

**FUNDING AGREEMENT
FOR IRRIGATION SYSTEM AT PONDEROSA GOLF COURSE**

This Funding Agreement for Irrigation System at Ponderosa Gold Course (“Agreement”) is made this ____ day of January, 2020, between the Tahoe Truckee Airport District (“TTAD”), a California airport district, and the Truckee Donner Recreation & Park District (“TDRPD”), a California recreation and park district. TTAD and TDRPD may be referred to collectively as “Parties” or in the singular as “Party”, as the context requires.

Recitals

WHEREAS, TTAD owns that certain real property in Nevada County, State of California located at 10040 Reynolds Way and 10031 Reynolds Way and commonly referred to as the Ponderosa Golf Course (“Golf Course”), and more particularly described in the Lease, as defined below;

WHEREAS, TTAD leases the Golf Course to TDRPD under that certain lease agreement dated June 12, 2008 (“Lease”), incorporated by this reference;

WHEREAS, while TDRPD is generally responsible to construct any necessary improvements or repairs to the Golf Course at its sole cost and expense as set forth in Articles 5 and 6 of the Lease, TTAD is willing to assist TDRPD with funding necessary irrigation improvements at the Golf Course on the terms and conditions set forth in this Agreement;

WHEREAS, TDRPD accepts TTAD’s assistance as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. Incorporation of Recitals. The Parties hereby agree that the foregoing Recitals are true and accurate. Each and every Recital set forth above is hereby incorporated herein as if fully set forth.

2. Improvements. Pursuant to all applicable terms and conditions of the Lease, expressly including Article 5 and 6, TDRPD shall design, construct and install an automatic irrigation system to serve the Golf Course as more particularly described in Exhibit A, incorporated by this reference (“Irrigation System”). To the extent that the Irrigation System constitutes a new Improvement (as defined in the Lease), TTAD provides its consent for the installation of the Irrigation System. Title to the Irrigation System shall vest in TTAD under Section 5.05 of the Lease.

3. TTAD’s Funding Commitment. TTAD understands that TDRPD lacks sufficient funds to pay for the cost of the Irrigation System and may seek grants, financing, or other funding sources to help defray the cost of the Irrigation System. Given the clear benefit to the Golf Course of the new Irrigation System and the public purpose of improving TTAD property, TTAD shall provide TDRPD with an annual contribution of Fifty Thousand Dollars (\$50,000) per year for twenty (20) years for a total maximum contribution of One Million Dollars (\$1,000,000) towards the installation of the Irrigation System. The first annual payment shall be

made upon receipt of an executed construction agreement for the Irrigation System or evidence of a loan or other financing commitment for the Irrigation System. Subsequent payments shall be made annually on a date mutually agreed to by the Parties. TTAD may increase its contribution in any single year which shall be credited towards the total contribution so that future annual payments may be decreased or eliminated. To the extent required by the California Constitution, TTAD's obligation to make any annual contributions in future years is expressly conditioned on the appropriation of funds by the TTAD Board of Directors. In addition, TTAD's obligation to make any payments is expressly conditioned on TDRPD's installation and maintenance of the Irrigation System.

4. Effect of Lease Expiration or Termination. This Agreement shall survive the expiration or termination of the Lease, provided that any breach of the Lease shall be a breach of this Agreement. Without limiting its remedies, TTAD shall have no obligation to make annual payments if it terminates the Lease due to TDRPD's breach.

5. General Provisions.

a. All notices provided for the hereunder shall be in writing and mailed (registered or certified, postage prepaid, return receipt requested), sent by express carrier (return receipt requested) or hand delivered to the Parties at the addresses set forth below or at such other addresses as shall be designated by such Party. All such notices shall, if hand delivered, or delivered by express carrier, be deemed received upon delivery and, if mailed, be deemed received three (3) business days after such mailing.:

Notice to TTAD: Tahoe Truckee Airport District
10356 Truckee Airport Road
Truckee, CA 96161
(530) 587-4119
Attn: General Manager

Notice to TDRPD: Truckee Donner Recreation & Park District
10981 Truckee Way
Truckee, CA 96161
(530) 582-7720
Attn: General Manager

Any Party who desires to change its address for notice purposes may do so by giving notice to the other Party as described above.

b. TDRPD shall indemnify, defend and hold harmless TTAD, its agents, officers and employees from and against any and all liabilities, obligations, losses, damages, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses) of any kind and nature imposed in, asserted against, incurred or suffered by TTAD or its agents, officers or employees by reason of damage, loss or injury (including death) of any kind or nature whatsoever to persons or property caused by or in any way relating to or arising out of this Agreement, excepting claims caused by the sole negligence or willful misconduct of TTAD.

c. Time is of the essence of each and every obligation under this Agreement. Each Party warrants that it shall make its best efforts to perform all obligations assigned to it related to the Project in such a manner as to allow the Project to progress as scheduled.

d. This Agreement shall not create between the Parties a joint venture, partnership, or any other relationship or association.

e. Except as the Parties may specify in writing, neither Party shall have authority, express or implied, to act on behalf of the other Party in any capacity whatsoever as an agent. Neither Party shall have any authority, express or implied, pursuant to the Agreement, to bind the other Party to any obligation whatsoever.

f. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing.

g. Waiver of any breach of, or default under, this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

h. This Agreement contains all of the terms and conditions as agreed upon by the Parties, and supersedes any and all oral or written understandings and communications by and between the Parties concerning the subject matter of this Agreement.

i. Each Party hereto agrees to execute and deliver such other documents and perform such other acts as may be necessary to effectuate the purposes of this Agreement.

j. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by the Parties. In the event of a conflict between this Agreement and any other agreement or understanding executed by the Parties subsequent to the commencement of this Agreement, the terms of this Agreement shall prevail and shall be controlling unless the subsequent Agreement expressly provides to the contrary.

k. Neither Party may assign any right or obligation pursuant to this Agreement. Any attempt to assign or purported assignment of any right or obligation relating to this Agreement shall be void and of no effect.

l. If any term, covenant, or condition of this Agreement is held to by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in full force and effect. The prevailing Party in any litigation to enforce or interpret this Agreement shall be entitled to recover their reasonable attorneys' fees and costs.

m. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California, the state in which this Agreement is signed. Venue for any litigation or dispute resolution shall be Nevada County.

n. The Parties have each carefully reviewed this Agreement and have agreed to each term of this Agreement. No ambiguity shall be presumed to be construed against either Party.

o. The persons executing this Agreement represent that they have the authority to do so and are authorized to execute this Agreement as the representatives of their respective Party, and to bind their respective Party to the terms of this Agreement.

By signing below, the Parties enter into this Agreement on the date first written above.

TAHOE TRUCKEE AIRPORT DISTRICT,
a California airport district

By: _____
Kevin Smith, General Manager

TRUCKEE DONNER RECREATION & PARK DISTRICT,
a California recreation and park district

By: _____
Steve Randall, General Manager