

## REAL PROPERTY TRANSFER AGREEMENT

This Real Property Transfer Agreement (the "Agreement") dated July 3, 1990, is by and between Fallen Leaf Lake Associates, a California limited partnership ("Grantor"), and The Trust for Public Land, a non-profit California public benefit corporation ("TPL"). (Grantor and TPL sometimes are collectively referred to herein as the "Parties".)

### RECITALS

A. Grantor is the record owner in fee simple of that certain real property located in the County of El Dorado, State of California, commonly known as the Fallen Leaf Lodge and described more fully in Exhibit A hereto (the "Lodge Property").

B. There exists on the Lodge Property the Fallen Leaf Lodge which is comprised of numerous buildings and recreational facilities. On the eastern half of the Lodge Property's lake frontage there exists a store, restrooms, a boat ramp, and a marina. Grantor opens these facilities for public use each summer.

C. Grantor obtained from the Tahoe Regional Planning Agency ("TRPA") on January 24, 1985, approval for the redevelopment of the Lodge Property (the "Project"). The TRPA Project approval provides 114 sewer units for the development of thirty-eight (38) cabins, four (4) Lodge rooms, and related Lodge office space. In compliance with the Project conditions of approval, which require among other things that Grantor make provisions for a store, boat ramp, and beach area for public use (the "Conditions"), a copy of which is attached hereto as Exhibit B, Grantor has recorded an irrevocable offer to dedicate ("Offer to Dedicate") to the people of the State of California a non-exclusive easement over the easterly lake frontage of the Lodge property (the "Dedicated Premises"). A copy of the Offer to Dedicate is attached hereto as Exhibit C.

D. TPL is a non-profit corporation whose purpose is to acquire privately owned land and preserve it for the benefit of the public. TPL desires to see that fee simple ownership of that part of the Lodge Property including the Dedicated Premises that is identified hereinafter as the "Community Area" and a non-exclusive pedestrian easement over that part of the Lodge Property identified hereinafter as the "Easement Area" are transferred into public ownership. The "Easement Area" is a walkway from the western edge of the Community area to the western edge of the Lodge Property lake frontage. It is located along the old road bed and is to be no less than six (6) feet wide measured from the toe of the slope. The Community Area and the Easement Area are shown generally on the map which is attached as Exhibit D and shall be referred to in this Agreement as "the Community Acquisition."

E. TPL intends to either assign its rights under this Agreement to the Fallen Leaf Lake Community Services District ("the CSD") or to have the Community Acquisition conveyed to the CSD. TPL recognizes that Grantor's ability to make the transfer of real property contemplated by this Agreement is dependent upon Grantor obtaining TRPA, El Dorado County, South Tahoe Public Utility District and other government approvals.

F. Grantor desires to obtain a modification of the Project approval for the purpose of enabling Grantor to subdivide the Lodge Property, to establish a non-exclusive public pedestrian easement, to provide a basis for settling certain litigation identified in paragraph G hereof, and to provide for the "Community Area" which shall include the existing Dedicated Premises, the marina, the existing Lodge store, additional parking, and an additional recreational use area, and the "Easement Area".

G. There is litigation pending in the El Dorado County Superior Court over the respective rights of the Grantor, the Community, and the public in the Community Area and the Easement Area, namely: Friends of Fallen Leaf Lake v. Fallen Leaf Lake Associates, et al., Civil No. SLT 4942; Morris Mawson et al. v. County of El Dorado et al., Civil No. 52246; Morris M. Mawson et al. v. Board of Supervisors of the County of El Dorado Civil No. 52565; Fallen Leaf Lake Associates v. State of California et al., Civil No. 52246.

WITH REFERENCE TO THE FOREGOING RECITALS, THE PARTIES AGREE AS FOLLOWS:

1. **Transfer of Property**

- 1.1 Subject to the terms and conditions of this Agreement, Grantor agrees to convey to TPL or, at the direction of TPL to the CSD, the Community Acquisition which shall consist of a non-exclusive pedestrian easement over the Easement Area and fee simple title to the Community Area together with four (4) sewer units.

2. **Acquisition Terms**

- 2.1 TPL shall pay Grantor Three Hundred Thousand Dollars (\$300,000) in cash at closing.
- 2.2 As additional consideration TPL or the CSD shall assume all obligations with respect to the Community Acquisition existing under the Project Approval and the Offer to Dedicate or resulting from any final TRPA conditions on approval of subdivision.
- 2.3 This Agreement is entered into by both Parties for a variety of considerations and the dollar amount specified in Section 2.1 of this Agreement shall not be determinative of the value of the Community Acquisition.

3. **Closing Date**

- 3.1 The closing shall take place as soon as the conditions precedent to closing have been satisfied or waived on a date agreed upon by the Parties and

the CSD; provided, however, that the closing date shall not be later than three (3) years from the date of this Agreement.

**4. Public Rest Rooms**

- 4.1 The Project Approval requires Grantor to provide public rest rooms. There is currently a public rest room facility on the Lodge Property, but it is not located within the boundary of the Community Acquisition.
- 4.2 TPL or the CSD shall assume the obligation to construct and operate (but not prior to April 1, 1992) new public restrooms within the Community Acquisition.
- 4.3 Upon closing Grantor will grant the CSD permission to operate the existing public restrooms until October 1, 1993 or until new public restrooms are constructed and placed in operation within the Community Acquisition, whichever is earlier. Grantor shall have the obligation to promptly remove the existing public restrooms when the new public restrooms are constructed and placed in operation or after October 1, 1993, whichever is earlier.

**5. Permits/Consultation**

- 5.1 Grantor shall expeditiously pursue a modification of its TRPA Project Approval and all other governmental permits required for the subdivision and redevelopment of the Lodge Project (which includes the Community Acquisition). This shall be done at Grantor's expense; provided, however, that TPL or the CSD shall be responsible for specific site planning on the Community Acquisition and shall do such specific site planning as is needed for the subdivision process. On or before October 31, 1990, or such other date as may be mutually agreed upon, the Parties shall agree on a specific site plan for the Community Acquisition which resolves the reasonable concerns of Grantor and members of the public, and serves as a basis for the modification of Grantor's TRPA approval.
- 5.2 Grantor shall consult with TPL as to any and all matters pertaining to the Community Acquisition in connection with its processing of TRPA and other governmental subdivision and permit applications and TPL shall cooperate with Grantor in connection with the application processes.

**6. Conditions to Grantor's Obligations**

Grantor's obligation to convey the Community Acquisition is subject to the satisfaction or waiver of the following conditions:

- 6.1 The timely receipt of any and all required TRPA approvals (and, if necessary, El Dorado County, South Tahoe Public Utilities District, and other government approvals) so that the Grantor is able to subdivide the Lodge Property and proceed with a development substantially similar to that contemplated by the TRPA Project modified so as to provide for the Community Acquisition contemplated by this Agreement. Grantor reserves the right at its sole discretion to determine whether the approvals are adequate for its development and whether receipt of the approvals required are timely.
- 6.2 The availability of sufficient sewer units for Grantor's planned development of the Lodge Property.
- 6.3 An agreement settling the pending litigation by dismissal with prejudice of Friends of Fallen Leaf Lake v. Fallen Leaf Lake Associates, et al., Civil No. SLT 4942; Morris Mawson et al. v. County of El Dorado et al., Civil No. 52246; Morris M. Mawson et al. v. Board of Supervisors of the County of El Dorado Civil No. 52565; and entry of stipulated judgement in Fallen Leaf Lake Associates v. State of California et al., Civil No. 52246, quieting title in the Grantor to the Lodge Property and binding on all parties to that cross-complaint, including the State of California, each party to bear its own costs and attorneys' fees.

## 7. Conditions to TPL's Obligations

TPL's obligations to pay Grantor and accept or direct to the CSD the conveyance of the Community Acquisition and to assume or provide for the assumption of any conditions relating to the Community Acquisition are subject to the satisfaction or waiver of the following conditions:

- 7.1 The availability of sufficient sewer units for the facilities planned for the Community Area.
- 7.2 The agreement of the CSD to accept the Community Acquisition and hold it for the benefit of the public, and to assume all obligations of Grantor which pertain to the Community Acquisition as a result of any TRPA conditions and the Offer to Dedicate.
- 7.3 The establishment by the CSD of an Advisory Committee for the operation and maintenance of the Community Acquisition which provides for representation of the entire Fallen Leaf Lake Community and the public at large.
- 7.4 The establishment of a procedure by Grantor in cooperation with the CSD whereby annual permits to use the beach between the Easement Area and Fallen Leaf Lake will be made available to Community members for a reasonable fee.

- 7.5 The receipt of sufficient donations from members of the Fallen Leaf Lake Community and the public at large to enable TPL to make the payment specified in Section 2.1 of this Agreement and meet other costs associated with this Agreement.
- 7.6 TPL's approval of the final TRPA conditions which pertain to the Community Acquisition.
- 7.7 TPL's approval of title which shall be free and clear of all monetary liens and encumbrances, except any liens for non-delinquent taxes and assessments.

## 8. Termination

- 8.1 TPL shall have the right to terminate this Agreement at any time prior to closing if it concludes that any one of the conditions specified in Section 7 is unlikely to be met.
- 8.2 Grantor shall have the right to terminate this Agreement at any time prior to closing if it concludes that the condition specified in Section 6.1 of this Agreement is unlikely to be met or if it sells the Lodge Property to a third party.
- 8.3 Either party may terminate this Agreement if the closing has not taken place within three (3) years of the date of this Agreement.
- 8.4 Any party electing to terminate this Agreement shall so notify the other party in writing.

## 9. Title

- 9.1 Prior to October 1, 1990 Grantor shall provide TPL with a legal description of the Community Area and of the Easement Area as described in Recital D, and TPL shall provide Grantor with drafts of a Grant Deed of the Community Area and Deed of Easement for the Easement Area, the terms thereof to be subject to the mutual agreement of TPL and Grantor.
- 9.2 Grantor shall obtain for TPL, or at TPL's election the CSD, at TPL's expense a CLTA owner's policy of title insurance with liability in the full amount of the transfer cost, insuring title to the real property in TPL or the CSD, subject only to the exceptions provided for in Section 7.7 of this Agreement together with such endorsements as TPL might reasonably require.
- 9.3 The Community Acquisition shall be irrevocably dedicated to public use

upon conveyance by Grantor to TPL or the CSD.

**10. Costs, Assessments and Prorations**

- 10.1 TPL shall pay customary closing costs paid by a buyer in El Dorado County, any title insurance premiums, and any transfer tax.
- 10.2 Sewer assessments for the sewer units conveyed shall be brought current as of closing and TPL or the CSD shall assume any obligation for future payments with regard to the sewer units conveyed or acquired by TPL or CSD.
- 10.3 Other taxes, assessments, utility charges and maintenance charges and similar expenses allocated for the Community Acquisition shall be prorated between Grantor and TPL as of the date of closing.
- 10.4 To the extent Grantor is required to install a new water system in connection with the redevelopment of the Lodge Property Grantor shall make that system available to the Community Acquisition and TPL or the CSD shall pay a fair pro-rata share of the cost of the system based on the number of sewer units served by the system.

**11. Assignment to CSD**

- 11.1 TPL may assign its rights and obligations under this Agreement to the CSD or TPL may direct that the conveyance of the Community Acquisition be directly from Grantor to the CSD.

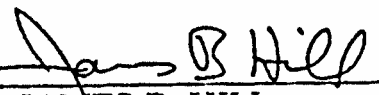
**12. Additional Documentation**

- 12.1 Grantor and TPL agree to cooperate and execute such additional documents, including escrow instructions as may be reasonable or necessary to carry out the provisions of this Agreement.

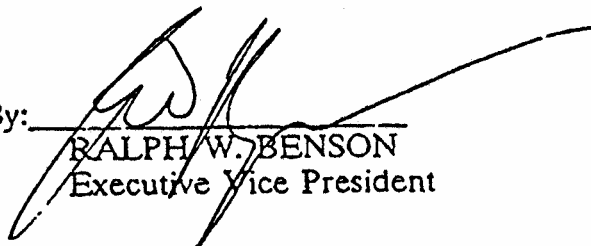
IN WITNESS OF THE FORGOING PROVISIONS, TPL and Grantor have executed this Real Property Transfer Agreement as of the date first hereinabove written.

FALLEN LEAF LAKE ASSOCIATES,  
a California limited partnership

By: FLLA, Inc.  
a California corporation  
Its: General Partner

By:   
JAMES B. HILL  
President

THE TRUST FOR PUBLIC LAND,  
a non-profit California public  
benefit corporation

By:   
RALPH W. BENSON  
Executive Vice President