City as provided in Section 2.1(c). "**Hazardous Materials**" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including any material or substance which is: (i) defined as a "hazardous waste,"

“extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) friable asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (42 U.S.C. §6903); or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

(c) Each Party shall be responsible for any and all costs associated with environmental remediation or Hazardous Materials on the real property, facilities or structures on the 56-Acre Property that it owns as of the Effective Date. Each Party shall be responsible for conducting Phase 1 investigations and testing upon undertaking any project on its real property.

(d) City shall provide a location for the County’s senior nutrition programs in existing or new City facilities located on the 56-Acre Property pursuant to the terms of a use agreement to be entered into between the Parties. County’s programs and the operating costs associated with the programs shall be the sole responsibility of County.

5.3 Multi-Generational Center. The City shall endeavor to construct the New Multi-Generational Center on the 56-Acre Property as described in the Master Plan, subject to the following requirements:

(a) City shall be responsible for all design and construction costs associated with the New Multi-Generational Center and shall own and operate the New Multi-Generational Center.

(b) The City shall allocate approximately 9,000 square feet of space in the New Multi-Generational Center for the purpose of providing older adult services and programs. The space shall include a commercial kitchen and dining room for the purpose of accommodating the County Senior Nutrition Program and allowing shared use with the City. County’s use shall be documented in a separate use agreement between the Parties. The use agreement shall also include provisions providing for City’s obligation to be responsible for snow removal on County Library Property upon completion of the New Multi-Generational Center. The City shall manage the space in order to maximize the use of all elements in the New Multi-Generational Center for programs that benefit all user groups in the community. As part of the annual review set forth in Section 7.1 below, the Parties shall discuss programs and

priorities of use in the New Multi-Generational Center, including City's commitment to serving seniors in the New Multi-Generational Center and allocation of staff or resources dedicated to older adult services and programs coordination.

(c) City shall be responsible for all Maintenance Costs, as defined below, associated with the New Multi-Generational Center and County shall be responsible for the Operating Costs, as defined below, of its programs and use of the New Multi-Generational Center. City and County shall share the Replacement Costs, as defined below, based on each Party's proportionate use of the facilities. The cost allocations provided herein shall be documented in the County and City use agreement described in Section 5.3(b) above.

(i) "Operating Costs" shall include costs to operate the County senior nutrition programs, including staff costs, costs to fund all programming, and cleaning of the commercial kitchen and dining room after County use.

(ii) "Maintenance Costs" shall include costs to maintain the building, parking area, hardscape, sidewalks, landscaping, and any equipment attached to the building whose removal would do harm to the structure, such as the foundation, roof, ventilation, plumbing, electrical, fire suppression, heating, and windows.

(iii) "Replacement Costs" shall include replacement of any equipment or appliances in the commercial kitchen and dining facilities.

(d) The existing Senior Center facility shall remain in operation until the completion of the New Multi-Generational Center. Upon completion of the New Multi-Generational Center, County, at its option, may elect to continue providing older adult services program at the existing Senior Center facility pursuant to the terms of the Lease.

5.4 Development of Existing Recreation Center Site. Upon completion of the Demolition of the Existing Recreation Center Facility, either Party may request that this Agreement be re-opened for good faith negotiations between the Parties to address redevelopment and re-use of the Existing Recreation Center Site. The Parties agree and acknowledge that it is anticipated the Existing Recreation Center Site will be developed as a government facility for shared use between County and City.

5.5 Historical Structures. In a manner consistent with the Master Plan, the City shall endeavor to adequately preserve all historically-significant buildings currently located on the 56-Acre Property and to locate and design any new recreational or government facilities in a manner that is complementary to the historically-significant buildings as identified in the Master Plan.

5.6 City Leases. The City shall have sole discretion over leases of the City Property, including without limitation, the extension or termination of such leases, provided however that any and all leases between the City and a third party shall be in compliance with the general use guidelines set forth in this Agreement. With respect to the Leased Property, City shall have the right to maintain any subleases in effect as of the Effective Date and to sublease the Leased Property to any other government entity or local community non-profit. Any other subleases of the Leased Property require County's prior approval.

5.7 **Compliance with Laws; Indemnity and Waiver.** Both City and County shall carry out all work and development under this Agreement, including County's demolition of the Vector Control Facility and City's development on the 56-Acre Property, in conformity with all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees, of the United States, the State of California, the County of El Dorado, the City, and of any other political subdivision or instrumentality exercising jurisdiction over the 56-Acre Property (collectively, the "**Governmental Requirements**"), including all state labor laws and standards; the County zoning and development standards; building, plumbing, mechanical and electrical codes; all other provisions of the City Municipal Code; and all applicable disabled and handicapped access requirements, including the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* Each Party shall defend, indemnify and hold harmless the other Party and its officers, employees, volunteers, agents and representatives from and against any and all present and future liabilities, obligations, orders, claims, damages, fines, penalties and expenses, including attorneys' fees and costs, arising out of or in any way connected with the first Party's failure to comply with all Governmental Requirements.

6. **USE REQUIREMENTS.**

6.1 **Governmental Community Use.** The City shall develop, operate and maintain the 56-Acre Property, except as set forth in Section 5.2 above, for recreation and government facilities, with primary emphasis on recreation, to serve the residents and visitors of South Lake Tahoe and El Dorado County. In the event City desires to use the 56-Acre Property for any use other than set forth in this Section 6.1, City may submit a written request for a use exception to the County. County shall consider such request in its reasonable discretion and respond in writing to City within 30 days of receipt of the request.

6.2 **County Resident Use.** The City shall allow residents of El Dorado County that do not reside within the City limits to use existing and new recreation facilities on the 56-Acre Property under the same policies and fee schedule applicable to City residents.

7. **ANNUAL REVIEW, DEFAULTS AND REMEDIES.**

7.1 **Annual Review.** The Parties shall meet at least once a year prior to the anniversary date of the Effective Date to review the status of the terms of the Agreement and to ensure adequate communication and strengthen the relationship between the Parties. Prior to the annual meeting date, each Party shall submit to the other Party an update on its compliance with the terms and obligations of this Agreement.

7.2 **Default Remedies.** Failure by either Party to perform any action or covenant required by this Agreement within the time periods provided herein following Notice shall constitute a "Default" under this Agreement. A Party claiming a Default shall give written Notice of Default to the other Party specifying the Default complained of. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against the other Party if such Party within 60 days following receipt of such Notice of Default immediately, with due diligence, commences to cure, correct or remedy such failure or delay and completes such cure, correction or remedy with diligence

7.3 **Dispute Resolution.** In the event that the Party receiving a Notice of Default disputes the allegations or is not intending to cure, correct or remedy the alleged default, the Parties shall promptly meet in an effort to resolve the issues raised. If the Parties fail to resolve the issues raised, mediation may be pursued by mutual agreement. It is the intent of the Parties to the extent possible that litigation be avoided as a method of dispute resolution.

7.4 **Institution of Legal Actions.** Except as otherwise specifically provided herein, upon the occurrence of a Default, the Parties have the right, in addition to any other rights or remedies, to institute any action at law or in equity to cure, correct, prevent or remedy any Default, or to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. The Parties remedies in the event of a Default shall be limited to obtaining specific performance or injunctive relief. Such legal actions must be instituted in the Superior Court of the County of El Dorado, State of California, or in the Federal District Court for the Eastern District of the State of California. Neither Party shall have the right to recover any consequential, punitive or special damages.

7.5 **Termination.** This Agreement may be terminated by mutual consent of the Parties or upon satisfaction of all terms and obligations set forth herein and not otherwise addressed in the Lease or the Amended Grant Deed.

7.6 **Rights and Remedies Are Cumulative.** The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party, except as otherwise expressly provided herein.

7.7 **Inaction Not a Waiver of Default.** Any failures or delays by either 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, or deprive either such 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.

8. GENERAL PROVISIONS.

8.1 **No Assignment.** The qualifications and identity of the Parties are of particular concern and material considerations for entering into this Agreement. Neither Party shall have the right during the Term to assign all or any portion of its rights, obligations or interests under this Agreement.

8.2 Mutual Indemnity.

(a) County shall indemnify, defend (with counsel reasonably acceptable to City), protect and hold City and its officers, employees, agents and representatives, harmless from any and all liabilities, obligations, orders, claims, damages, fines, penalties and expenses, including attorneys' fees and costs ("**Claims**") to the extent caused by any of County's activities under this Agreement or by anyone directly or indirectly employed or contracted with by County and whether such Claims shall accrue or be discovered before or after termination of this Agreement.

(b) City shall indemnify, defend (with counsel reasonably acceptable to County), protect and hold County and its officers, employees, agents and representatives, harmless from any and all Claims to the extent caused by any of City's activities under this Agreement or by anyone directly or indirectly employed or contracted with by City and whether such Claims shall accrue or be discovered before or after termination of this Agreement.

8.3 Notices, Demands and Communications between the Parties. Any approval, disapproval, demand, document or other notice ("**Notice**") which either Party may desire to give to the other Party under this Agreement must be in writing and shall be given by certified mail, return receipt requested and postage prepaid, personal delivery, or reputable overnight courier (but not by facsimile or email), to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice.

To City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joseph D. Irvin, City Manager

To County: El Dorado County
Chief Administrative Office
330 Fair Lane
Placerville, CA 95667
Don Ashton, County Chief Administrative Officer

Any Notice shall be deemed received on the date of delivery if delivered by personal service, on the date of delivery or refused delivery as shown by the return receipt if sent by certified mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via nationally recognized overnight courier. Notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

8.4 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by either Party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; governmental restrictions or priority; litigation, including court delays; or unusually severe weather; acts or omissions of the other Party. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if Notice by the Party claiming such extension is sent to the other Party within 30 days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and County.

8.5 Relationship between City and County. It is hereby acknowledged that the relationship between City and County is not that of a joint venture and that City and County shall not be deemed or construed for any purpose to be the agent of the other.

8.6 **Approvals and Actions.** Whenever a reference is made herein to an action or approval to be undertaken by either Party, the City Manager of City or County Chief Administrative Officer of County, as applicable, or his or her designee is authorized to act on behalf of such Party, unless specifically provided otherwise or the context requires otherwise.

8.7 **Counterparts.** This Agreement may be signed in multiple counterparts each of which shall be deemed to be an original.

8.8 **Integration.** This Agreement, including the exhibits hereto, contain the entire understanding between the Parties relating to the transactions contemplated by this Agreement. Each Party is entering this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such Party deems material.

8.9 **Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. References to section numbers are to sections in this Agreement, unless expressly stated otherwise. References to specific section numbers shall include all subsections which follow the referenced section.

8.10 **Interpretation.** As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The words "include" and "including" shall be construed as if followed by the words "without limitation." The Parties acknowledge that each Party and his, her or its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either Party in connection with this Agreement.

8.11 **Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

8.12 **Severability.** If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

8.13 **Computation of Time.** The time in which any act is to be done under this Agreement is computed by excluding the first day, and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Sections 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

8.14 **Legal Advice.** Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from

their respective legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement.

8.15 **Time of Essence.** Time is expressly made of the essence with respect to the performance by City and County of each and every obligation and condition of this Agreement.

8.16 **Mutual Cooperation.** Each Party agrees to cooperate with the other to implement the terms and conditions of this Agreement and, in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement.

8.17 **Conflicts of Interest.** No member, official or employee of County or City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

8.18 **Non-liability of Officials and Employees.** No member, official or employee of either Party shall be personally liable to the other Party, in the event of any Default, breach or for any amount which may become due, or on any obligations under the terms of this Agreement. Each Party hereby waives and releases any claim it may have against the members, officials or employees of the other Party with respect to any Default, breach or for any amount which may become due under the terms of this Agreement.

8.19 **Applicable Law.** The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

6.20 **Contract Administrators.** The County officer or employee with responsibility for administration of this Agreement is Don Ashton, Chief Administrative Officer, or successor. The City officer or employee for responsibility for administration of this Lease is Joe Irvin, City Manager, or successor.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY:

CITY OF SOUTH LAKE TAHOE, a
municipal corporation

By: _____
Mayor

APPROVED AS TO FORM:

By: _____
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

COUNTY:

EL DORADO COUNTY, a political
subdivision of the State of California

By: _____
Chair, Board of Supervisors

ATTEST:

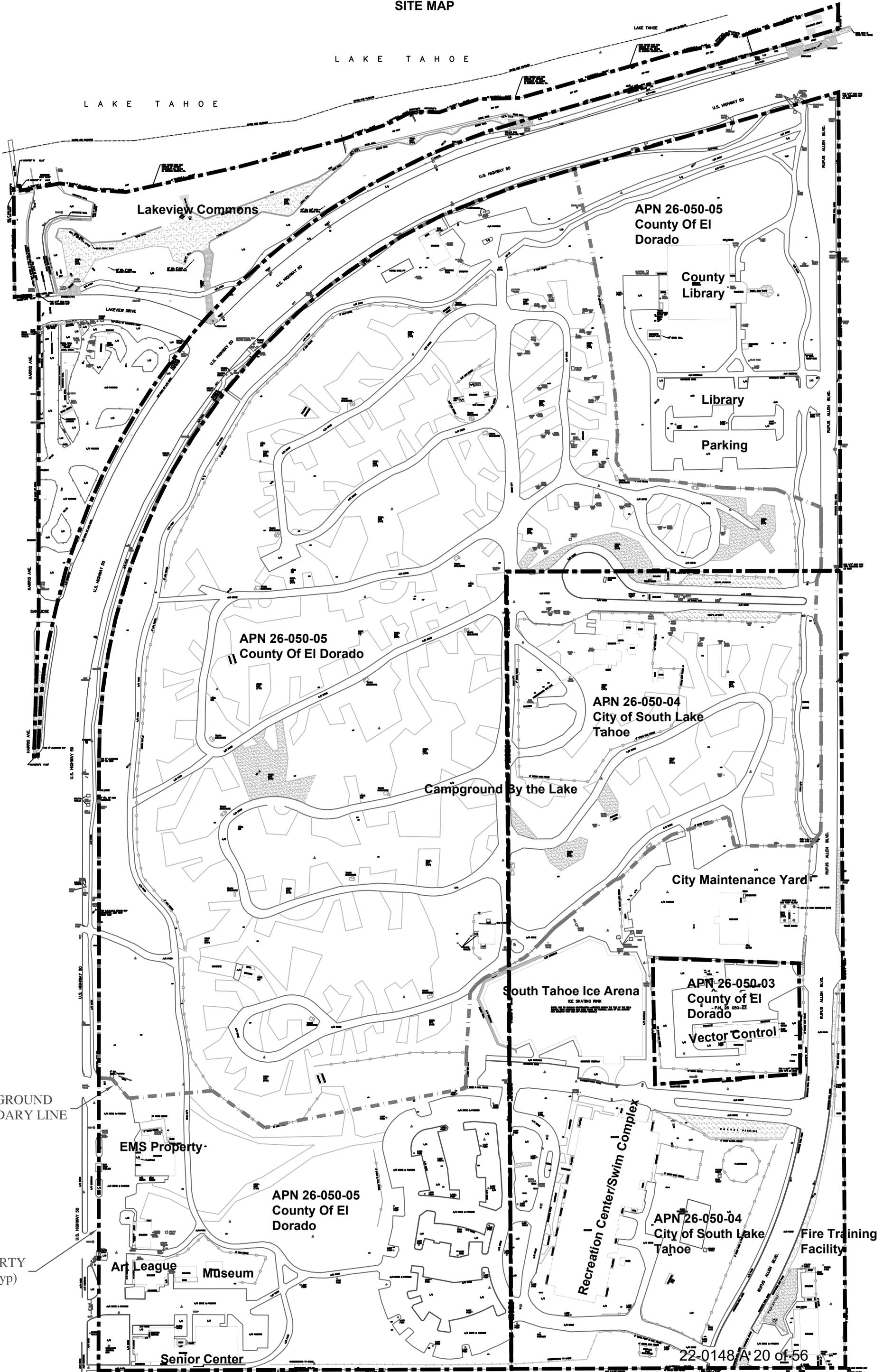
Kim Dawson
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

EXHIBIT A
SITE MAP

LAKE TAHOE

LAKE TAHOE



CAMPGROUND
BOUNDARY LINE

PROPERTY
LINE (typ)

EXHIBIT B
MASTER PLAN



EXHIBIT C

CITY TRANSFER PROPERTY GRANT DEED

Recorded at the Request of and
When Recorded Mail to:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joe Irvin, City Manager

Document Entitled to Free
Recordation Pursuant to
Government Code Section 27383
NO TAX DUE

**GRANT DEED
(EL DORADO COUNTY TO CITY OF SOUTH LAKE TAHOE)**

WHEREAS, the City of South Lake Tahoe, a municipal corporation (“City”) and El Dorado County, a political subdivision of the State of California (“County”) have entered into that certain Agreement for Development, Operation and Maintenance of the 56-Acre Property dated _____ to set forth the terms and conditions relating to among other things (1) the amendment and restatement of a series of prior agreements regarding the lease and development of certain real property located within the County and City referred to as the 56-Acre Property; (2) City and County transfers of certain City and County-owned property to effectuate development of the 56-Acre Property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with a City-approved Master Plan; and (4) County’s use of certain portions of the 56-Acre Property (the “56-Acre Agreement”); and

WHEREAS, pursuant to the 56-Acre Agreement, County has agreed to transfer to City an approximately 10.2-acre site for the purpose of development and construction of a new Multi-Generational Center, civic center, and parking lot, and an approximately 4.8 acre site to be used as a right-of-way, in exchange for the City’s grant to County of an approximately 11.45 acre site for County governmental or recreational use.

NOW THEREFORE, the County does hereby grant to City, any and all right, title and interest in the real property located in the County of El Dorado, designated as APN _____ and more particularly described in **Attachment 1** attached hereto (“Property”) for public use. The Property shall be used for public use. Private residential, commercial, or industrial uses shall not be permitted; provided, however, that commercial uses clearly subservient and accessory to a public use shall be permitted. In the event the Property is not

used for public use as provided herein, title and interest to the Property shall revert to the County.

Executed this _____ day of _____, 202__.

COUNTY:

EL DORADO COUNTY, a political
subdivision of the State of California

By: _____

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by Grant Deed dated _____, from the County of El Dorado to the City of South Lake Tahoe (“City”) is hereby accepted by the undersigned officer or agent on behalf of the City pursuant to the authority conferred by Resolution No. _____, adopted by the City Council on _____, and the grantee consents to the recordation of the Grant Deed on behalf of the City.

Dated: _____

CITY:

CITY OF SOUTH LAKE TAHOE, a
municipal corporation

By: _____

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

[to be inserted]

EXHIBIT D

EXISTING RECREATION SITE GRANT DEED

Recorded at the Request of and
When Recorded Mail to:

El Dorado County

Attention: _____

Document Entitled to Free
Recordation Pursuant to
Government Code Section 27383
NO TAX DUE

**GRANT DEED
(CITY OF SOUTH LAKE TAHOE TO EL DORADO COUNTY)**

WHEREAS, the City of South Lake Tahoe, a municipal corporation (“City”) and El Dorado County, a political subdivision of the State of California (“County”) have entered into that certain Agreement for Development, Operation and Maintenance of the 56-Acre Property dated _____ to set forth the terms and conditions relating to among other things (1) the amendment and restatement of a series of prior agreements regarding the lease and development of certain real property located within the County and City referred to as the 56-Acre Property; (2) City and County transfers of certain City and County-owned property to effectuate development of the 56-Acre Property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with a City-approved Master Plan; and (4) County’s use of certain portions of the 56-Acre Property (the “56-Acre Agreement”); and

WHEREAS, pursuant to the 56-Acre Agreement, City has agreed to grant to County an approximately 11.45 acre site for County governmental or recreational use, in exchange for County’s grant to City of an approximately 10.2-acre site for the purpose of development and construction of a new Multi-Generational Center, civic center, and parking lot, and an approximately 4.8 acre site to be used as a right-of-way.

NOW THEREFORE, the City does hereby grant to the County, any and all right, title and interest in the real property located in El Dorado County, designated as APN _____ and more particularly described in **Attachment 1** attached hereto. The Property shall be used for public use. Private residential, commercial, or industrial uses shall not be permitted; provided, however, that commercial uses clearly subservient and accessory to a public use shall be permitted. In the event the Property is not used for public use as provided herein, title and interest to the Property shall revert to the City.

Executed this _____ day of _____, 202__.

CITY:

CITY OF SOUTH LAKE TAHOE, a
municipal corporation

By: _____

APPROVED AS TO FORM:

By: _____
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by Grant Deed dated _____, from the City of South Lake Tahoe (“City”) to El Dorado County (“County”), a political subdivision of the State of California, is hereby accepted by order of the County Board of Supervisors on _____, and the grantee consents to the recordation of the Grant Deed by its duly authorized officer on behalf of the County.

Dated: _____

COUNTY:

EL DORADO COUNTY, a political
subdivision of the State of California

By: _____
Chair, Board of Supervisors

ATTEST:

Kim Dawson
Clerk of the Board of Supervisors

By:
Deputy Clerk

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

[to be inserted]

EXHIBIT E

FORM OF VECTOR CONTROL PROPERTY GRANT DEED

Recorded at the Request of and
When Recorded Mail to:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joe Irvin, City Manager

Document Entitled to Free
Recordation Pursuant to
Government Code Section 27383
NO TAX DUE

**GRANT DEED
(EL DORADO COUNTY TO CITY OF SOUTH LAKE TAHOE)**

WHEREAS, the City of South Lake Tahoe, a municipal corporation (“City”) and El Dorado County, a political subdivision of the State of California (“County”) have entered into that certain Agreement for Development, Operation and Maintenance of the 56-Acre Property dated _____ to set forth the terms and conditions relating to among other things (1) the amendment and restatement of a series of prior agreements regarding the lease and development of certain real property located within the County and City referred to as the 56-Acre Property; (2) City and County transfers of certain City and County-owned property to effectuate development of the 56-Acre Property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with a City-approved Master Plan; and (4) County’s use of certain portions of the 56-Acre Property (the “56-Acre Agreement”); and

WHEREAS, pursuant to the 56-Acre Agreement, County has agreed to transfer to City an approximately one-acre site for public use.

NOW THEREFORE, the County does hereby grant to City, any and all right, title and interest in the real property located in the County of El Dorado, designated as APN _____ and more particularly described in **Attachment 1** attached hereto (“Property”) for public use. The Property shall be used for public use. Private residential, commercial, or industrial uses shall not be permitted; provided, however, that commercial uses clearly subservient and accessory to a public use shall be permitted. In the event the Property is not used for public use as provided herein, title and interest to the Property shall revert to the County.

Executed this _____ day of _____, 202__.

COUNTY:

EL DORADO COUNTY, a political
subdivision of the State of California

By: _____
Chair, Board of Supervisors

ATTEST:

Kim Dawson
Clerk of the Board of Supervisors

By:

**Deputy Clerk ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR
CALIFORNIA**

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by Grant Deed dated _____, 202_____, from the County of El Dorado to the City of South Lake Tahoe (“City”) is hereby accepted by the undersigned officer or agent on behalf of the City pursuant to the authority conferred by Resolution No. __, adopted by the City Council on _____, and the grantee consents to the recordation of the Grant Deed on behalf of the City.

Dated: _____, 202_____

CITY:

CITY OF SOUTH LAKE TAHOE, a
municipal corporation

By:_____

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

[to be inserted]

EXHIBIT F
FORM OF LEASE

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joe Irvin, City Manager

**Exempt from Recording Fees
Per Government Code Section 27383**

Space above this line for Recorder's use only.

GROUND LEASE

This GROUND LEASE (the "**Lease**"), dated as of _____ ("**Effective Date**"), is made and entered into by and between the City of South Lake Tahoe, a California municipal corporation ("**City**"), and El Dorado County, a political subdivision of the State of California ("**County**"). County and City may each be referred to as a "**Party**" or collectively as the "**Parties.**"

RECITALS

A. County and City have entered into various agreements over the last few decades to provide for the County's lease to City of certain property on a portion of the site known as the 56-Acre Property and the construction of various facilities on the leased property. The original Lease of Real Property between the County and City was dated July 1, 1968, and thereafter replaced with a new lease and series of amendments as follows: (1) Lease of Real Property between the County and City dated December 12, 1972; (2) Amendment to Lease of Real Property dated December 9, 1986; (3) Amendment to Lease of Real Property dated April 14, 1987; (5) Amendment to Lease of Real Property dated January 26, 2010; (4) Memorandum of Understanding Between the County of El Dorado and the City of South Lake Tahoe for the Construction of the El Dorado Beach Improvement Project in the South Lake Tahoe Recreational Area ("**Beach Improvement MOU**"); and (5) Amendment 1 to the Beach Improvement MOU dated April 17, 2014 " (collectively, the "**Original 56-Acre Agreements**"). In addition, the City and County entered into a Facility Use Agreement, dated February 15, 2012 for the County's use of a portion of the City's leased property (collectively, the "**Existing Use Agreement**").

B. The City has subleased certain portions of the Original County Property pursuant to the following lease agreements: (1) Lease Agreement between the City of South Lake Tahoe and the South Lake Chamber of Commerce dated April 4, 2006; and (2) a Lease Agreement between the City of South Lake Tahoe and the Tahoe Art League dated May 7, 2012 ("**Existing City Subleases**"). In addition, City has entered into a Sublease Agreement between the California Tahoe Emergency Services Operations Authority, dated February 11, 2020 ("**EMS Sublease**").

C. City and County have negotiated and entered into that certain Agreement for Development, Operation and Maintenance of the 56-Acre Property dated _____ (the “**New 56-Acre Agreement**”) to set forth the terms and conditions relating to (1) the amendment and restatement of the Original 56-Acre Agreements; (2) City and County transfers of certain City and County-owned property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with the Master Plan; and (4) County’s use of certain portions of the 56-Acre Property.

D. In connection with consideration of the Master Plan and the New 56-Acre Agreement, the City completed review under the California Environmental Quality Act (“**CEQA**”) and prepared a Mitigated Negative Declaration.

E. Pursuant to the terms of the New 56-Acre Agreement, County desires to ground lease the property described and depicted in Attachment 1 to this Lease (“**Leased Property**”) to City, subject to the terms and conditions of this Lease.

NOW, THEREFORE, with reference to these Recitals and on the terms and conditions contained in this Lease, City and County agree as follows:

ARTICLE I
LEASE OF PREMISES

1.1 Property. County leases to City, and City leases from County, the Leased Property. County and City acknowledge that all buildings and improvements currently located on the Leased Property constructed by City are and remain the sole property of City. City shall have no rights to subsurface minerals, petroleum, and other hydrocarbon substances, and County expressly reserves all of its rights to same.

1.2 Existing Recreation Center Site. City shall demolish the existing recreation center on the Leased Property upon the completion of the new Multi-Generational Center pursuant to the terms and conditions of the New 56-Acre Agreement.

1.3 As-Is Conveyance. City specifically acknowledges and agrees that County is leasing the Leased Property on an “as is with all faults” basis, condition and state of repair inclusive of all faults and defects, whether known or unknown, as may exist as of the Effective Date.

ARTICLE II
IMPROVEMENTS

2.1 Improvements. City shall have the sole authority over the development, operation and use of the Leased Property, and may determine, in its sole and absolute discretion, the type and nature of any and all improvements to be located on the Leased Property, subject to the use requirements in Section 5.1 below. The City authority described herein shall include the sole responsibility for the development, construction, operation and maintenance of all existing and new improvements on the Leased Property. County and City staff shall work cooperatively in the development, construction, operation and maintenance of the Leased Property. All improvements shall be constructed in accordance with all applicable laws and regulations. In a

manner consistent with the Master Plan, in developing the Leased Property, the City shall endeavor to adequately preserve all historically-significant buildings currently located on the Leased Property and to locate and design any new recreational or government facilities in a manner that is complementary to the historically-significant buildings as identified in the Master Plan.

2.2 Maintenance by City. Throughout the Term of this Lease, City shall have the duty to alter, rectify, correct, or replace any defective or dilapidated condition on the Leased Property at its sole cost and expense, including keeping and maintaining any and all existing and new facilities and improvements on the Leased Property in good order, condition and repair and in a safe and sanitary condition in compliance with all applicable laws in all material respects, and making all necessary repairs, including nonstructural and structural repairs, abatement, alterations, improvements, or additions to the Leased Property required to be made by law, statute, ordinance, order, or regulation now or hereafter made or issued by any federal, state, county, local, or other governmental agency or entity, except in the event of Loss or Damage pursuant to Article VII below. City specifically acknowledges and agrees that County does not have and shall not have any obligations with respect to the maintenance of the facilities and improvements on the Leased Property, except to the extent of County's negligent actions or omissions. City and County will meet and confer to address issues identified in a facility assessment study to be conducted by the County on the Leased Property.

2.3 Liens and Stop Notices. City shall keep the Leased Property free and clear of all stop notices, mechanics' liens and other liens on account of any improvements constructed by or for City. City shall indemnify and save County harmless against liability, loss, damages, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished to City or persons claiming under it. If a claim of a lien or stop notice is given or recorded affecting County's interest in the Leased Property, City shall within 30 days of notice of such recording or service: (a) pay and discharge the same; (b) effect the release thereof by recording and delivering to County a lien release bond in customary form and amount which results in the removal of such lien from the Leased Property; or (c) otherwise obtain or effect the release thereof.

2.4 Title to Improvements.

a. City shall have title to and ownership of any and all improvements and facilities constructed on the Leased Property by City under this Lease.

b. Upon the expiration or earlier termination of this Lease, City and County shall meet and confer to coordinate and agree to terms regarding the ownership and/or removal or replacement of the improvements and facilities located on the Leased Property.

ARTICLE III
TERM

3.1 Term. The term of this Lease shall be for fifty (50) years from the Effective Date (the "**Initial Term**"). The Lease shall be automatically extended on an annual basis up to a total

of ninety-nine (99) years. The Initial Term in addition to any automatic extensions pursuant to this Section 3.1 shall be referred to as the “**Term.**”

ARTICLE IV **MONETARY PROVISIONS**

4.1 Reserve Fund. City shall establish and maintain a reserve fund (“**Reserve Fund**”) for the purpose of paying for the cost of repairs, replacements, renovations, or upgrades to the Leased Property (“**Replacement Expenditures**”). Commencing three months after the Effective Date, and quarterly thereafter, City shall set aside and deposit into the Reserve Fund an amount equal to (i) the fees generated from the campground on the Leased Property, and (ii) two percent (2%) of the total asset value of all of the facilities on the 56-Acre Property (excluding the ice arena) (“**Set-Aside Amount**”). All interest and earnings on the Reserve Fund shall be added to the Reserve Fund. If the Net Operating Profits, as defined in Section 4.2(a) below, are less than the Set-Aside Amount in any given year, neither City nor County are obligated to provide additional funds to the Reserve Fund. Replacement Expenditures shall include general repair and replacement, renovations and upgrades, and major capital improvement projects. Replacement Expenditures shall not include periodic, recurring, or routine maintenance that keep facilities in an ordinarily efficient operating condition. City shall provide County with an annual report no later than June 30 of each fiscal year documenting the annual Net Operating Profits, the balance of the Reserve Fund, and how the funds have been used and allocated to Replacement Expenditures. City and County shall meet at least once a year to review the Reserve Fund and discuss and prioritize projects to be funded, including without limitation, an expenditure plan detailing the amount and purpose of Replacement Expenditures for the upcoming year, and any changes as may reasonably be necessary to the Set-Aside Amount. The City will maintain and manage the Reserve Fund. In the event of early termination of this Lease pursuant to Section 9.4, City and County shall meet and confer to discuss the management and use of the Reserve Fund.

4.2 Rent. City shall pay to County during the Term the following amounts (“**Rent**”):

a. Net Operating Profits. City shall pay County an amount equal to 50 percent (50%) of the Net Operating Profits that remain after the City funds the Reserve Fund as set forth in Section 4.1(a) above. Net Operating Profits shall be calculated as the amount received by the City from all revenues generated from any source for use and rent of the 56-Acre Property, excluding the ice arena, but including without limitation, campground, facilities at Lakeview Commons, existing and new facilities, activities or special events (including outdoor camps or other programs) associated with existing and new facilities, minus all City costs to operate, maintain and refurbish such facilities, including all staff costs, operating expenses, and any taxes or assessments paid (excluding campground capital improvement expenses funded by special campground infrastructure fees). Payments shall be made quarterly with the first payment due three months after the Effective Date. City shall deliver to County a reasonably detailed accounting of the Net Operating Profits with every quarterly payment made under this subsection (a), together with copies of such information as County may reasonably request. City shall maintain accurate books and records regarding City’s profits and costs and expenses; and County shall have the right from time to time to inspect such books and records during normal business hours.

b. Additional Rent. Beginning the later of (i) 30 years after the Effective Date, or (ii) upon the full retirement or payment of any City-issued original debt to fund the development and construction of a New Multi-Generational Center, City shall pay the Additional Rent Payment (as defined below) to County on an annual basis. If the Additional Rent Payment becomes due under subsection (i) above, the first Additional Rent Payment shall be due on or before the 31st anniversary date of the Effective Date. If the Additional Rent Payment becomes due under subsection (ii) above, the first Additional Rent Payment shall be due on or before the next anniversary of the Effective Date after the full retirement or payment of City-issued original debt and shall be pro-rated based on the percentage of the year remaining after such repayment. Thereafter, the Additional Rent Payment shall be paid annually on or before the anniversary date of the Effective Date. The Additional Rent Payment is equal to \$200,000, adjusted based on the annual change in the Consumer Price Index, All Items, West Region, published by the United States Bureau of Statistics. The Consumer Price Index adjustment for the Additional Rent Payment will commence upon the Effective Date and continue annually for the Term of this Lease. Should said index either cease to exist or be modified so that it no longer performs its prior function, the Parties will meet and confer in order to determine a replacement index that most closely approximates said index.

4.3 Use of Rent Proceeds. The County agrees to spend all Rent received on County infrastructure and services in the Tahoe Basin area of El Dorado County, including, but not limited to, roads, trails, facilities, and utilities. County shall create a restricted fund for all Rent for tracking purposes. County shall provide City with an annual report no later than June 30 of each fiscal year documenting the Rent received, the balance of the restricted fund account, and how the funds have been used and allocated. City and County shall discuss the use of Rent as provided herein at the annual coordination meeting on use of the Reserve Fund. County has sole discretion to determine the use and allocation of the Rent but will consider the City's input on the infrastructure and services that will be funded by the Rent proceeds.

4.4 Property Taxes and Assessments. At all times during the Term, City agrees to pay in a timely manner all taxes, assessments, fees, and charges that at any time during the Term may be levied or charged by the federal government, the state or any other tax or assessment levying body on any activity carried on under this Lease, any interest in this Lease, any possessory right that City may have in or to the Leased Property, or that is levied and assessed against the land that comprises the Leased Property and all improvements on the Leased Property. City, at no cost to County, reasonably may contest the legal validity or amount of any such taxes, assessments, or charges for which City is responsible, and institute such proceedings as City considers necessary.

4.5 Utilities. City, at its cost, shall be responsible for arranging for all utilities to be provided to the Property that are required for City's use. Each Party shall be responsible for paying all charges for its use of water, gas, electricity, telephone, sewage, refuse, and any other utilities or materials used or consumed on the Property directly to the party providing such utilities or services.

ARTICLE V
USE OF THE PREMISES

5.1 Use. The City shall develop, operate and maintain the Leased Property for recreation and government facilities, with primary emphasis on recreation, to serve the residents and visitors of South Lake Tahoe and El Dorado County. In the event City desires to use the Leased Property for any use other than set forth in this Section 5.1, City may submit a written request for a use exception to the County. County shall consider such request in its reasonable discretion and respond in writing to City within 30 days of receipt of the request.

5.2 County Use of Senior Center Facility. Upon the completion of the New Multi-Generational Center, County, at its option, may elect to continue providing older adult programs at the existing Senior Center facility. In the event County exercises this option, City and County shall meet and confer to coordinate and agree to terms regarding County's continued use of the existing Senior Center facility.

5.3 County Resident Use. The City shall allow residents of El Dorado County that do not reside within the City limits to use existing and new recreation facilities on the Property under the same policies and fee schedule applicable to City residents.

5.4 Compliance with Laws. City shall, at City's sole cost, promptly comply with all federal, state and local laws, ordinances and regulations ("**Laws**"), including Laws regarding Hazardous Materials as defined below, and with the requirements of any governmental authority having jurisdiction over the Leased Property, relating to or affecting the Leased Property or the development, condition, or use of the Leased Property, including the obligation to make improvements, repairs, and alterations required by such Laws, regardless of the cost thereof, at what point in time during the Term compliance is required, and whether such compliance was foreseen or unforeseen. "**Hazardous Materials**" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including any material or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) friable asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (42 U.S.C. §6903); or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response,

Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

ARTICLE VI **INSURANCE**

6.1 **Insurance Required of City.** During the Term, City shall provide, at its cost and expense, the following forms and amounts of insurance with respect to the Leased Property or such equivalent amounts through an insurance pool. Such insurance shall be primary to and not contributing with any other insurance, self-insurance, or joint self-insurance maintained by the County, shall name the County and its officers, officials and employees as additional insureds, and shall include, but not be limited to:

a. Fire and Extended Coverage Insurance in All Risk form, with vandalism and malicious mischief endorsements, covering the Property and the improvements against loss or damage in an amount equal to not less than 100% of the replacement cost of the improvements.

b. Broad Form Commercial General Liability Insurance protecting City against claims for bodily injury, personal injury and property damage based upon, or arising out of, the ownership, use, occupancy or maintenance, directly or indirectly, of the Leased Property or improvements located thereon and all areas appurtenant thereto. Such insurance shall be written on an “occurrence” policy form providing single limit coverage in an initial amount of not less than \$2,000,000 per occurrence and umbrella/excess liability insurance in not less than an initial amount of \$5,000,000.

c. Auto Liability Insurance endorsed for all owned and non-owned vehicles in the initial amount of \$2,000,000, combined single limit.

d. Worker’s Compensation Insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California.

6.2 **City’s Consultants, Contractors and Subcontractors.** City shall require its consultants, contractors and subcontractors to maintain in force and effect worker’s compensation and such other employee, general liability and property insurance as is customary for similar construction projects. Other than worker’s compensation insurance, County and its officers, officials and employees shall be named as additional insureds on all such insurance and City shall provide certificates of insurance confirming such additional insured status prior to commencement of any construction work.

ARTICLE VII **LOSS OR DAMAGE TO PROPERTY**

7.1 **General.** No loss or damage by fire, earthquake, flood or any other cause resulting in either partial or total destruction of the improvements located on the Leased Property, including any fixtures, personal property, equipment or machinery used or intended to be used in connection with the Leased Property shall operate to terminate this Lease or to relieve or discharge City from the payment of any Rent. City may, but is not required to, repair,

reconstruct, and/or replace or cause to be repaired, reconstructed and/or replaced any improvements, including any fixtures or personal property used or intended to be used in connection with the Leased Property, in its sole discretion, provided that any insurance proceeds will be applied to the repair, reconstruction and/or replacement of the insured improvements.

7.2 Meet and Confer. In the event of partial or total destruction pursuant to Section 7.1 above, the Parties shall meet and confer to discuss the replacement of improvements and use of the Leased Property.

ARTICLE VIII **ASSIGNMENT**

8.1 Assignment Provisions. The qualifications and identity of City are of particular concern to County and material considerations for entering into this Lease. City shall not mortgage, pledge, hypothecate, encumber, transfer, sublease, or assign City's interest in the Leased Property or any part or portion thereof (hereinafter collectively referred to as "Transfer") without the prior written consent of County, which consent may withhold in its reasonable discretion, except as provided herein. County hereby preapproves the Existing County Subleases and any subleases to other government entities and local community non-profits, which shall not require consent by County pursuant to this Section 8.1. In the event that County sells or transfer all or any portion of the Leased Property, it shall assign its rights and obligations under the Lease.

8.2 Notice of Assignment. City shall provide County with written notice of the proposed Transfer, together with a term sheet identifying the proposed assignee or subtenant, its use of the premises, the purchase price to be paid assignment of the Lease or rental rate for the sublease, at least ninety (90) days prior to the proposed effective date of the Transfer. County shall, no later than ninety (90) days after receipt of the information specified above, deliver written notice to City which shall indicate whether County give or withhold consent to the proposed Transfer. If consent is withheld, County shall set forth a detailed explanation of the basis for withholding consent. Should County consent to any Transfer, such consent and approval shall not constitute a waiver of any of the terms, conditions, covenants, restrictions or reservations of this Lease nor be construed as County's consent to any further Transfer. Any document regarding the Transfer of the Leased Property or any part thereof shall not be inconsistent with the provisions of this Lease and in the event of such inconsistency, the provisions of this Lease shall control.

ARTICLE IX **DEFAULT; REMEDIES; TERMINATION**

9.1 Remedies. If City at any time shall be in default in the payment of Rent or any other monetary sum called for by this Lease, or if either Party at any time shall be in default in the keeping and performing of any of its other covenants or agreements in this Lease, the non-defaulting Party shall provide written notice thereof to the alleged defaulting Party specifying the particulars of such default ("**Notice of Default**"). If the non-payment of Rent continues for 30 days after City's receipt of Notice of Default or any other alleged default continues for 60 days after a Notice of Default, or if such other default is of a nature that curing the default will take

more than 60 days and the alleged defaulting Party has failed to commence to cure the default within 60 days and diligently pursue completion of such cure, then such Party shall be in “**Default**” under this Lease.

9.2 Dispute Resolution. In the event of a Default, the Parties shall promptly meet in an effort to resolve the issues raised. If the Parties fail to resolve the issues raised, mediation may be pursued by mutual agreement. It is the intent of the Parties to the extent possible that litigation be avoided as a method of dispute resolution.

9.3 Institution of Legal Actions. In the event that dispute resolution does not resolve a Default, the non-defaulting Party may file a legal action to pursue specific performance or injunctive relief. Such legal actions must be instituted in the Superior Court of the County of El Dorado, State of California, or in the Federal District Court for the Eastern District of the State of California. Neither Party shall have the right to recover any consequential, punitive or special damages.

9.4 Termination. This Lease may be terminated by mutual consent of the Parties.

ARTICLE X **INDEMNITY**

10.1 City’s Indemnity. City shall indemnify, defend, protect and hold County and its officers, employees, agents and representatives, harmless from any and all liabilities, obligations, orders, claims, damages, fines, penalties and expenses, including attorneys’ fees and costs (“**Claims**”) to the extent arising from or in connection with (a) any condition created in or about the Property during the Term; (b) any breach, violation, or nonperformance of any term, condition, covenant, or other obligation of City under this Lease; and (c) any liens or encumbrances on the Leased Property arising out of any work performed or materials furnished by or for City.

ARTICLE XI **MISCELLANEOUS PROVISIONS**

11.1 Holding Over. If City shall hold over the Leased Property after the expiration of the Term with the consent of County, either express or implied, such holding over shall be construed to be a tenancy from month to month subject to all the covenants, conditions and obligations contained in this Lease. City hereby agrees to continue payment of all monetary sums (such as taxes, insurance, etc.) which are the City’s obligation under this Lease.

11.2 Quiet Possession. County agrees that City, upon paying the Rent and performing the covenants and conditions of this Lease, shall quietly have, hold and enjoy the Leased Property throughout the Term. County warrants to City that as of the Effective Date there are no existing tenancies on the Property.

11.3 Annual Review. The Parties shall meet at least once a year to review the status of the terms of the Leased and to ensure adequate communication and to strengthen the relationship between the Parties. Prior to the annual meeting date, each Party shall submit to the other Party a

written update on its compliance with the terms and obligations of this Lease. As part of such written update, County shall provide City with an accounting pursuant to Section 4.2 above.

11.4 Mutual Cooperation. Each Party agrees to cooperate with the other to implement the terms and conditions of this Lease and, in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Lease.

11.5 Notices. Any notice to be given or other document to be delivered by either Party to the other hereunder shall be in writing and delivered to either Party personally or by depositing same in the United States mail, duly certified, with postage thereon fully prepaid and addressed to the Party for whom intended, as follows:

To City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joseph D. Irvin, City Manager

To County: El Dorado County
Chief Administrative Office
330 Fair Lane
Placerville, CA 95667
Don Ashton, County Chief Administrative Officer

Either Party hereto, from time to time by written notice to the other Party, may designate a different address which shall be substituted for the one above specified. Notices shall be effective when received. Any notice or other document sent by certified mail, as aforesaid, shall be deemed received 72 hours after the mailing thereof, as above provided.

11.6 Waiver. No waiver of any breach of any of the terms, covenants, agreement, restrictions or conditions of this Lease shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof.

11.7 Binding. Subject to the restrictions set forth herein regarding assignment, each of the terms, covenants and conditions of this Lease shall extend to and be binding on and shall inure to the benefit of not only County and City but to each of their respective heirs, administrators, executors, successors and assigns.

11.8 No Joint Venture. The relationship of the Parties hereto is that of landlord and tenant, and it is expressly understood and agreed that County does not in any way or for any purpose become a partner of City or a joint venturer with City in the conduct of City's business or otherwise.

11.9 Interpretation. The titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of the Lease.

11.10 Covenants and Conditions. Each term and each provision to be performed by City or County, as the case may be, shall be construed to be both a covenant and a condition of this Lease.

11.11 Non-liability of Officials and Employees. No member, official or employee of either Party shall be personally liable to the other Party, in the event of any Default or breach or for any amount which may become due, or on any obligations under the terms of this Lease. Each Party hereby waives and releases any claim it may have against the members, officials or employees of the other Party with respect to any Default or breach or for any amount which may become due under the terms of this Lease.

11.12 Full Knowledge of Signatories. Each Party represents and warrants to the other the following: they have carefully read this Lease, and in signing this Lease, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Lease; and, they have freely signed this Lease without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Lease.

11.13 Integration. This Lease, together with the exhibits incorporated by reference, constitutes the entire agreement between the Parties as to the ground lease of the Leased Property and there are no conditions, representations or agreements regarding the matters covered by this Lease which are not expressed herein.

11.14 Restatement. This Lease amends and restates the Original County Leases in their entirety. As of the date of execution, the Original County Leases are of no further force and effect.

11.15 Amendments. This Lease may only be amended in writing signed by the Parties.

11.16 Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Lease shall be deemed executed when each Party notifies the other in writing that a counterpart has been signed by the notifying Party.

11.17 Contract Administrators. The County officer or employee with responsibility for administration of this Lease is Don Ashton, Chief Administrative Officer, or successor. The City officer or employee for responsibility for administration of this Lease is Joe Irvin, City Manager, or successor.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

CITY:
CITY OF SOUTH LAKE TAHOE, a
municipal corporation

COUNTY:
EL DORADO COUNTY, a political subdivision of
the State of California

By: _____

By: _____

Mayor

Chair, Board of County Supervisors

APPROVED AS TO FORM:

By: _____
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

[to be inserted]

EXHIBIT G

FORM AMENDMENT TO GRANT DEED

Recorded at the Request of and
When Recorded Mail to:

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150
Attention: Joe Irvin, City Manager

Document Entitled to Free
Recordation Pursuant to
Government Code Section 27383
NO TAX DUE

**AMENDMENT TO GRANT DEED
(EL DORADO COUNTY TO CITY OF SOUTH LAKE TAHOE)**

WHEREAS, the County of El Dorado granted and conveyed certain real property that consists of a portion of the property known as the 56-Acre Property to the City of South Lake Tahoe by Grant Deed dated April 17, 1973, and recorded in the Official Records of El Dorado County in Book 1189, at Page 88 (“Original Grant Deed”); and

WHEREAS, the Original Grant Deed includes a list of six restrictions that range from requiring the property granted therein to be used for certain public uses to a limit on the square footage of impervious surface on the property (the “Restrictions”); and

WHEREAS, the City of South Lake Tahoe, a municipal corporation (“City”) and El Dorado County, a political subdivision of the State of California (“County”) have entered into that certain Agreement for Development, Operation and Maintenance of the 56-Acre Property dated _____ to set forth the terms and conditions relating to among other things (1) the amendment and restatement of a series of prior agreements regarding the lease and development of certain real property located within the County and City referred to as the 56-Acre Property; (2) City and County transfers of certain City and County-owned property to effectuate development of the 56-Acre Property; (3) the lease of certain property to City for City’s ongoing development and use of the 56-Acre Property in accordance with a City-approved Master Plan; and (4) County’s use of certain portions of the 56-Acre Property (the “56-Acre Agreement”); and

WHEREAS, pursuant to the 56-Acre Agreement, County has agreed to transfer to City an approximately 10.2-acre site for the purpose of development and construction of a new Multi-

Generational Center, civic center, and parking lot, and an approximately 4.8 acre site to be used as a right-of-way, in exchange for the City's grant to County of an approximately 11.45 acre site for County governmental or recreational use.

NOW THEREFORE, the County and City hereby amend the Original Grant Deed to amend and restate the Restrictions with the following restriction: "That said real property shall be used solely and exclusively for public use. Private residential, commercial, or industrial uses shall not be permitted; provided, however, that commercial uses clearly subservient and accessory to a public use shall be permitted."

Executed this _____ day of _____, 202__.

CITY:

CITY OF SOUTH LAKE TAHOE, a
municipal corporation

By: _____
Mayor

COUNTY:

EL DORADO COUNTY, a political
subdivision of the State of California

By: _____
Chair of Board of County Supervisors

APPROVED AS TO FORM:

By: _____
Heather Stroud, City Attorney

ATTEST:

By: _____
Susan Blankenship, City Clerk

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g.

"Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

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 of Notary Public

