

4. **Binding Effect.** This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. **Exhibits.** Each of the Exhibits attached hereto is hereby incorporated herein by this reference.

6. **Headings.** Paragraph headings have been inserted in this Agreement as a matter of convenience for reference only. Paragraph headings are not part of this Agreement and shall not be used in the interpretation of this Agreement.

7. **Severability.** If any one or more of the provisions of this Agreement are held to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of any such provisions or provision in every other respect and of the remaining provisions of this Agreement shall not be in any way impaired.

8. **Governing Law.** The terms and provisions of this Agreement shall be construed in accordance with the laws of California.

9. **Dispute Resolution.** Any controversy arising out of or relating to this Agreement shall be settled by voluntary mediation or by arbitration. If the parties do not agree to mediation or if mediation does not resolve a controversy, then the controversy shall be settled by arbitration in accordance with the rules of the American Arbitration Association (the "AAA"), and judgment upon the arbitrator's determination may be entered in any court having jurisdiction thereof. A single arbitrator shall be named by the AAA, provided, however, that the arbitrator must be a lawyer licensed to practice in California and must be experienced in land-use law.

Dated: May 10, 1993

Fallen Leaf Lake Associates
By: Fallen Leaf Lake Associates, Inc.
General Partner

By: James B. Hill
James B. Hill, President

Dated: May 11, 1993

Fallen Leaf Lake Community
Services District

By: Sally S. Marriner
Sally S. Marriner, President

