

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING, ("MOU") is made and entered into at Tahoe City, Placer County, California, on the ____ day of January, 2012, by and between the TAHOE CITY PUBLIC UTILITY DISTRICT, a body politic, and governmental entity ("TCPUD"), COUNTY OF PLACER, a political subdivision of the State of California ("COUNTY"), TRUCKEE TAHOE AIRPORT DISTRICT, a body politic, and governmental entity ("TTAD"), and the NORTH LAKE TAHOE RESORT ASSOCIATION, a California nonprofit public benefit corporation ("NLTRA"). TCPUD, COUNTY, TTAD and NLTRA may be referred to herein individually as "PARTY" or jointly as "PARTIES" as the context requires.

RECITALS

- A. WHEREAS, the owners of the real property commonly known as Tahoe City Golf Course, and more specifically described as: Placer County APNs: 094-050-03, 094-540-11, 094-540-12, 094-020-06 and 094-060-016, desire to sell such property, certain personal property used in conjunction with the operation of the real property as a golf course, clubhouse and restaurant facilities and the liquor license currently used at the restaurant on the real property ("PROPERTY").
- B. WHEREAS. TCPUD invests funds to acquire recreation facilities for the benefit of the public and for the acquisition of assets that strengthen its utilities.
- C. WHEREAS, Placer County invests funds to provide infrastructure and to promote the economic vitality and redevelopment of the area.
- D. WHEREAS, TTAD invests funds to promote and provide facilities to serve public health and safety, including aviation safety.
- E. WHEREAS, NLTRA invests fund to provide infrastructure and to promote the economic vitality and redevelopment of the area.
- F. TCPUD, COUNTY, TTAD, AND NLTRA have cooperatively considered the merits of acquiring the PROPERTY and believe that there are numerous public benefits to the public acquisition and ownership of the PROPERTY, including, but not limited to, the ability to:
 1. TCPUD:
 - Provide for public recreation and open space to help maintain the Lake Tahoe region's high quality of life and promote economic vitality.
 - Provide opportunity for a potential site domestic water treatment facility.
 - Provide the community with additional publically-held water rights.
 2. COUNTY and NLTRA:
 - Improve parking and traffic circulation in the downtown Tahoe City area, which will benefit the public generally and promote the economic vitality and redevelopment of

the area.

- Provide a potential site for the construction of a lodging property or other visitor amenity within walking distance of the downtown Tahoe City businesses, services and recreational amenities.
- Address water quality in the urbanized core to improve environmental quality, enhance economic vitality, and provide an opportunity to meet regulatory requirements so that individual commercial core buildings and parking areas can be reconfigured.
- Address air quality in the urbanized core to improve environmental quality, enhance economic vitality, and provide an opportunity to meet regulatory requirements so that individual commercial core buildings and parking areas can be reconfigured.

3. TTAD:

- Provide a permanent emergency-use helipad available 24 hours a day, seven days a week, year-round for public health and safety including: medical, fire, and law enforcement activities.
- Provide an emergency landing area for aircraft.

4. ALL AGENCIES:

- Maintain the largest contiguous parcels of real property in the Tahoe City area by providing public ownership for the benefit of the community and allow the community to have a voice in planning for the future use of the PROPERTY.
- Consolidate landholdings with other adjacent public parcels to more efficiently provide for above public services as well as increasing fire suppression and emergency access to commercial properties and structures in the downtown core.

G. Based on the numerous public benefits to the public acquisition and ownership of the PROPERTY and indication from each of the PARTIES of their desire to participate in the funding of the acquisition, use, operation, planning for the future use and operation of the PROPERTY, on or about September 14, 2011 TCPUD entered into an agreement to purchase the PROPERTY.

H. Based on the numerous public benefits to the public acquisition and ownership of the PROPERTY and that fact that TCPUD had entered into an agreement to purchase the PROPERTY, on or about [September – October 2011] the Parties executed a Letter of Intent to fund the due diligence activities to be undertaken by TCPUD in conjunction with the acquisition of the PROPERTY.

I. TCPUD has proceeded with its due diligence activities and the PARTIES now desire to enter into this MOU to provide for the funding of the acquisition, use and operation and planning for the future use and operation of the PROPERTY.

NOW THEREFORE, the PARTIES agree as follows:

Article I. Purpose

The purpose of this MOU is for the PARTIES to agree upon the terms and conditions upon which they shall jointly fund acquisition of the PROPERTY, hold title to the PROPERTY, provide for use and operation of the PROPERTY and plan for the future use and operation of the PROPERTY.

Article II. Funding the Acquisition of the Property

- A. The PARTIES agree that they will share in the cost of the acquisition of the PROPERTY based upon their proportionate value for the public uses that meet their purpose and mission. The terms and amounts will be ATTACHMENT A to this agreement. The PARTIES agree that TCPUD shall acquire the PROPERTY and hold title to it in its name.
- B. Each of the PARTIES agree that as future planning, investment, sale of all or a portion of the property, or physical improvements may change the proportionate value of the PROPERTY to each PARTY, the acquisition participation (ATTACHMENT A) may be amended through mutual consent of the PARTIES.

Article III. Use and Operation of the Property

- A. The PARTIES agree that TCPUD shall operate and maintain the PROPERTY for a period of five (5) years, or longer as agreed to in writing by the PARTIES. During such period, TCPUD shall be entitled to engage in any lawful activity in conjunction with its use and operation of the PROPERTY, including but not limited to the following:
 - 1. Operation of a public golf course, clubhouse and restaurant, either through its own employees, a management services contract(s), lease, or a combination of these.
 - 2. Provision of winter recreation activities, either through its own employees, a management services contract(s), a lease, or a combination of these.
 - 3. Charging user fees, providing fees for services, selling merchandise and operating a restaurant with a liquor license.
- B. At least one (1) year prior to the end of TCPUD's five (5) year period of use and operation as set forth in Article III.A., above, or longer period as agreed to in writing by the PARTIES, the PARTIES shall meet and confer and negotiate in good faith for the uses and operation of the PROPERTY beyond such five (5) year, or longer, period.

Article IV. Planning for the Future Use of the PROPERTY

The PARTIES agree to work together to conduct a public planning process for the future use and operation of the PROPERTY, including participating in the TRPA Regional Plan Update process to ensure the maximum beneficial uses for the PROPERTY.

Article V. Future Improvements, Changes in Uses, Leases or Sale of All or Portion of the PROPERTY

The PARTIES agree to meet and confer on an as needed basis to implement the plan adopted as a result of Article IV. The PARTIES shall identify the appropriate lead agency, funding, and

process for implementation.

TCPUD agrees to make all applications for permits and approvals for the development of the emergency helipad. TTAD agrees to fund the costs associated with such permits, environmental review and approvals, including TCPUD's direct engineering time and costs (not to include general and administrative overhead).

TAHOE CITY PUBLIC UTILITY DISTRICT,

Date

COUNTY OF PLACER,

Date

TRUCKEE TAHOE AIRPORT DISTRICT,

Date

NORTH LAKE TAHOE RESORT ASSOCIATION,

Date
