

TAHOE REGIONAL PLANNING AGENCY

2155 South Avenue

P O. Box 8896
South Lake Tahoe, California 95731

(916) 541-0246

February 26, 1985

Ernest Jones
Ernest Jones Associates, Ltd.
P. O. Box 10381
Zephyr Cove, NV 89448

Subject: Fallen Leaf Lodge Rehabilitation Project, El Dorado County, APN
21-410-11, TRPA File #79156

Dear Ernie:

On January 24, 1985, the Tahoe Regional Planning Agency Governing Board conditionally approved the subject project upon making the findings listed below. The conditions of that approval are those listed on Attachment D, except condition #19, plus the special conditions listed below.

Findings:

1. The findings required under Article V(9) of the Tahoe Regional Planning Compact, as set forth in Section 3.00 of TRPA Ordinance 84-1.
2. Changes or alterations have been required in or incorporated into the subject project which avoid or reduce the significant adverse environmental effects to a less than significant level.
3. The construction activity proposed in the stream environment zones and in the land capability Ia area is exempt from the prohibition on such activities under Section 12.62 and 13.31 of TRPA Ordinance 81-5. This finding is based on the determination that said construction activity is the minimum necessary to relocate an existing county road; all other feasible alternatives not involving construction within an SEZ have been exhausted, the construction is necessary to improve public recreation opportunities and the EIS prepared for the project concludes that implementation of the project will have a beneficial impact on water quality.
4. The findings required under the Preliminary Injunction, which are that the project will result in:
 - a. significant reductions in impervious coverage;
 - b. conversion of existing septic tanks to sewage treatment systems;

Exhibit B



- c. increased public access to Fallen Leaf Lake's beach area;
and
- d. upgrading of water quality treatment facilities to current standards of the Lake Tahoe Basin Water Quality Plan.
5. The stream zone restoration program that is part of this project is equivalent to the 1:1.5 restoration ratio set forth in the Goals and Policies Plan, Part 1.

Special Conditions:

1. The security required under standard condition 1b. shall be in an amount equal to 150% of the estimated costs to properly install all drainage and slope stabilization improvements and revegetate and restore the project site in accordance with the final construction drawing approved by Agency staff.
2. The offer of dedication for public access, as set forth in the April 25, 1983 letter signed by E. Clement Shuts, Jr. and addressed to Ms. Laura Hoover and James P. Dana, shall be recorded prior to issuance of the TRPA permit. Until and unless such offer is accepted, Fallen Leaf Lake Association shall be responsible to assure that free public access is maintained for the area generally identified as the public access area being approximately from the western edge of the public parking area to the eastern property line.
3. Public restroom facilities and trash dispensers shall be provided and maintained in the public access area.
4. The public parking area shall be available for public parking only and shall not be operated as an overflow area for cabin users. As such, no overnight parking shall be allowed.
5. Water conservation devices shall be used on all fixtures.
6. Water heaters shall not emit nitrogen oxides greater than 40 nanograms of nitrogen oxide (as NO_x) per joule of heat output at sea level.
7. Space heaters shall not emit greater than 40 nanograms of nitrogen oxides (as NO_x) per joule of useful heat delivered to the heated space at sea level.

8. Any stoves or fireplace inserts installed shall emit 15 grams or less of smoke per hour for non-catalytic wood heaters and 6 grams or less per for catalytic equipped heaters. As an alternative, stoves or inserts may be installed that meet the emission standards set by the State of Oregon. Such stoves or fireplace inserts shall be operated at all times in the mode for which emissions were certified.
9. All new utilities shall be underground and located with appropriate public utility easements.
10. Maintain a 100-foot non-building setback from Alpine Creek.
11. A phasing plan, identifying the construction phases of the proposed construction/rehabilitation, shall be submitted for approval by Agency staff prior to issuance of the TRPA permit. This phasing plan shall include a construction/inspection schedule including the following items:
 - a. When installation of temporary erosion control, and vegetation protection and construction site boundary fencing will occur;
 - b. When construction will start;
 - c. When all disturbed areas will be stabilized;
 - d. When initial grading will be completed;
 - e. When all construction slash and debris will be removed;
 - f. When driveways, parking areas and other paved surfaces will be paved;
 - g. When installation of permanent mechanical erosion control devices will occur;
 - h. When installation of permanent drainage improvements will occur;
 - i. When revegetation will occur;
 - j. When construction will be completed;
 - k. When the site will be winterized, if appropriate; and
 - l. Other information deemed necessary by Agency staff to assure compliance with the purpose of this Section as stated above.
12. The final construction drawings for each of the new cabins and other structures shall be subject to review and approval by Agency staff. Individual securities may be required for, and specific conditions of approval may be placed on each such approval. Such approvals by Agency staff shall not constitute a new project.
13. Construction materials and exterior colors of the proposed cabins and other structures shall be subject to final review and approval by Agency staff.

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14. Locations and details of all trash enclosures shall be subject to review and approval by Agency staff. Trash containers shall be properly screened from public view at all times.
15. All mitigation measures, as identified in the Final EIR/EIS, shall be implemented, as well as the following mitigation measures:
 - a. The final project alternative shall comply with all Agency regulations and the land capability system requirements.
 - b. All improvements shall be proposed and constructed in accordance with the Agency Handbook of Best Management Practices.
 - c. All disturbed areas currently contributing to erosion and sediment releases shall be restabilized and revegetated.
 - d. Provisions shall be made for a store and post office for use by the general public.
 - e. Provisions shall be made for retention of the marina, boat ramp, and a portion of the beach for public access and use. Restroom facilities shall be provided for these facilities. These facilities may be operated by a public agency.
 - f. All construction of private improvements shall be located to avoid encroachment into land capabilities districts 1 through 3 and stream environment zones.
 - g. All new units shall not exceed 1,000 square feet each of land coverage to be consistent with the assumptions under which the EIS was developed.
16. Approval by the Agency of this project shall expire 3 years after the date of Governing Board final action, unless construction is begun within that time and diligently pursued in accordance with the approved phasing plan and construction/inspection schedule, as may be modified by Agency staff. Construction of all civil, offsite improvements shall be completed within 24 months from the date that construction of the project commences, and all other improvements shall be completed within 60 months from the date that the civil, offsite improvements are completed. If construction is not completed within said time periods, this approval shall expire and the applicant or his successor in interest shall immediately remove all partially completed work and return the site, as far as possible, to its original condition. If the applicant or his successor in interest fails to do so, the Agency may have the work performed at the applicant's or his successor's in interest expense costs to constitute a lien against all the real property which is the subject of this approval. The security required under standard condition 1b. may be used by the Agency to have any of the work performed that may be required under this condition performed.

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17. The final alignment of the new county road shall be subject to review and approval by Agency staff. The final alignment shall be designed to avoid the removal of large trees and to minimize excavation.
18. The final location of each building site shall be subject to review and approval by Agency staff. The final location of each building site shall avoid the removal of large trees, where feasible.
19. Except for the county road, the paved surfaces within the project site shall not be cleared of snow during the months of November through May.
20. All material obtained from any excavation work that is not contained within foundations, retaining walls, or by other approved methods shall be removed from the subject parcel and disposed of at a TRPA approved location.
21. The applicant shall be fully responsible for any damage caused to trees or other vegetation. This responsibility shall be carried to all employees and subcontractors.
22. All work must be performed in such a manner that the project can be winterized within 24 hours.
23. During construction, environmental protection devices such as adequate erosion control devices, dust control and vegetation protection barriers shall be maintained at all times.
24. Excess debris and waste construction material shall be placed in a centralized area free from flooding or washout and shall be removed from the site as soon as possible.
25. Loose soil mounds or surfaces shall be protected from wind or water erosion by being appropriately covered when construction is not in active progress or in anticipation of a storm.
26. There shall be no grading or land disturbance to existing drainage areas other than as designated on the final construction drawings approved by Agency staff.
27. All excavated material shall be stored upgrate from the excavated areas. No material shall be stored in any stream environment zone.
28. No vehicles or heavy equipment shall be allowed in any stream environment zone, except as specifically authorized by Agency staff.

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19. No cleaning of equipment, including cement mixers, shall be permitted where the waste material can enter any stream environment zone or Lake Tahoe.
20. No filling or grading shall be permitted in any wet lands, stream environment zone or flood plain, other than as designated on the final construction drawings approved by Agency staff.
21. The length of open trenches (excluding foundation) at the end of each working day shall not exceed 50 feet.
22. Soil disturbed during the course of any construction shall be removed or protected from erosion onto adjacent lands.
23. Construction equipment shall be limited to the general area of building footprints, access ways, and utility lines within the area of actual construction. No vehicles shall pass over areas designated on plans submitted by the permittee to remain in a natural state.
24. Equipment of a size and type that, under prevailing site conditions, will do the least amount of damage to the environment shall be used.
25. Motor vehicles shall not be operated in wet lands, stream environment zones, or other fragile lands off designated highways, streets, trails, or other thoroughfares, or driveways in a manner that is damaging to the natural environment unless such operation is expressly authorized by Agency staff.
26. Construction equipment shall be limited to the actual area of construction according to approved plans and shall not be operated outside the designated area.
27. The TRPA staff shall be notified in writing at least one day before any work is started on any stream crossing.
28. No excavation or backfill will be permitted when snow is present or ground is frozen unless written permission is obtained from the TRPA.
29. All manholes in the area of auto or bicycle traffic shall be maintained within 1/2" of the finished pavement.
30. Rehabilitation and cleanup of the site following construction must include removal of all construction waste and debris and restoration of topography other than building footprint and driveway.

41. Mud shall not be tracked off the construction site or improved roads. Grading operations shall cease in the event that a danger of tracking mud offsite exists. The site shall be cleaned up and road right-of-way swept clean when necessary.
42. The TRPA shall be provided written notification when the work on the project is complete.
43. No work activity shall be allowed during any holiday which would adversely affect traffic on the adjacent roads.
44. At least one (1) parking space 12' wide shall be appropriately located and signed for the use of vehicles with handicapped persons. The location of said space shall be approved by the TRPA prior to the start of construction. The two required signs shall conform with the Caltrans standard sign specification G-81.
45. Facilities shall be provided for bicycles adequate to secure at least ten (10) full-size bicycles. The bicycle facility shall be secured to the ground or building to provide adequate security. The location and type of storage facility shall be submitted to the TRPA for review and approval prior to the start of construction.
46. Physical barriers shall be provided to confine vehicles to their designated parking areas and driveways. The type and location of these barriers shall be submitted to the TRPA for review and approval prior to the start of construction.
47. This approval does not include approval of any private signs other than those shown on the final construction drawings approved by Agency staff.
48. This approval does not include approval for any outdoor lighting, except as may be shown on the final construction drawings approved by Agency staff.
49. All construction equipment shall be equipped with appropriate mufflers and all construction activities shall occur only between 7 a.m. and 7 p.m.
50. As part of the final construction drawings, the applicants shall submit to Agency staff a forest management program. This program shall be subject to review and approval by Agency staff.
51. At the time when the foundation inspection is requested of the local building department, the Agency must be notified and requested to inspect the site. At the time of this inspection, all drainage and slope stabilization improvements shown on the

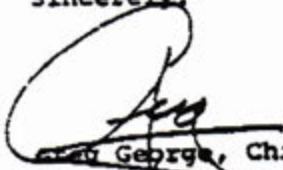
construction drawings bearing the TRPA stamp of approval shall have been properly installed in accord with the TRPA 208 Water Quality Plan and Handbook of Best Management Practices. At the time of this inspection, the driveway shall have been paved.

52. This approval is conditioned upon the consent of the applicant, as indicated by his signature upon the permit issued pursuant to this approval, that the TRPA, through its duly authorized representatives or independent contractors, may enter upon the land of the applicant upon which the construction, use or activity authorized by such permit is to occur for the purposes of inspection, the construction or maintenance of those facilities necessary to comply with the TRPA 208 Plan, or as is required by these conditions of approval, and subsequent to such construction or maintenance shall be reimbursed by the applicant for the cost thereof.
53. In the event that buried cultural resources are uncovered as work proceeds on the project, all work shall cease within 20 meters of the find and a qualified professional archeologist shall be called upon to assess the significance of the find and determine adequate mitigation measures. The mitigation measures recommended by the archeologist shall be implemented by the applicant.
54. Prior to issuance of the TRPA permit the store structure shall be reviewed in accordance with the interim procedures set forth by the Agency for considering modifications to historically significant structures. The applicant shall submit a report assessing the feasibility of relocating the store building on the project site. If the report concludes that the building can not be relocated, or otherwise allowed to remain on the site, this matter shall be reconsidered by the TRPA Governing Board.
55. Prior to approval of any final construction drawings for the new cabins the applicant shall submit design review rules to assure that the new cabins are designed to preserve the historical character of the site. At a minimum, these rules shall establish site development standards, architectural standards, and construction procedures. These rules shall be subject to review and approval by Agency staff.

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If you have any questions, please contact me.

Sincerely,

A handwritten signature, likely of George, written in dark ink. The signature is stylized and appears to be written over the printed name.

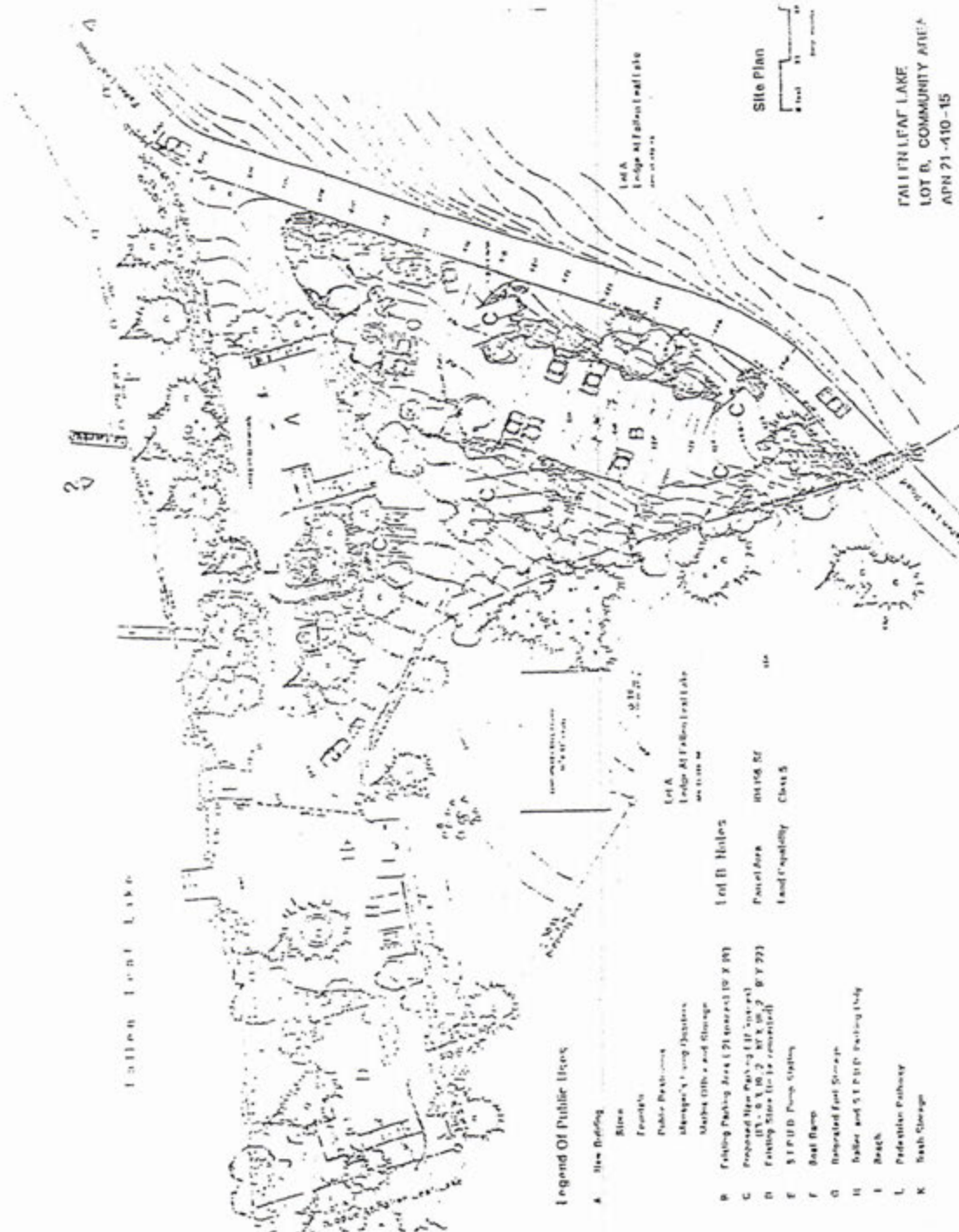
George, Chief
Project Review Division

GG:bl

Attachment

Handwritten initials, possibly 'JR', located in the bottom right corner of the page.

EXHIBIT C1
Community Area Map from 2003



Inventory of CSD assets as it existed at the beginning of the current contract. A new inventory will be taken in fall of 2009 and attached to the new contract.

<u>DESCRIPTION/MANUFACTURER</u>	<u>SER.</u> <u>QUANT. NO.</u>	<u>LOCATION</u>	<u>OWNER</u>
Boat house/marina office	1	Marina	CSD
Break water	2	Marina	CSD
Cabinet, storage, green	2	Marina	CSD
Dock, gas, metal	1	Marina	CSD
Float to left of gas dock, 12' x 12'	1	Marina	CSD
Float, swim, 8' x 12'	1	Marina	CSD
Float, swim, to right of gas dock, 12' x 12'	1	Marina	CSD
Gangway by gas dock	1	Marina	CSD
Gangway to east of gas gangway	1	Marina	CSD
Gangway, 64" x 20'	11	Marina	CSD
Pier fingers w/plastic floats, 64" x 20'	26	Marina	CSD
Pier fingers w/plastic floats, old	3	Marina	CSD
Pier, "Crawfish"	1	Marina	CSD
Pier, boat ramp, 5' x 20'	2	Marina	CSD
Pier, narrow w/round float tanks, 42" x 17' (Tracy)	4	Marina	CSD
Pier, narrow w/round float tanks, 42" x 21' (Tracy)	13	Marina	CSD
Pump, gas	1	Marina	CSD
Pump, seperator, oil/gas	1	Marina	CSD
Ramp, various sizes	4	Marina	CSD
Ramps, vs. Sizes	3	Marina	CSD
Tank, fuel storage	1	Marina	CSD

2.20.03

✓ Freezer, display, 2 door, 66", Hussmann	1	Store	CSD
✓ Freezer, ice cream scooping, Masterbuilt	1	Store	CSD
✓ Rack, storage, silver metal, 36" W	1	Store	CSD
✓ Rack, storage, silver metal, 36" x 48" W	1	Store	CSD
✓ Rack, storage, silver metal, 42" W	7	Store	CSD
✓ Rack, storage, silver metal, 48" W	8	Store	CSD
✓ Rack, storage, silver metal, 60" W	2	Store	CSD
✓ Rack, storage, silver metal, 24" W	1	Store	CSD
✓ Refrigerator, under counter, Delfield	1	Store	CSD
✓ Refrigerator, walk-in, 5 door, L shape, Delfield	1	Store	CSD
✓ Safe	1	Store	CSD
✓ Counter, stainless, 9' 6"	1	Kitchen	CSD
✓ Curtain, air, Mars	1	Kitchen	CSD
✓ Dishwasher, under counter, Champion	1	Kitchen	CSD
✓ Faucet, pre-rinse	1	Kitchen	CSD
✓ Fryer, deep, 15", Superior	1	Kitchen	CSD
✓ Range/grill, 52" Imperial	1	Kitchen	CSD
✓ Refrigerator, under counter, stainless, Delfield	1	Kitchen	CSD
✓ Shelf, wall unit, stainless, 42", Delfield	1	Kitchen	CSD
✓ Sink, bar, stainless, 15"	1	Kitchen	CSD
✓ System, fire prevention	1	Kitchen	CSD
✓ System, hood	1	Kitchen	CSD
✓ Table, prep, w/3 sinks, Delfield	1	Kitchen	CSD
✓ Table, salad prep, stainless, & refrig., Delfield	1	Kitchen	CSD
✓ Boiler, building hot and cold water	1	Basement	CSD
✓ Boilers	1	Basement	CSD
✓ Coils, fan	1	Basement	CSD
✓ Fans, various sizes and types	5	Basement	CSD
✓ Pumps		Basement	CSD
✓ System, fire sprinkler	1	Basement	CSD
✓ Tank, storage	1	Basement	CSD
✓ Trap, grease	1	Basement	CSD

EXHIBIT "Z"

All the wood shelving attached to the walls, the horse shoe display in center of store including the glass cubicles, and gridwall attached to walls.

POLICIES AND PROCEDURES

With revisions per CSD meeting held on July 2, 2011

Community Area at Fallen Leaf

Proposed by the Advisory Committee and adopted by the Board of Directors of the Community Services District on January 24, 1996, modified November 4, 1998; modified September 2, 2000; modified November 11, 2001; modified July 2, 2011; effective immediately and applicable until modified by further action of the Board:

General

The Community Area is located at the southeast corner of Fallen Leaf Lake, contains a public parking lot, a general store, post office, a volleyball court and a marina with launching, mooring and swimming facilities, and is surrounded on three sides by a residential community. All activities within and off-shore of the Area must be conducted in a safe and orderly way and in a manner which is consistent, to the maximum extent possible, with the quiet enjoyment of – neighboring private property. The Community Area will operate with no financial cost to the Community Services District. Operations should be break-even or better. (It is understood that this includes accrual of a reserve for depreciation.) After covering its direct expenses, the Board regards a high quality of public and community service to be its primary operating objective. To this end no effort shall be made to promote commercial activity. The specific limitations described herein are in addition to rules of the State and/or County, such as boating rules, smoking rules, pet rules, etc., and all prior agreements made between the Community Services District and the Fallen Leaf Lake Associates. Any person whose behavior is willfully or repeatedly disturbing to others in or near the Area will be denied the privileges of access to and use of these facilities. Vehicles, boats, or individuals in violation of these Policies and Procedures may be cited or towed as provided by county authority.

Season: Weather permitting, the regular season will begin on the weekend during which Memorial Day is observed and will end on the weekend next following that during which Labor Day is observed. At the discretion of the area operators the season can be extended, if weather conditions and public interest favor such extension of the season.

Off-season vehicular access to the Area will be permitted only by special arrangement or for purposes of maintenance and construction. (See "Special Arrangements" following.) During the off-season the area may be used for storage of CSD property, for the property of the operators used in the operation of the store and marina, and for a fee for the storage of private property. By November 1 the marina will be secured for the off-season by (1) removing all floating stock that can reasonably be removed, and (2) by placing signage which marks the area as "CLOSED FOR THE SEASON".

Hours: During the season the Area will be open for public use between the hours of 8:00 a.m. and "dusk" daily, although not all facilities within the area will be open for that entire period. During closed hours access may be arranged. (See "Special Arrangements" following.) Maintenance, supervisory and emergency vehicles will be permitted on the property at any time.

Facilities: Store, post office, restrooms and marina facilities shall be provided as required by TRPA. Fifty-six boat slips plus eight temporary tie-up spaces and two spaces required by fire and sheriff vehicles plus those slips activated by FLLA by payment per agreement will be provided. Lockable facilities will be provided by kayak and canoe storage outside of the new store building.

Inventory: An inventory shall be maintained of CSD property in the Community Area and all major items shall be kept labeled by the area operators.

Green Operations: Whenever practical the area operators are encouraged to implement green management practices.

General Appearance: The Community area is to be kept clean, neat and free of trash, and the walkways swept or raked for safety. The landscaping is to be watered as needed. As a general policy signage, furniture, fixtures, barriers etc. should conform to the rustic character of Fallen Leaf.

Signage: Signs shall be installed and maintained to satisfy TRPA requirements, to disclaim Liability, and indicate hours and fees. All signs must be approved by the Community Services District Board and by TRPA. As much as possible, signage shall be limited and consolidated.

Advertising: No advertising will be permitted outside the Fallen Leaf Basin which is defined to include the Fallen Leaf Campground.

Fires: Campfires and barbecues are not permitted at any time other than at scheduled events conducted only under supervision of the fire department or the area operator and with site approval by the fire department. By state law smoking in the building is prohibited.

Store: From Memorial Day weekend to Labor Day, the store will be operated for the reasonable convenience of the Fallen Leaf Community, including the public. Store hours will be set and posted by the store operator. Hours from July 4th weekend through Labor Day weekend will be constant and will not be changed arbitrarily, barring unforeseen circumstance.

Restrooms: The restrooms are to be open during hours of operation and as required to accommodate those for whom "special arrangements" have been made. They are to be kept in a neat and sanitary condition.

Volleyball: The volleyball court is available on a first-come-first-serve basis; it is expected that accommodation will be made for all who want to play. Reservations for use by a restricted group will only be possible for scheduled Fallen Leaf events and will be coordinated through the area operators. The court is literally in the front yard of its neighbors. Quiet and appropriate conversation is expected. Those who do not act appropriately will be asked not to use the facility.

Parking: The Community Area has very little parking space to offer, and is constrained by other authority from providing more. Parking is available on a first-come-first-service basis with one space reserved for the Fire Chief, one space reserved for the General Manager, and a pair of tandem spaces reserved for the store staff and another pair of tandem spaces reserved for the marina staff. Overnight parking of vehicles is prohibited by TRPA; the only exception allowed is for the Fire Chief or other staff who live on the property. Mopeds and boat trailers are considered vehicles. The parking lot away from the shore is reserved for cars and small trucks and is for the use of store, marina and beach customers. This may be enforced by the area operator during busy times at his/her discretion. Boat trailers must be disconnected and may be parked only in the spaces below the parking lot. The parking space adjacent to the Community Building may be temporarily reserved for Community Building (Old Store) events; other event attendees should walk or be shuttled. Parking instructions for use of the Old Store will be in the reservation materials provided by CSD General Manager. Some spaces will be marked "30 minute" in order to accommodate patrons of the store and post office. There is no facility on the premises for parking buses, motor homes or large campers; no such vehicles will be allowed.

Marina

Launching: The launch ramp fees, which can include multi-launch and season passes, are to be established each year by the CSD Board in consultation with the marina operator. Use of the launch constitutes an obligation to pay the fee and to execute the liability release.

Mooring: Eight temporary tie-up slips, clearly marked, are available in the marina for the public use (temporary mooring) while patronizing the store, post office, or other community facilities. Marking of the temporary tie-up slips must be approved by the CSD and the manager. There is no charge for use of temporary mooring. The time limits may be posted and may be changed as required to facilitate smooth operation. Two slips will be reserved for the Fire Boat and/or the Sheriff's Boat. The marina operator may reserve up to six slips for rental boats. All other slips are rented by the day, week, month or season. The fees are established each year by the CSD Board in consultation with the marina operator and will be set with a goal of maximizing revenue while encouraging a full marina. Those slips rented by the month or season may be sub-let by lessee. Lessee must notify marina operator in writing in advance of such occupancy of sub-let slip. Without such advance notification, slip occupant will be required to pay usual rental fee. Seaplanes will not be permitted within our marina. Mooring on-shore of low profile boats is up to the discretion of the marina operator.

Boat Wash: The hot water boat wash will be operational whenever the launch ramp is open; boat wash of any boat launched at Fallen Leaf Marina is mandatory except in the case of a boat that has not been in other waters since leaving Fallen Leaf and has proper tagging to assure that is true. The boat wash fees are to be established each year by the CSD Board in consultation with the marina operator; boat wash for carry-on kayaks and canoes should be free to encourage use.

Swim Area and Beach: The portion of the beach east of the east-most "pier" is reserved as the Swimming Area. It is to be roped off to prohibit boat access, with no slips other than for sailboats on the east side of that "pier", except in the case that the marina is full and those spaces must be used for other than sailboats. There is to be a swim float for the enjoyment of those using the beach. The beach is to be clearly marked "swim at your own risk; no lifeguard on duty".

Engine Noise: Engines which are well within State Safety Limits of 86 dba can be operated in such a ways as to disturb others; likewise, engines which exceed legal noise limits can be operated quietly. Area operator will deny launching and mooring privileges

to any vessel operated in such a way as to become a public disturbance. In extreme cases, law enforcement officials will be asked to enforce legal noise limits.

Rental Boats: This section is under consideration to be reviewed at a later date.

Boat Traffic Patterns: Ski patterns, which have been developed by boat users on the Lake, will be posted and available at the marina and will be distributed to each boat that launches. When more than one ski boat is operating, compliance with the pattern is expected. Boats are expected to abide by state boating laws such as a speed limit of 5 mph within 100 yards off shore. The marina operator is responsible for distribution of the rules, but not for enforcement. All Jet Ski users are expected to avoid in-shore waters and to move about the lake so that they do not cause a prolonged and continuing disturbance in one place.

Quiet Hours: Quiet hours are designated as “dusk” to 8:00 a.m. Power boats and jet skis entering and leaving the marina should proceed slowly and quietly while within 300 yards of the shore. At the launching ramp and in the marina and parking lot voices and boat and auto noises should be subdued. The volleyball court is not available for use.

Special Arrangements: Those who desire access to the launch ramp between “dusk” and 8:00 a.m. or who use the facilities before or after the regular season may make arrangements with the marina operator to obtain such access and egress. Users requesting this privilege may be charged a special fee and will be asked to sign a liability release. (Note – the liability release is included in the marina rental contracts and on the receipt for the launch fee during the regular season.) The intent of this special arrangement provision is to accommodate the needs of fishermen and of dock lessees and may be withdrawn if “Quiet Hour” courtesies are not observed.

EXHIBIT F: "GREEN" OPERATIONS GUIDELINES

MARINA

The District wants the Fallen Leaf Lake marina to "go green". The Fallen Leaf Lake Marina was the first marina in the Tahoe basin to implement mandatory hot water boat washing to prevent invasive species from entering the lake. It encourages lessee to further its efforts to "go green". Green signifies support and protection of the environment. Green marinas go beyond basic compliance with regulations by adopting Best Management Practices designed to reduce waste and control pollution, promote safe and clean boating practices, and improve the quality and clarity of the marina and lake water.

The marina is to be operated in an environmentally conscientious manner so that marina use does not unduly impair the lake's natural resources.

As required by the Clean Water Act and the Occupational Safety and Health Administration (OSHA), the lessee must regularly train employees.

Training should include:

- Spill prevention, control, and containment
- Management and disposal of hazardous waste
- Proper fueling procedures
- Good housekeeping procedures
- Safe use of equipment and chemicals kept on site
- Regularly reviewing emergency response procedures
- Watching for inappropriate discharges

Gasoline is occasionally spilled during the act of fueling. This may take the form of back-splash out of the fuel intake or overflow. Spills of this sort harm aquatic life, waste money, and can result in stained hulls and damage to the gel coat and striping. Good fueling practices suggest:

- Fill tanks to no more than 90 percent capacity – gasoline that is drawn from cool storage tanks will expand as it warms up.
- Fill portable tanks on shore where spills are less likely to occur and are easier to clean up, or in the boat, not the dock.
- Use oil-absorbent pads to catch drips.
- Slow down at the beginning and end of fueling
- In case of a spill, stop the flow, contain the spill, call the Fallen Leaf Fire Department at 911.

Material Safety Data Sheets must be posted in a place accessible to employees and cover any hazardous materials handled or stored in the marina area.

STORE AND MARINA

Lessee shall establish a program to promote cost effective waste reduction in all operations. "Waste reduction" means preventing or decreasing the amount of waste being generated through waste prevention, recycling, or procuring recycled and environmentally preferable

products for use and sale. Lessee shall provide adequate trash receptacles for the public and empty them regularly. (Separation of recyclables is not required.)

Boating Operation Laws and Regulations FOR BOATS using FALLEN LEAF LAKE

Please respect others and operate your boat in a safe, considerate manner to preserve the enjoyment of all Fallen Leaf visitors and residents.

1. SPEED LIMIT/ NO WAKE ZONE: Speed is limited to 5mph, no wake, within 100 feet of a swimmer or 200 feet of the entire lakeshore whether marked by buoys or not marked by buoys. Wake damages moored boats and erodes the shoreline.

2. RULES OF THE ROAD (RIGHT OF WAY): Each boat regardless of boat size and speed is required to "THINK SAFE" and stay clear (100) feet of another boat. Yield right of way to canoes, kayaks, sail, row and fishing boats.

3. FALLEN LEAF LAKE MOTORIZED WATER SPORTS (SAFETY): See attached map: All boats towing: water-skiers, knee boarders, wake boarders, tubers etc. must adhere to the counter clockwise "water skiing pattern". No motorized water sports between sunset and sunrise. Skiers and others who wish to ski before 8:00am should use the north end of the lake. Each "tow boat" must in addition to the operator carry a "safety observer" of at least 12 years of age and a red flag to display when a person(s) is in the water.

4. NOISE LEVEL LIMITS:

- A. Engine Noise Level – Any motorboat operated on the inland waterways of the State of California must be muffled and otherwise prevented from exceeding noise levels of 82 db measured at a distance of 50 feet.
- B. No "Dry Stack" boats are allowed on Fallen Leaf Lake at any time.
- C. Sound Entertainment System – Loudspeakers onboard boats must not exceed 82db Noise level at any time. Respect other's enjoyment of the silence of the lake.

5. SAFETY EQUIPMENT: California Boating Laws requires that you have USCG approved personal flotation devices (PFD's) (lifejackets) on your recreational boat wearable for each person on board. Boats 16 feet or longer must have at least one (1) "throw able PFD. Fire Extinguisher Requirements: For boat length less than 26 feet one (1) "dry chemical" 2 pound fire extinguisher is required.

6. ENGINE TYPES: Only four(4) cycle or direct injected two(2) cycle engines may be operated on Fallen Leaf Lake.

7. BOAT OPERATOR AGE RESTRICTION; No person under 16 years of age may operate a motorboat of more than 15 horsepower – unless supervised by an "On Board" person of at least 18 years of age.

8. PERSONAL WATERCRAFT (JET SKI) – The operator must be at least 16 years old and adhere to all safety rules. Keep to the middle of the lake to reduce shore noise. No operation of a jet ski between sunset and sunrise.

9. BOATERS with a blood alcohol level of greater than .08 are subject to arrest.

10. NIGHT OPERATIONS; all boats must show required running lights when operating between sunset and sunrise.

11. CURRENT YEAR BOAT REGISTRATION is required.

*All Laws and regulations are excerpted from "State of California Boating Laws 2003 – Department of Boating and Waterways and Fallen Leaf Lake CSD regulations Updated 6/30/04

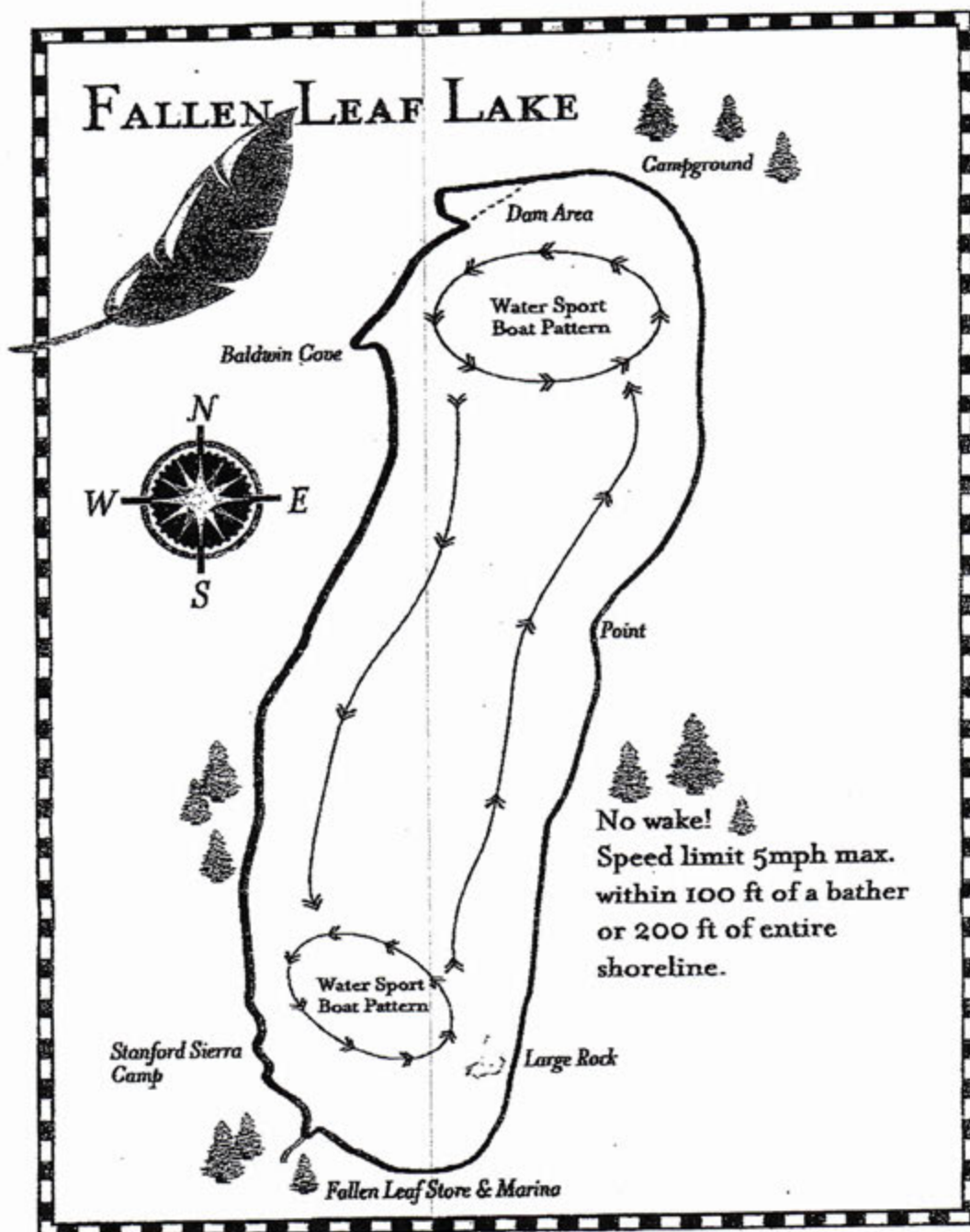


EXHIBIT G-2

EXHIBIT H

FEE COMPUTATION

The Fee shall be computed as follows:

1. Annual Base Fee: \$50,000,
2. Annual Variable Fee: 7.5% of the first \$500,000 of Contractor's Gross Revenues, plus 7.5% of Contractor's Gross Revenues in excess of \$500,000

The Fee shall be payable as follows: \$10,000 plus any portion of the Annual Variable Fee then due based on Contractor's Gross Revenues for the applicable period on each of the following dates: July 1, August 1, September 1, October 1 and November 1. Any remainder of the Annual Variable Fee not paid on November 1 shall be paid on or before December 15 of the applicable year.

EXHIBIT H
FEE COMPUTATION

The Fee shall be computed as follows:

1. Annual Base Fee: \$50,000,
2. Annual Variable Fee: 10% of the first \$500,000 of Contractor's Gross Revenues,
plus
5% of Contractor's Gross Revenues in excess of \$500,000

Payment of the Fee shall be as follows:

Date Payment Due	Annual Base Fee	Annual Variable Fee	Total Fee Due
July 1	\$10,000	\$8,000	\$18,000
August 1	\$10,000	\$9,000	\$19,000
September 1	\$10,000	\$10,000	\$20,000
October 1	\$10,000	\$11,000	\$21,000
November 1	\$10,000	\$0	\$10,000
Subtotals Through November 1	\$50,000	\$38,000	\$88,000
December 15		Remainder of Annual Variable Rent	= \$88,000 + Remainder of Annual Variable Rent

Example computations of Remainder of Annual Variable Rent--

One:

If Annual Gross Revenues equal \$480,000, the amount due on December 15 would be \$10,000. The amount is computed as follows:
Annual variable fee is 10% of Gross Revenues up to \$500,000. With Gross Revenues of \$480,000, 10% is \$48,000. Through November 1, Contractor will have paid \$38,000 of Annual Variable Fee. The Difference between the total Variable Annual Fee owed (\$48,000) and the amount of Annual Variable Fee paid (\$38,000) is \$10,000. Under this example, the total Annual Fee would be \$98,000.

Two:

If Annual Gross Revenues equal \$530,000, the amount due on December 15 would be \$13,500. The amount is computed as follows:
Annual variable fee is 10% of Gross Revenues up to \$500,000, plus 5% of Gross Revenue above \$500,000. With Gross Revenues of \$530,000, 10% of the first \$500,000 is \$50,000. \$30,000 is the amount of Gross Revenue above \$500,000. 5% of \$30,000 is \$1,500. The total Annual Variable Fee Owed would be \$51,500. Through November 1, Contractor will have paid \$38,000 of Annual Variable Fee. The Difference between the total Variable Annual Fee owed (\$51,500) and the amount of Annual Variable Fee paid (\$38,000) is \$13,500. Under this example, the total Annual Fee would be \$101,500.

EXHIBIT L

UTILITY ALLOCATION

UTILITY	APPROXIMATE ANNUAL HISTORICAL COST TO ALLOCATED TO CONTRACTOR	CONTRACTOR ACTUAL COST DURING TERM OF AGREEMENT WILL BE THE FOLLOWING PORTION OF THE TOTAL INVOICE AMOUNT BILLED TO DISTRICT
TELEPHONE	Actual phone charges	100%
ELECTRICITY	\$6,000	90%
PROPANE	\$7,000	90%
WATER	\$2,250	COST IS PER UNIT AS CHARGED BY PROVIDER. CONTRACTOR ALLOCATION IS BASED ON NUMBER OF UNITS IN DISTRICT FACILITIES USED BY CONTRACTOR
SEWER	\$2,100	COST IS PER UNIT AS CHARGED BY PROVIDER. CONTRACTOR ALLOCATION IS BASED ON NUMBER OF UNITS IN DISTRICT FACILITIES USED BY CONTRACTOR