

LAND BANK TRANSFERS

Summary: Staff recommends adoption of the Final Environmental Assessment/ Environmental Impact Report (EA/EIR), authorization to transfer tourist accommodation units, and the allocation and transfer of land coverage rights to a project in Placer County; and the transfer of land coverage rights to a project in El Dorado County.

Location: One project is located in Tahoe Vista, Placer County, and the other project is located within the City of South Lake Tahoe, El Dorado County (Attachment 1).

Fiscal Summary: Up to \$699,781 in revenues generated from the sale of tourist accommodation units and land coverage rights.

Recommended Action: Adopt Resolution 11-01-05 (Attachment 2(a)) and Resolution 11-01-06 (Attachment 2(b)).

Background

Since 1987, the Conservancy's Land Bank Program has assisted over 6,000 projects in meeting permit requirements for land coverage or other marketable rights. In an effort to protect water quality in the Tahoe Basin, the Tahoe Regional Planning Agency (TRPA) has strictly regulated the placement of new buildings, decks, asphalt, and other means of ground covering. As such, land coverage is the most heavily-traded commodity in the Basin. Other marketable rights, including but not limited to residential development rights, commercial floor area, and tourist accommodation units (TAUs), have also been regulated by TRPA in an effort to achieve sound growth management objectives. TAUs are typically needed for short-term accommodation projects such as bed and breakfast facilities, motels, and timeshare developments.

Through its Land Acquisition and Land Bank Programs, the Conservancy has acquired land coverage rights and, to a much lesser degree, other marketable rights.

The acquisition of these other marketable rights has typically been a by-product of land purchases for public access or stream zone restoration purposes. In several of these transactions, structures were removed and the land was restored, thereby producing “banked” commercial floor area rights, existing residential units, or TAUs. Drawing from several significant land acquisitions and Land Bank parcels, the Board has allocated over 2,000,000 square feet of land coverage rights to more than 6,000 projects and allocated a variety of other marketable rights to serve approximately 100 projects. All rights that have been allocated to private projects have been sold pursuant to the Program’s guidelines.

The Board has delegated authority to staff to complete transfers of coverage and other marketable rights, unless the sale requires a new allocation of rights or certification of an environmental document. In this case, the Tahoe Vista Partners Project requires a new allocation of coverage and review of an Environmental Assessment/Environmental Impact Report. The Aspens at South Lake Project requires review of a Negative Declaration.

Project Description

Staff is recommending Board approval to complete transfers of coverage and TAUs as follows:

In Placer County:

Tahoe Vista Partners, LLC’s Affordable Housing and Interval Ownership Development Project:

- * Transfer up to 10 TAUs
- * Transfer up to 43,309 square feet of land coverage rights

In El Dorado County:

The Aspens at South Lake Multi-Residential Housing Project:

- * Transfer up to 15,000 square feet of land coverage rights

A detailed project description and documentation of California Environmental Quality Act (CEQA) compliance for each recommended project above is found in Attachment 3.

Implementation

If the action is approved, staff will complete the transfers pending TRPA and/or local government approval of the project and the transfers. The transfer transactions will be completed through an escrow, under the terms of the Conservancy's standard purchase and sale agreements.

Consistency with the Conservancy's Enabling Legislation

The proposed transactions are consistent with Government Code Section 66907.8, whereby the Conservancy may transfer any interests in real property to public agencies, private entities, or individuals pursuant to terms and conditions approved by the Conservancy.

List of Attachments:

Attachment 1 – Regional Location Map

Attachment 2(a) – Resolution 11-01-05

Attachment 2(b) – Resolution 11-01-06

Attachment 3.1 – Project Description, Tahoe Vista Partners, LLC

Attachment 3.2 – Project Description, The Aspens at South Lake

Conservancy Staff Contacts:

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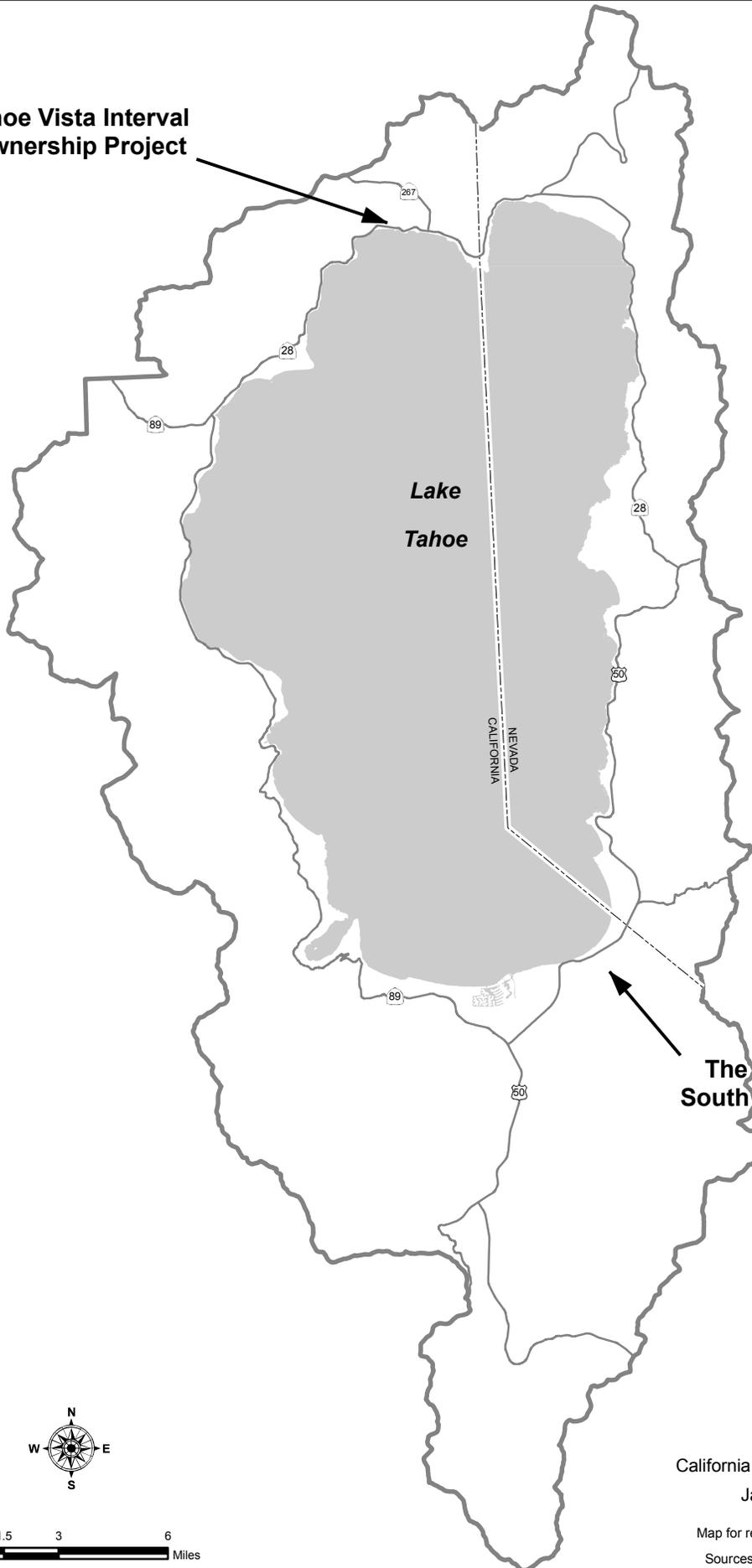
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Gerry Willmet, El Dorado County Project

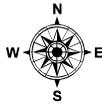
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ATTACHMENT 1
Regional Location Map

**Tahoe Vista Interval
Ownership Project**



**The Aspens at
South Lake Project**



California Tahoe Conservancy
January 2011

Map for reference purposes only.
Sources: USGS; TRPA; CaSIL

ATTACHMENT 2(a)

California Tahoe Conservancy

Resolution

11-01-05

Adopted: January 20, 2011

LAND BANK TRANSFER AUTHORIZATION TAHOE VISTA PARTNERS, LLC AFFORDABLE HOUSING AND INTERVAL OWNERSHIP DEVELOPMENT PROJECT

Staff recommends the California Tahoe Conservancy make the following findings based on the accompanying staff report pursuant to Public Resources Code Section 21000 et seq.:

“The Conservancy has considered the environmental impacts of the proposed Tahoe Vista Partners LLC’s Affordable Housing and Interval Ownership Development Project as described in the Tahoe Regional Planning Agency’s (TRPA) and Placer County’s (County) Final Environmental Assessment/Environmental Impact Report (EA/EIR), and related documents, certified by the County Board of Supervisors on October 20, 2008. The County filed the Notice of Determination on October 24, 2008 with the County Clerk. In December 2010, the Conservancy drafted an Addendum to the EA/EIR reflecting changes to the Project stipulated by a Settlement Agreement between Tahoe Vista Partners LLC, the League to Save Lake Tahoe, the Friends of Tahoe Vista, TRPA, and Placer County. The Addendum addresses changes to land coverage limitations and affordable housing elements of the Project. The Conservancy has determined that the Project, as proposed with the adopted mitigation measures and other changes stipulated in the Settlement Agreement, would not cause a significant effect on the environment. Since the certification of the EA/EIR by Placer County, there has been no new information, substantial changes to the proposed project, or changes to project implementation that would involve any new significant effects which were not analyzed in the EA/EIR and Addendum. The potential significant adverse effects will be mitigated by the mitigation measures incorporated into project approval by Placer County and TRPA, and the Conservancy adopts these mitigation measures as a condition of the project. Accordingly, the Conservancy

finds that the EA/EIR and Addendum are adequate for compliance with CEQA for the transfer of land coverage rights and tourist accommodation units, and directs staff to file a Notice of Determination for this project with the State Clearinghouse.”

Staff further recommends that the California Tahoe Conservancy adopt the following resolution pursuant to Government Code Section 66905 et seq. and 66908:

“The California Tahoe Conservancy hereby authorizes the transfer of up to 10 tourist accommodation units, and allocation and transfer of up to 43,309 square feet of potential land coverage rights to facilitate construction of the Tahoe Vista Partners LLC’s Affordable Housing and Interval Ownership Development Project (Placer County Assessor’s Parcel Number (APN) 117-071-029) consistent with the applicable program guidelines and the accompanying staff report.”

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 20th day of January 2011.

In WITNESS THEREOF, I have hereunto set my hand this 20th day of January 2011.

Patrick Wright
Executive Director

ATTACHMENT 2(b)

California Tahoe Conservancy

Resolution

11-01-06

Adopted: January 20, 2011

LAND BANK TRANSFER AUTHORIZATION THE ASPENS AT SOUTH LAKE MULTI-RESIDENTIAL HOUSING PROJECT

Staff recommends the California Tahoe Conservancy make the following findings based on the accompanying staff report pursuant to Public Resources Code Section 21000 et seq.:

"The California Tahoe Conservancy has reviewed the Negative Declaration certified by the City of South Lake Tahoe for The Aspens at South Lake Multi-Family Residential Project, and finds that the improvements proposed have been adequately analyzed in the Negative Declaration. The City of South Lake Tahoe filed the Notice of Determination with the State Clearinghouse on December 16, 2009. The Conservancy finds that no substantial changes are proposed in the Project, and no substantial changes have occurred with respect to the circumstances under which the Project is undertaken that would involve any new significant environmental effects or that will significantly increase the severity of any previously identified impacts. Furthermore, since the City's certification of the Negative Declaration, there are no changes regarding the Project that would require new or different mitigation measures. Accordingly, the Conservancy finds that the Negative Declaration is adequate for compliance with CEQA for the transfer of land coverage rights and directs staff to file a Notice of Determination for this Project with the State Clearinghouse."

Staff further recommends that the California Tahoe Conservancy adopt the following resolution pursuant to Government Code Section 66905 et seq. and 66908:

"The California Tahoe Conservancy authorizes the transfer of up to 15,000 square feet of potential land coverage rights to facilitate construction of The Aspens at South Lake Multi-Residential Project (El Dorado County

APNs 027-323-10 and -16) consistent with the applicable program guidelines and the accompanying staff report."

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 20th day of January 2011.

In WITNESS THEREOF, I have hereunto set my hand this 20th day of January 2011.

Patrick Wright
Executive Director

ATTACHMENT 3.1

TAHOE VISTA PARTNERS, LLC AFFORDABLE HOUSING AND INTERVAL OWNERSHIP DEVELOPMENT PROJECT

Recommended Action: Adoption of the Final Environmental Assessment/ Environmental Impact Report (EA/EIR); the allocation of 43,309 square feet (sq. ft.) of potential coverage to the open market sales category of the Agate Bay Hydrologic Area; and the sale of up to 10 tourist accommodation units (TAUs) and up to 43,309 sq. ft. of potential land coverage rights for the Tahoe Vista Partners, LLC Affordable Housing and Interval Ownership Development Project.

Fiscal Summary: Up to \$609,781 in revenues will be generated from the sale of land coverage and marketable rights.

Project Location: 6873 North Lake Boulevard/ State Route 28 (Placer County Assessor Parcel Number 117-071-029), Tahoe Vista Community Plan Area in Placer County (Attachment 3.1(a)).

Background

In 2007, Tahoe Vista Partners, LLC (TVP) proposed an Affordable Housing and Interval Ownership Development Project (Project) in Tahoe Vista on the North Shore of Lake Tahoe (Attachment 3.1(a)). The property is located at 6873 North Lake Boulevard/State Route 28 (Placer County Assessor's Parcel Number 117-071-029). This 6.25-acre property (approximately 272,303 sq. ft.) is proposed to be redeveloped by TVP or its successor entity. The TVP property, originally called Sandy Beach Resort, was used as a seasonal campground, and still includes a restaurant and other associated buildings. Many years ago, the Sandy Beach Resort contained two separate properties located on both sides of North Lake Boulevard. In 1990, the Conservancy purchased Sandy Beach Resort's lakefront property. This property is now used for public lake access.

The Draft EA/EIR, dated January 2008 (Attachment 3.1(b)), meets environmental review requirements for both the Tahoe Regional Planning Agency (TRPA) and Placer County. The project alternative approved under the Final EA/EIR, dated June 2008 (Attachment 3.1(c)), proposed six (formerly 10) Affordable Housing Units, and 39 (formerly 45) Interval Ownership units (or TAUs), along with a clubhouse/administration building and related structures.

The Project was approved by the TRPA Governing Board on July 23, 2008, and by the Placer County Board of Supervisors on October 20, 2008. The County filed its Notice of Determination on October 24, 2008 (Attachment 3.1(e)).

The League to Save Lake Tahoe (League) and the Friends of Tahoe Vista (Friends) sued TRPA and TVP in a lawsuit entitled *League to Save Lake Tahoe, et al. v. Tahoe Regional Planning Agency, et al.* in the United States District Court for the Eastern District of California (Civ. No. 2:08-CV-2447 JAM/KJM). The lawsuit claimed that TRPA's approval of the project violated the TRPA Compact and code in various ways, including: 1) the potential cumulative impacts from an increase in residential units and land coverage for the Project and 13 other projects in the vicinity were not adequately evaluated; 2) the TRPA inaccurately verified the amount of existing land coverage; and 3) the quantity of land coverage approved for the project (174,324 sq. ft.) exceeded the fifty percent project area coverage maximum under the Tahoe Vista Community Plan.

The litigation was settled prior to a court trial, resulting in a final Settlement Agreement signed in April 2010 (Attachment 3.1(d)). The Settlement Agreement prescribes the following requirements for the Project:

1. TVP shall propose and TRPA shall grant an amendment to the TRPA permit to:
 - a. limit the recognized existing land coverage for the Project site from 174,324 sq. ft. to 125,000 sq. ft.; and
 - b. remove the requirement that the six affordable units be built on site and substitute a requirement that all affordable housing units be provided within the existing housing stock.
2. TVP shall propose and Placer County may make similar modifications to its conditions of approval and mitigation measures for the Project.

The Settlement Agreement also states that TVP must submit new site plans, a new permit application, and new project fees to both Placer County and TRPA.

It is unlikely the revised project will be further appealed or contested (the League and the Friends are precluded from further suit). Staff will ensure that the escrows for the rights will remain open until the Project proponent has successfully reapplied for and

received permits and submitted new site plans and project fees, and has passed the Placer County and TRPA permit amendment appeal periods (90 and 60 days, respectively).

Project Description

On May 16, 2007, the TVP opened escrow with the Conservancy to purchase 10 TAUs for the Interval Housing portion of their project. When the environmental document for the TVP project was challenged, this transaction was placed on hold pending the results of the lawsuit.

Consistent with the Settlement Agreement, TVP is now requesting to purchase 43,309 sq. ft. of potential land coverage for transfer to their property to meet the excess coverage mitigation requirements stipulated in the Settlement Agreement.

TVP's project is located in the Agate Bay Hydrologic Area. The Conservancy's posted price of potential land coverage rights in the Agate Bay Hydrologic Area is \$10 per square foot. Due to the large amount of potential coverage rights that TVP is proposing to purchase and transfer, staff is recommending a bulk discounted price of \$9 per square foot. The proposed sale of 43,309 sq. ft. of potential coverage rights would be the largest single cash sale of potential coverage rights in the history of the Conservancy's Land Bank.

Staff is recommending a supplemental allocation of the 43,309 sq. ft. of potential coverage to the open market sales category in the Agate Bay Hydrologic Area. The Conservancy's annual allocation of marketable rights in early 2010 did not anticipate this large need. This supplemental allocation will not hinder the Land Bank's ability to meet the needs of ongoing residential projects in this category, and the Land Bank's remaining coverage supply of approximately 350,000 sq. ft. should satisfy excess coverage mitigation and public service needs for at least an additional five to ten years.

Project Budget

The sale of 10 TAUs (at \$22,000 each) will generate \$220,000 in revenue. The sale of 43,309 sq. ft. of potential coverage rights will generate \$389,781 in revenue. Total anticipated revenue from the proposed transaction is \$609,781.

Project Evaluation

Staff is recommending approval because the Conservancy is assisting a project that is consistent with local and regional planning agency objectives, now that litigation has been settled. The planned use is in conformance with the Tahoe Vista Community Plan. The sale of these rights will provide \$609,781 in revenue to fund other Conservancy land acquisition or restoration projects.

Compliance with the California Environmental Quality Act (CEQA)

Placer County, acting as the Lead Agency under CEQA, prepared an Environmental Impact Report (EIR) as part of the joint EA/EIR document for this Project to comply with CEQA requirements. Placer County adopted the EIR on October 20, 2008, and a Notice of Determination (NOD) was filed by Placer County on October 24, 2008. In January 2011, the Conservancy drafted an Addendum to the EA/EIR (Attachment 3.1(f)) to reflect modifications to the project prescribed by the Settlement Agreement. The Addendum's findings were based on information provided in the Settlement Agreement and staff's analysis of the project modifications. Copies of the Draft EA/EIR, Final EA/EIR, Settlement Agreement, Placer County NOD, and Addendum are shown in Attachments 3.1(b), 3.1(c), 3.1(d), 3.1(e), and 3.1(f) respectively. These documents are available for public review at the Conservancy office at 1061 Third Street, South Lake Tahoe, CA 96150.

Staff has reviewed the EA/EIR and Addendum and believes that the improvements proposed have been adequately analyzed in the documents. Significant or potentially significant impacts related to the Conservancy's action to provide 10 TAUs and 43,309 sq. ft. of potential land coverage included traffic (vehicle miles traveled), air pollutant emissions, closure of the Sandy Beach Campground/loss of recreational capacity, impervious surface area/runoff, vegetation removal, and tree removal. Mitigation measures have been adopted as part of the project approval process for these and over 20 other significant or potentially significant impacts, reducing each impact to a less than significant level. Staff has determined that the proposed project, after incorporating the mitigation measures outlined in the EA/EIR that were adopted by Placer County and TRPA, would not cause a significant effect on the environment.

Since the completion of the EA/EIR, execution of the Settlement Agreement, and preparation of the Addendum, there has been no new information, substantial changes to the proposed project, or changes to project implementation that would involve any new significant effects which were not analyzed in the EA/EIR and Addendum. As a result, no new mitigation measures are needed to find that the project, as mitigated,

would have no significant environmental impacts. The mitigation measures for the project can be found at the rear of the Draft EA/EIR in Attachment A, and throughout Section 3.2 of the Final EA/EIR on pages 3.1 through 3.26.

Staff recommends the Conservancy make the findings as set forth in the attached resolution. If the Board authorizes the sale of up to 10 TAUs and 43,309 sq. ft. of potential land coverage to Tahoe Vista Partners, LLC, staff will file a NOD with the State Clearinghouse pursuant to State CEQA Guidelines (Cal. Code Regs., Title 14, § 15000 et seq.), Section 15096. Attachment 3.1(g) contains the Conservancy's proposed NOD.

List of Attachments:

Attachment 3.1(a) – Location Map

Attachment 3.1(b) – Placer County's Draft EA/EIR (on attached CD)

Attachment 3.1(c) – Placer County's Final EA/EIR (on attached CD)

Attachment 3.1(d) – Settlement Agreement between TVP, the League, the Friends,
TRPA, and the County

Attachment 3.1(e) – Placer County's NOD (on attached CD)

Attachment 3.1(f) – Conservancy's CEQA Addendum

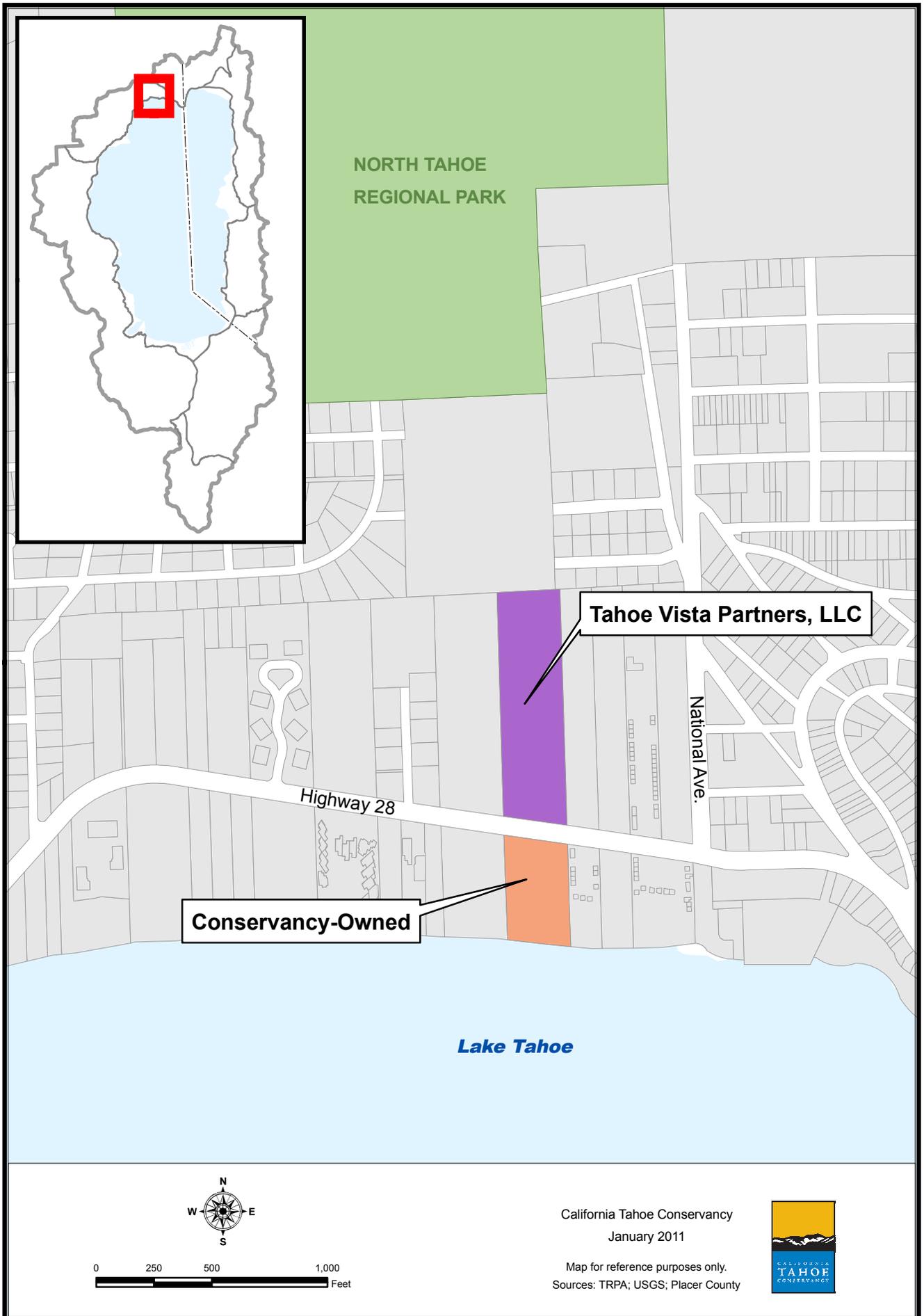
Attachment 3.1(g) – Conservancy's NOD

Conservancy Staff Contact:

Amy Cecchettini

Phone: (530) 543-6033

ATTACHMENT 3.1(a)
Affordable Housing and Interval Ownership Development Project



ATTACHMENTS 3.1(b), (c), and (e)

Tahoe Vista Partners, LLC
Affordable Housing and Interval Ownership Development Project

3.1(b) Draft Environmental Assessment / Environmental Impact Report,
January 2008 (on attached CD)

3.1(c) Final Environmental Assessment / Environmental Impact Report,
June 2008 (on attached CD)

3.1(e) Placer County Notice of Determination, filed October 24, 2008
(on attached CD)

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Re: League to Save Lake Tahoe, et al. v. Tahoe Regional Planning Agency, et al.
Easter District Court Case No. 2:08-CV-2447 JAM/KJM

Enclosed is an original of the Settlement Agreement for your records.

Thank you.

Sincerely,



Valorie Wood
Legal Secretary to Howard F. Wilkins III

Enclosure(s)

cc copies only: John Marshall
Tim Wilkens
Joseph Lanza

I. SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into by and among TAHOE VISTA PARTNERS, LLC ("TVP"), a California limited liability company; the LEAGUE TO SAVE LAKE TAHOE ("League"), a California non-profit corporation; FRIENDS OF TAHOE VISTA ("Friends"), an unincorporated association, the TAHOE REGIONAL PLANNING AGENCY ("TRPA"), and the BOARD OF SUPERVISORS OF THE COUNTY OF PLACER and the COUNTY OF PLACER ("County"). The parties hereto are TVP, the League, the Friends, TRPA, and the County and may be collectively referred to as the "Parties" and individually as a "Party."

II. DEFINITIONS

For purposes of this Agreement, the terms listed below are defined as follows:

1. "Action" means the lawsuit entitled *League to Save Lake Tahoe, et al. v. Tahoe Regional Planning Agency, et al.* in the United States District Court for the Eastern District of California (Civ. No. 2:08-CV-2447 JAM/KJM).
2. "Agate Bay Hydrologic Transfer Area" means the Agate Bay hydrologic area, as defined in Chapter 20 of the TRPA code with overlay map on file at TRPA.
3. "Bailey Coefficient," has the meaning defined in Chapter 2 of the Code.
4. "CEQA" means the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.).
5. "Code" means the Tahoe Regional Planning Agency's Code of Ordinances.
6. "Compact" means the Tahoe Regional Planning Compact, as amended.
7. "Complaint" means the "Verified Third Amended Complaint for Declaratory and Injunctive Relief; And Related Pendant State Law Petition for Writ of Mandate" filed by the Plaintiffs on or about October 29, 2009, in this Action.
8. "County" means, collectively, the County of Placer and Board of Supervisors for the County of Placer.
9. "Coverage" means Land Coverage, which has the meaning defined in Chapter 2 of the Code.
10. "CTRPA" means the California Tahoe Regional Planning Agency.
11. "Effective Date" means the date this Agreement takes effect. The Effective Date shall be the later of the following two dates: (a) the sixty-first (61st) day following TRPA's approval of a modification to the permit for the TVP Project limiting existing Land Coverage for the Project to 125,000 sf, and other changes to the permit required by this Agreement, if no legal challenge is filed contesting the Governing Board's approval of the

permit modifications; or (b) the ninety-first (91st) day following the County's approval of a modification to Condition of Approval No. 74 of the permit for the TVP Project to require that the Revised Project satisfy its affordable housing obligation through a condition that affordable housing units be located within the existing housing stock rather than on site and any other changes required by this Agreement, if no legal challenge is filed contesting the County's approval of the modifications to the permit. If a legal action is filed within the sixty (60) day or ninety (90) day limitations period for challenging TRPA's or the County's approval of the permit modification, respectively, discussed in the preceding sentence by any person, organization, or entity other than the Parties, this Agreement will not take effect.

12. "Friends" means Friends of Tahoe Vista, its officers, directors, members, consultant, agents, successors and assigns, including but not limited to the following persons: Laurie Gregory, Gary Kaufman, Leah Kaufman, Barbara Haas, Mark Haas, Fran Robinson, Alvina Patterson, Trudi Lesem, Gwen Rosser, Ellie Waller, Dale Chamblin, Pam Chamblin, Ezra Meyer, Janet Harley, Meera Beser, Dave McClure, Janet Tuttle, Cindy Curran and Kathy Uskert.

13. "Governing Board" means the TRPA Governing Board.

14. "Haas property" means APN 112-060-023-000 located at 6910 Toyon Road, Tahoe Vista, Placer County, California.

15. "League" means League to Save Lake Tahoe, and its officers, directors, employees, agents, successors and assigns.

16. "Land Coverage" has the meaning defined in Chapter 2 of the Code.

17. "NEPA" means the National Environmental Policy Act.

18. "Physical Construction Activities" means any construction activities that result in permanently covering land, including but not limited to grading, pavement, structures, tree removal, or similar construction activities that are not designed to be temporary. Physical Construction Activities specifically does not include demolition, or similar activities that are not designed to permanently cover land.

19. "Plaintiffs" means, collectively, the League and Friends, except for Leah Kaufman, who was an unpaid consultant for Friends. Nevertheless, Leah Kaufman as the Friends' consultant, while not an actual Plaintiff, is included within the definition of Plaintiffs for purposes of this Agreement only and is entitled to all the benefits and incurs all obligations of this Agreement.

20. "Project" means the TVP Affordable Housing and Interval Ownership Development Project approved by the TRPA on July 23, 2008, and by the County on October 20, 2008, to be located at 6873 North Lake Blvd., Placer County, California. The decision of TRPA and the County is the subject of the Action and this Agreement.

21. "Project site" means the approximately 6.25 acres (+/- 272,303 sf), of real property designated by the Assessor Parcel Number (APN) 117-071-02 and located at 6873 North Lake Blvd., Placer County, California.

22. "Revised Project" means the Project as modified by TVP consistent with the terms of this Agreement.

23. "sf" means square feet.

24. "TRPA" means the Tahoe Regional Planning Agency, including its officers, directors, governing board members, employees, and agents.

25. "TVP" means Tahoe Vista Partners, LLC, and its officers, directors, shareholders, successors and assigns. Joe Lanza and Rafe Miller, as landowners of the Project site, are included within the definition of TVP for purposes of this Agreement only and are entitled to all the benefits and incur all obligations of this Agreement.

26.

III. RECITALS

A. The Project was approved by the TRPA on July 23, 2008, and by the County on October 20, 2008. The Project site is 272,303 square feet ("sf"), or approximately 6.25 acres. The site currently consists of a campground resort, restaurant, and associated buildings. The Project, as approved by TRPA on July 23, 2008 and by the County on October 20, 2008, would convert the existing campground/RV park into a timeshare resort with up to 39 market rate timeshare units, six affordable housing units, a clubhouse and related structures.

B. TRPA regulates land coverage as a means of achieving its environmental objectives. The TRPA Code of Ordinances defines land coverage and limits the amount of permissible land coverage on a site, based on slope, soil characteristics, historic use of the site, and other factors. (TRPA Code, chapter 20.)

C. The Governing Board's July 23, 2008 approval of the Project recognized 174,324 sf of coverage as legally existing on the site, including 92,633 square feet in excess of the Bailey Coefficient for the site.

D. The action of the Governing Board was based on a site inspection conducted in 2002 that determined that 174,324 sf of coverage was present on the site at that time.

E. After the Governing Board approved the Project, on October 14, 2008, Plaintiffs filed suit against TRPA and TVP alleging that TRPA's approval of the Project violated the TRPA Compact and Code in various respects.

F. On November 3, 2008, Plaintiffs submitted a letter to TRPA requesting that, pursuant to TRPA Rules of Procedure 9.2, TRPA initiate an investigation of coverage on the site. Plaintiffs' letter attached various documents that, in Plaintiffs' view, support its contention that coverage on the site had increased by approximately 95,676 square feet between 1984 and 2001.

G. In response to Plaintiffs' request, TRPA commenced an investigation regarding the amount of coverage legally existing on the Project site. On November 24, 2008, TRPA issued a letter to TVP disclosing that TRPA had commenced a coverage investigation. The letter stated TRPA had placed a "hold" on the Project permit pending conclusion of the investigation.

H. On December 18, 2008, Plaintiffs filed a First Amended Complaint including a claim that TRPA recognized too much coverage on the Project site when it approved the Project in July 2008.

I. In response to TRPA's investigation, TVP submitted to TRPA various documents that, in TVP's view, support the proposition that the TRPA Governing Board's recognition of 174,324 square feet of coverage was proper.

J. TRPA staff asserts that in preparing the administrative record for this Action, they located a 1980 CTRPA Permit file for the Project site, which had been in TRPA's files but which had been misfiled. Plaintiffs disagree with TRPA's assertion.

K. The 1980 Permit authorized the operation of 25 campsites. Plaintiffs contend, and TVP and TRPA deny that the 1980 Permit also limited coverage on the site to 81,581.7 sf.

L. Plaintiffs contend that TRPA should rescind TVP's permit and that any future recognition of coverage existing on the site should be limited to the 81,581.7 sf that Plaintiffs contend was permitted by CTRPA in 1980, or to the 81,691 sf Bailey Coefficient of 30%. Plaintiffs also contend that the TRPA violated the Tahoe Regional Planning Compact and the Tahoe Regional Plan, and failed and refused to provide appropriate protection to the sensitive environment of the Lake Tahoe Basin in a variety of other ways with respect to the issuance of the TVP permit. TVP disputes these contentions.

M. TVP contends that the 174,324 sf of existing Land Coverage recognized by TRPA when it issued the permit was supported by substantial evidence and that Plaintiffs'

allegations relating to coverage are procedurally barred. TVP further contends that Plaintiffs' other contentions are similarly without merit and/or procedurally barred. The Plaintiffs dispute TVP's contentions.

N. As of the date of the signing of this agreement, the TRPA Executive Director has not issued a Notice of Violation and the TRPA Governing Board had not taken action with respect to the results of the investigation of the coverage on the site.

O. The Parties desire to resolve their dispute regarding the amount of legally existing coverage on the Project site, along with all other disputes concerning the Project.

IV. AGREEMENT

NOW THEREFORE, for valuable consideration, the Parties agree as follows:

A. Recitals.

The above recitals are true and are hereby incorporated by reference as part of this Agreement.

B. TVP, TRPA and Plaintiffs agree as follows:

1. TVP shall propose and TRPA shall grant:

a. An amendment to the TRPA permit for the TVP Project to limit the recognized existing Land Coverage for the Project site from 174,324 sf to 125,000 sf, as a compromise of the disputed claims in this litigation.

b. An amendment to the TRPA permit for the TVP Project to remove the requirement that the six affordable units associated with the Project be built on-site and substitute a requirement that all affordable units associated with the Revised Project be provided within the existing housing stock.

c. An amendment to the TRPA permit for the TVP Project requiring TVP to submit new site plans to TRPA within eighteen (18) months of the Effective Date of this Agreement without on-site affordable housing units, with affordable housing units provided within the existing housing stock, consistent with the revised coverage number approved for the Project and other applicable provisions of the Code, and consistent with TVP's other commitments set forth in this agreement regarding the revised site plan as set forth in paragraph IV.D.1-3.

d. TRPA and the Plaintiffs disagree whether the above described amendments to the TRPA permit for the TVP Project require action by the TRPA Governing Board. In order to promote settlement in this case, TRPA agrees that this Agreement and the above described permit amendments will be considered for approval by

the TRPA Governing Board and that TRPA will use its best efforts to consider these amendments at a meeting held in March of 2010 in the north shore area of Lake Tahoe.

e. TRPA shall send to Plaintiffs and TVP, through its legal counsel, a public hearing notice for all actions relating to the Project that require a public hearing before the Advisory Planning Commission or Governing Board. Notice shall also be provided to the individuals listed in Paragraph E.16 of this Agreement.

2. Plaintiffs, TVP and TRPA understand and agree that TRPA's approval of the reduced coverage number discussed above will be implemented by amending the existing TRPA permit for the TVP Project, and that amendment will be a final decision for purposes of judicial review and binding on any and all future owners of the Project. TVP warrants that it has the authority of all persons and entities with a known ownership interest in the property to enter into this agreement and to record it as an obligation that runs with the land, and to act on their behalf with respect to the Permit including authority to seek amendment of the permit for the Project. All Parties agree that they will not seek judicial review of the TRPA Permit amendments for the TVP Project if they are consistent with the terms of this Agreement.

3. Plaintiffs, TVP and TRPA understand and agree that TRPA will adjust the original conditions of approval and mitigation required for the Project in accordance with its factual review and findings with respect to the Project. Plaintiffs, TVP and TRPA understand and agree that the County of Placer may make similar modifications to its conditions of approval and mitigation measures for the Project. Plaintiffs acknowledge that adjustments may include a reduction in the number of affordable housing units required to be provided in conjunction with the Revised Project.

4. All Parties understand and agree that this Agreement is contingent on TRPA amending the TRPA permit for the TVP Project to require that the affordable units associated with the Project be provided within the existing housing stock, to adjust the recognized coverage for the Project as set forth above, and the sixty (60) day period for challenging the TRPA permit amendment running without a legal challenge being filed. All Parties understand and agree that this Agreement is further contingent on the County amending the County permit for the TVP Project to require that the affordable units associated with the Project be provided within the existing housing stock as set forth above and the ninety (90) day period for challenging the County permit amendment running without a legal challenge being filed. The Effective Date for this Agreement is the date when the time period for seeking judicial review of the TVP Permit amendments approved

by TRPA and the County have run without a legal challenge being filed, whichever date is later.

C. TVP, the County and Plaintiffs agree as follows:

1. Within twenty (20) days of the date of the last signature on this Agreement, TVP shall submit an application to the County to amend Condition of Approval No. 74 of the permit for the Project to remove the requirement that the affordable units associated with the Project be built on-site and substitute an equivalency proposal that requires all affordable units associated with the Revised Project be provided within the existing housing stock.

2. TVP and County agree to work together in good faith to expedite the processing of the affordable housing amendment to the County permit for the TVP Project and to complete such processing within 120 days of receipt of TVP's complete application to amend the permit. If the County determines that TVP's initial application is not complete, TVP will provide any information necessary to complete its application within 10 business days of being notified by the County that additional information is required.

3. TVP, the County and Plaintiffs understand and agree that TVP will submit new site plans to the County within eighteen (18) months of the Effective Date of this Agreement consistent with any revision to Condition of Approval No. 74 and the revised coverage number approved by TRPA for the Project.

4. Plaintiffs, TVP and TRPA understand and agree that County may, upon application by TVP, extend the time for TVP's current permit to allow TVP to submit a modified site plan consistent with the terms of this Agreement and further allow reasonable time for completion of the Revised Project consistent with this Agreement. Plaintiffs agree not to oppose this extension of time or any additional extensions sought by TVP relating to the Project, but Plaintiffs' representatives listed in Paragraph E.16 shall receive written notification of any additional extensions.

5. Plaintiffs, TVP and the County understand and agree that the County will adjust the original conditions of approval and mitigation required for the Project in accordance with its factual review and findings with respect to the Revised Project. Plaintiffs, TVP and the County understand and agree that the TRPA may make similar modifications to its conditions of approval and mitigation measures for the Project, but Plaintiffs' representatives listed in Paragraph E.16 shall receive written notification of any modifications to its conditions of approval and mitigation measures.

6. All Parties understand and acknowledge that, in the context of processing amendments to the Project, the County cannot guarantee the ultimate outcome of any public hearings before the County Planning Commission, Board of Supervisors or other public bodies of the County, nor prevent any opposition thereto by members of the public or other agencies affected by or interested in the Project. The Parties further understand and acknowledge that land use regulations involve the exercise of the County's police power and, at the time of executing this Agreement, it is settled California law that government may not contract away its right to exercise its police power in the future. (*Avco Community Developers Inc. v. South Coast Regional Com.* (1976) 17 Cal.3d 785, 800 (1976); *City of Glendale v. Superior Court* (1993) 18 Cal.App.4th 1768.) The Parties further understand and acknowledge that the approval of the Project may be subject to procedural or substantive obligations under the California Environmental Quality Act ("CEQA") (Pub. Resources Code, §§ 21000 et seq.), the California Code of Regulations, title 14, Section 15000 et seq. ("CEQA Guidelines"), the State Planning and Zoning Law, or other laws potentially applicable to such approvals; nothing in this Agreement is intended to constrain the County's consideration of the Project in light of information obtained or developed pursuant to these laws; and the County retains the discretion to approve, conditionally approve, or deny the Project in light of such information. Subject to the foregoing, County, to the extent allowed by law, agrees to diligently process any and all amendments to the Project, including any necessary environmental actions, without unnecessary delay. The County shall send notice to Plaintiffs and TVP, through their respective legal counsel, a public hearing notice for all actions relating to the Project that require a public hearing before the County Planning Commission, Zoning Administrator, or the Board of Supervisors.

7. All Parties understand and agree that this Agreement is contingent on the County amending the permit for the TVP Project to modify Condition of Approval No. 74 as set forth above and the ninety (90) day period for challenging the permit amendment running without a legal challenge being filed. All Parties understand and agree that this Agreement is further contingent on TRPA amending the permit for the TVP Project to require that the affordable units associated with the Project be provided within the existing housing stock and adjust the recognized coverage for the Project as set forth above and the sixty (60) day period for challenging the permit amendment running without a legal challenge being filed. The Effective Date for this Agreement is the date when the time

period for seeking judicial review of the TVP Permit amendment approved by TRPA and the County has run without a legal challenge being filed, whichever date is later.

D. TVP and Plaintiffs agree as follows:

1. Approval.

Plaintiffs and TVP further agree that their approvals of this Agreement are contingent on all Parties executing this Agreement without revision(s) on or before April 15, 2010.

2. Land Coverage.

Although the Plaintiffs and TVP dispute the revised Land Coverage amount discussed above in paragraph IV.B.1 of this Agreement, the Plaintiffs and TVP agree as follows in order to resolve their differences concerning coverage on the Project site, and as a means to reach a compromise of the litigation:

a. The Project site's base coverage is the Bailey Coefficient of 30% of the Project site, or 81,691 sf.

b. TVP shall acquire and retire additional coverage reflecting the extent to which the Revised Project includes coverage in excess of the Project site's Bailey Coefficient, up to the amount recognized as legally existing by the TRPA. Plaintiffs and TVP acknowledge and agree that TVP may acquire and retire this coverage from separate parcels within the Agate Bay Hydrologic Transfer Area. The difference between the base coverage (81,691 sf) and the revised existing coverage recognized by the Parties pursuant to this Agreement (125,000 sf) is 43,009 sf. With respect to this 43,009 sf increment of coverage, if the Revised Project proposes coverage in excess of the Bailey Coefficient, and if such amount of coverage is approved by TRPA, TVP may use, as if legally existing on-site, up to 43,009 sf of coverage over the base allowable provided TVP acquires and retires an equal amount of existing or base allowable coverage from any land capability class within the Agate Bay Hydrologic Transfer Area. Any coverage retired pursuant to this paragraph shall be retired permanently in accordance with a deed restriction or any applicable requirements of the Compact and Code. TVP shall acquire and retire any portion of this increment of coverage above the base allowable coverage of 81,691 sf before commencing Physical Construction Activities associated with any phase of the Project that will result in permanent land coverage in excess of 81,691 sf. The Parties acknowledge and agree that TVP will not be required to purchase or retire coverage until it commences Physical Construction Activities on a phase of the Revised Project that will permanently cover land on the Project site above the base allowable coverage of 81,691 sf. The

obligation to acquire and retire this increment of coverage is intended to, and shall, run with the land, such that the obligation shall apply to any subsequent owner or developer of the Revised Project or any future project(s).

c. Under the Compact and Code, a landowner in the Tahoe Vista Community Plan area may acquire and transfer additional coverage, over base or TRPA-recognized existing coverage, up to 50% of the Project site. In accordance with the Compact and Code, as of the Effective Date, TVP may, at its discretion and to the extent required for the Revised Project, acquire and transfer to the site coverage in an amount equal to the difference between 125,000 sf, and 50% of the Project area, or 136,151 sf. Nothing in this Agreement is intended to affect the acquisition and transfer of additional coverage authorized by the Compact and Code, and in accordance with all applicable requirements of the Compact and Code, as of the Effective Date.

3. Revised Site Plan.

The site plan that TVP shall submit to TRPA within 18 months from the approval of the permit amendment discussed in paragraph IV.B.1 shall include the following elements:

a. *Coverage.* TVP's application for the Revised Project shall include a new site plan that is based on, and consistent with, the land coverage amounts set forth in this Agreement. The Revised Project shall reflect the revised total amount of coverage existing or that can be transferred onto the site consistent with this Agreement. In any event, the Revised Project shall provide that land coverage shall not exceed fifty (50) percent of the total Project site area.

b. *Affordable housing.* The Project, as approved by TRPA and the County, included on-site affordable housing. The Revised Project shall not include on-site affordable housing. Within twenty (20) days of the date of the last signature on this Agreement, TVP shall propose to the County and TRPA that the affordable housing approved as part of the original Project instead be provided through TVP's purchasing and deed restricting as affordable existing residential units within the County's housing stock or other terms satisfactory to the County, TRPA and TVP. In the event TVP encounters obstacles with respect to not locating affordable housing on the Project site, TVP shall notify Plaintiffs and request their assistance in an effort to persuade the County and/or TRPA that affordable housing should not be located on the Project site. The Parties acknowledge and agree that removing the Project's on-site affordable housing and accomplishing the provision of affordable housing through the purchasing and deed restricting of residential units within the County's existing housing stock is subject to

review and approval by the County and TRPA. In the event that TRPA or the County does not approve the Revised Project to reflect the substitution of affordable housing within the existing housing stock for on-site affordable housing this Agreement will not take effect.

c. *Sound wall.* The Revised Project application shall propose to eliminate the sound wall that was required as mitigation for the approved Project's affordable housing. The Parties understand that the Project, as approved by TRPA and the County, included a sound wall. TVP shall use its best efforts to avoid including a sound wall in the Revised Project, including working with Plaintiffs if any obstacles to the removal of the soundwall as part of the Project are presented by the County or TRPA. In the event that TRPA or the County will not approve the Revised Project without the inclusion of a sound wall, TVP may proceed with a Revised Project without eliminating the sound wall.

d. *Fire Access.* TVP shall use its best efforts to avoid the need for a fire road extending northward from the northeast corner of the Project site. If a fire road extending northward from the northeast corner of the Project site cannot be avoided, then the eastern edge of the fire road shall be at least of 20 feet from the Haas property line and landscaped per County requirements. The road shall be gated and used solely for emergency vehicles and for pedestrian and bicycle use.

e. *Gates/Garages and Carports.* The Revised Project shall not include gated roads (except as required for the limited access fire road(s)), and no gates fronting Highway 28. The Revised Project shall not include free standing garages and/or carports.

f. *Design.* The Revised Project shall be designed in a manner intended to be consistent with the style generally understood to be "Old Tahoe" style. TVP will utilize a design facilitation process that will allow Plaintiffs to provide input and comments on the design of the Revised Project. The Parties recognize and agree that final design decisions are within TVP's discretion, but must comply with TRPA and County code requirements.

g. *Existing conditions of approval.* TVP shall propose, in its application for the Revised Project that the conditions of approval adopted by the County and TRPA in 2008, shall apply to the Revised Project, including height and limiting the number of market rate units to 39 or less, except that conditions of approval will be modified consistent with the terms of this Agreement. The Parties further recognize and agree the conditions of approval and mitigation measures adopted by the County and TRPA in 2008 shall be adjusted proportionately so that they reflect the revised size of the Project

(e.g., fees to be paid based on the number of units may be adjusted and reduced to reflect the number of units in the Revised Project). Any additional future permit revisions are limited to changes that result in reduced environmental impacts than the originally approved Project.

h. *Commencement of construction.* Physical Construction Activities shall not proceed unless and until TVP submits, and TRPA and the County approve, the plan revisions for the Revised Project described in this paragraph; and thereafter shall proceed consistent with paragraph D.1.b. of this Agreement.

4. Other TVP commitments.

TVP shall adhere to the following additional commitments with respect to the Revised Project.

a. *Bikes/shuttle van/bus passes.* TVP shall provide at least ten (10) bikes for use by guests of the Project. TVP shall provide one (1) shuttle van for local trips for residents and guests of the Project. TVP shall provide its customers with Tahoe Area Rapid Transit bus passes for use by residents and guests of the Project.

b. *No Boat and Trailer Parking:* The Revised Project shall not contain boat or boat-trailer storage or parking.

c. *Community meeting.* TVP shall hold at least one community meeting to solicit comments from interested members of the public before seeking administrative approval for the Revised Project from the County or TRPA. TVP shall provide Plaintiffs at least thirty (30) days notice before any such meeting, and shall publish at least one (1) public notice of the meeting in the Sierra Sun at least twenty (20) days prior to the meeting. TVP will provide written response to all written comments regarding the Revised Project received five business days prior to or at the Community meeting.

5. Plaintiffs' commitments.

In consideration of the commitments by TVP set forth above, Plaintiffs shall comply with the commitments set forth in this paragraph.

a. *TRPA Approvals and Coverage.* If this Agreement is approved by the Governing Board Plaintiffs shall support any future permit modification(s) for the Project required to conform the Project to this Agreement. Plaintiffs shall support and cooperate with TVP in TVP's efforts to purchase coverage to satisfy the conditions of this Agreement and will not directly or indirectly obstruct TVP's efforts to purchase coverage consistent with the terms of this Agreement.

b. *Dismissal.* Plaintiffs shall file a dismissal of, or enter into a stipulation dismissing, or otherwise file a motion for dismissal of, the entire Action with prejudice not more than ten (10) business days after the Effective Date.

c. *Future challenges.* Plaintiffs waive any and all rights to bring any future challenge relating in any way to the Project or Revised Project in administrative or legal proceedings, with the exception of alleging a breach of the Settlement Agreement or a failure to comply with any and all written contractual agreement(s) between some or all of the Parties relating to the Project or Revised Project. Plaintiffs understand, acknowledge and agree that the Agreement will constitute a complete and sufficient defense barring any such claims included in this paragraph, and that the Defendant Parties will be relying upon the Settlement Agreement as a complete defense.

E. All parties agree as follows:

1. Support for this Agreement.

All parties shall support the County and Governing Board's approval of this Agreement and the permit amendments for the Project and Revised Project consistent with Agreement. All parties shall have the right to express their views, publicly and to the TRPA Governing Board, of the facts of this matter. However, all Parties agree not to suggest or advocate that the County or Governing Board reject or disapprove this Agreement or the permit amendments for the Project and Revised Project consistent with Agreement.

2. Land Coverage.

All Parties acknowledge and agree that existing coverage recognized by the Parties pursuant to this Agreement (125,000 sf) will be the recognized existing coverage at the Project site. TVP, TRPA and the County agree they will not advocate for more or less recognized existing coverage at the Project site for the Revised Project or any future projects. Plaintiffs and TVP agree they will not advocate for more or less recognized existing coverage at the Project site for the Revised Project. If TVP in the future requests to use, transfer, or bank such coverage in connection with a different project or other application, the Plaintiffs will not oppose such requests provided that TVP has complied with the retirement of coverage terms of this Agreement.

3. Additional Project Approvals.

All Parties acknowledge and agree that no further approvals are required for the Revised Project based on this Agreement other than any approvals that are currently required under existing law, or those expressly required pursuant to this Agreement.

4. Run with the Land.

This Agreement shall run with the land and be binding upon all present and future owners of the Project site, and shall exist through the duration of this Agreement or until such time as the terms of this Agreement have been fully fulfilled or this Agreement has been terminated by the mutual agreement of the Parties. Should the County or TRPA permits for the TVP Project or Revised Project expire by operation of law under Compact Article VI(p) or through voluntary relinquishment or any other means, all Parties understand and agree that the 125,000 sf of "existing" Land Coverage for the Project site established pursuant to this Agreement will remain for any future project(s). The terms of this Agreement shall be binding on and inure to the benefit of the Parties hereto and their successors, assigns, heirs, and representatives. TVP shall record a notice of this Agreement and provide an executed copy of this Agreement to any prospective purchaser(s) of the Project, the Project Site, the Permit for the Project, the Permit for the Revised Project, or of TVP itself. This Agreement is contingent on TVP providing a copy of the recorded notice of this Agreement to Plaintiffs as provided in Paragraph IV (D) (14) of this Agreement.

5. Term and Termination.

This Agreement shall continue in effect until the earlier of the following dates: (a) the first date when all of the Parties' obligations under this Agreement have been satisfied; or (b) all parties agree in writing to terminate this Agreement. At that time, the owner of the Project site shall execute and record a withdrawal of the Notice of Agreement. The owner of the Project site shall provide Plaintiffs with notice 30-days in advance of recording the withdrawal of the Notice of Agreement as provided in Paragraph IV (E) (16) of this Agreement.

6. No Admissions.

This Agreement is entered into in compromise of disputed claims, the existence of any liability for which is expressly denied. All Parties agree that this Agreement shall not be deemed or construed for any purpose as an admission of liability or responsibility for or participation in any unlawful or wrongful act at any time by any Party hereto or any other person or entity, and shall have no precedential value for any other case or circumstance. The Parties understand and agree that nothing in this Agreement, or in the execution of this Agreement, shall constitute or be construed as an admission by any party of any inadequacy or impropriety in connection with the allegations contained in the pending lawsuit, including but not limited to any violations of the Tahoe Regional Planning Compact, TRPA Regulations, the Code, County planning documents, the County's zoning ordinance, NEPA,

CEQA, or other laws, plans or regulations governing the use of the Project site. It is agreed that all statements contained herein and the conduct of any Party in connection with this Agreement shall be inadmissible as evidence under California Evidence Code § 1152(a), except that the statements contained herein shall be admissible in any action to enforce or interpret this Agreement.

7. No Prior Assignment.

The Parties represent and warrant that they have not sold, assigned, transferred, hypothecated, pledged, encumbered or otherwise disposed of or set over to any person or entity, in whole or in part, voluntarily or involuntarily, any claim, demand, or right covered by this Agreement.

8. Costs and Fees.

Except as set forth in this agreement, or in any other agreement or condition between some or all of the Parties with respect to the subject matter hereof, each Party shall bear its own attorneys' fees and costs.

9. Entire Agreement; Modifications; Waiver.

This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, representations, and understandings of the Parties, with the exception of any and all written contractual agreement(s) between any or all of the Parties relating to the Project and Revised Project. This Agreement may not be amended or modified by the Parties except in a writing executed by all Parties. No waiver of any provision of this Agreement shall be binding unless executed in writing by the Party making the waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

10. Interpretation.

This Agreement shall be deemed to have been drafted equally by the Parties, and shall not be interpreted for or against any Party by reason of the alleged authorship of any provisions. The Parties understand and agree that the general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement. Each Party acknowledges that it is represented by counsel, and has had the benefit of advice from counsel with respect to this Agreement.

11. Headings.

The headings and numbers used in this Agreement are included for the purpose of convenience of reference only and they shall not be used to explain, limit, or extend the

meaning of any part of the Agreement.

12. Severability.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law, unless the exclusion of such term or provision, or the application of such term or provision, would result in such a material change so as to cause completion of the obligations contemplated herein to be unreasonable.

13. Governing Law; Venue.

This Agreement shall be construed under and governed by the laws of the United States and the State of California with venue in United States District Court for the Eastern District of California.

14. Specific Performance; Remedies.

The Parties agree that specific performance is an appropriate remedy for enforcement of this Agreement. The Parties acknowledges and agrees that specific performance is the only appropriate remedy for any breach of this Agreement by TVP, TRPA and the County. Any Party claiming a breach of this Agreement, shall provide the other Parties thirty (30) days' notice before commencing any action to enforce this Agreement and shall meet and confer and attempt to resolve their differences informally before commencing any such action. The prevailing party in any action to enforce this Agreement shall be entitled to their reasonable attorney fees and costs.

15. Authority; Warranties.

Each person signing this Agreement on behalf of a Party hereby represents and warrants that he or she has complete authority to bind that Party to the terms and conditions of this Agreement.

16. Execution.

This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

17. Notice.

TVP shall provide Plaintiffs with written notice of the completion of each requirement set forth in this Agreement to be performed by TVP and within ten (10) days of

the completion of such requirement, and such notice shall explain the manner in which TVP complied with each such requirement. Plaintiffs shall provide TVP with written notice of the completion of each requirement set forth in this Agreement to be performed by Plaintiffs within ten (10) days of the completion of such requirement, and such notice shall explain the manner in which Plaintiffs complied with each such requirement. All notices required under this Agreement shall be in writing, and shall be given by both: (1) either personally or by United States First Class mail; and (2) by telephone facsimile or electronic mail (PDF format). Any Party may at any time, by giving ten (10) days' written notice to the other Party, designate any other person or address in substitution of the address to which such notice shall be given. Such notices shall be given to the Parties at their addresses set forth below:

For the League to Save Lake Tahoe:

Rochelle Nason, Executive Director
League to Save Lake Tahoe
955 Emerald Bay Road
South Lake Tahoe, CA 96150
FAX: (530) 541-5454
Email: rochelle@keeptahoeblue.org

For the Friends of Tahoe Vista:

Ellie Waller
P.O. Box 535
Tahoe Vista, CA 96148
Email: tahoellie@yahoo.com

For Tahoe Vista Partners, LLC:

Tim Wilkens
Tahoe Vista Partners
P.O. Box 2490
Napa, CA 94558
Email: twilkens@interx.net

With copies to:

Whitman F. Manley
Howard F. Wilkins III
Remy, Thomas, Moose and Manley, LLP
455 Capitol Mall, Suite 210
Sacramento, CA 95814
Telephone: (916) 443-2745
Facsimile: (916) 443-9017
Email: wmanley@rtmmlaw.com
Email: cwilkins@rtmmlaw.com

For Tahoe Regional Planning Agency:

Tahoe Regional Planning Agency
P.O. BOX 5310
Stateline, Nevada 89448
Telephone: (775) 588-4547
Facsimile: (775) 588-4527

With copies to:

Nicole U. Rinke
Tahoe Regional Planning Agency
P.O. BOX 5310
Stateline, Nevada 89448
Telephone: (775) 588-4547
Facsimile: (775) 588-4527
Email: nrinke@trpa.org

For County of Placer:

Michael Johnson, Director
Community Development Resources Agency
3091 County Center Drive
Auburn CA 95603
Telephone: (530) 745-3000
Facsimile: mjohnson@placer.ca.gov

With copies to:

Scott H. Finley
Placer County Counsel's Office
175 Fulweiler Avenue
Auburn, CA 95603
Telephone: (530) 889-4044
Facsimile: (530) 889-4069
Email: sfinley@placer.ca.gov

18. **Waiver; Defenses.**

Except as otherwise expressly set forth in this Agreement, each Party, on behalf of itself and its respective officers, directors, agents, members, insurers and subrogees, predecessors, successors, affiliated and related entities, and assignors and assignees, and each of them, hereby releases and forever discharges all other Parties and their respective officers, directors, agents, insurers and subrogees, predecessors, successors, affiliated and related entities, assignors and assignees, and each of them, from any and all past, present and future claims, demands, causes of action, obligations, damages, costs and expenses of any nature and kind whatsoever, relating to or arising out of, directly or indirectly, the Claims and the Project, with the exception of alleging a breach of the Settlement Agreement or a failure to comply with any and all written contractual agreement(s) between

any or all of the Parties relating to the Project. The Parties intend this Agreement to be a full and general release as to subject matters set forth in the Claims, and they hereby mutually, expressly, knowingly and intentionally waive all claims or benefits which they now have, or in the future may have, under the provisions of Section 1542 of the California Civil Code, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Each Party acknowledges that its attorney-at-law has explained to it the meaning and affect of this statute. Each Party understands fully the statutory language of Civil Code Section 1542 and, with the understanding, each Party nevertheless elects to, and does, assume all risk for claims released under this Agreement heretofore and hereafter arising, known or unknown, and each Party specifically waives any rights it may have under Civil Code Section 1542. Each Party fully understands that if the facts with respect to this Agreement are found hereafter to be other than or different from the facts now believed by it to be true, it expressly accepts and assumes the risk of such possible difference in facts and agrees that this Agreement shall be and remain effective, notwithstanding such difference in facts.

<u> RW </u>	League to Save Lake Tahoe (Initials)
<u> </u>	Friends of Tahoe Vista (Initials)
<u> </u>	Tahoe Vista Partners, LLC (Initials)
<u> </u>	Tahoe Regional Planning Agency (Initials)
<u> </u>	County of Placer (Initials)

Each Party hereby agrees never to commence, aid, prosecute or cause or permit to be commenced or prosecuted against the other Party any action or any other proceeding based in whole or in part upon any rights, liens, claims, demands or causes of action of any nature whatsoever waived, released or discharged by this Agreement. This Agreement may be pled as a full and complete defense to any subsequent action or other proceeding involving any person or Party which arises out of, relates to, or has anything to do with, the rights, liens, claims, demands or causes of action waived, released and discharged by this Agreement. The Parties acknowledge that this Agreement is being entered into in settlement and to avoid further dispute, expense or litigation. The Parties agree that neither execution hereof nor performance of any of the provisions of this Agreement shall

any or all of the Parties relating to the Project. The Parties intend this Agreement to be a full and general release as to subject matters set forth in the Claims, and they hereby mutually, expressly, knowingly and intentionally waive all claims or benefits which they now have, or in the future may have, under the provisions of Section 1542 of the California Civil Code, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Each Party acknowledges that its attorney-at-law has explained to it the meaning and affect of this statute. Each Party understands fully the statutory language of Civil Code Section 1542 and, with the understanding, each Party nevertheless elects to, and does, assume all risk for claims released under this Agreement heretofore and hereafter arising, known or unknown, and each Party specifically waives any rights it may have under Civil Code Section 1542. Each Party fully understands that if the facts with respect to this Agreement are found hereafter to be other than or different from the facts now believed by it to be true, it expressly accepts and assumes the risk of such possible difference in facts and agrees that this Agreement shall be and remain effective, notwithstanding such difference in facts.

EW

League to Save Lake Tahoe (Initials)

Friends of Tahoe Vista (Initials)

Tahoe Vista Partners, LLC (Initials)

Tahoe Regional Planning Agency (Initials)

County of Placer (Initials)

Each Party hereby agrees never to commence, aid, prosecute or cause or permit to be commenced or prosecuted against the other Party any action or any other proceeding based in whole or in part upon any rights, liens, claims, demands or causes of action of any nature whatsoever waived, released or discharged by this Agreement. This Agreement may be pled as a full and complete defense to any subsequent action or other proceeding involving any person or Party which arises out of, relates to, or has anything to do with, the rights, liens, claims, demands or causes of action waived, released and discharged by this Agreement. The Parties acknowledge that this Agreement is being entered into in settlement and to avoid further dispute, expense or litigation. The Parties agree that neither execution hereof nor performance of any of the provisions of this Agreement shall

any or all of the Parties relating to the Project. The Parties intend this Agreement to be a full and general release as to subject matters set forth in the Claims, and they hereby mutually, expressly, knowingly and intentionally waive all claims or benefits which they now have, or in the future may have, under the provisions of Section 1542 of the California Civil Code, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Each Party acknowledges that its attorney-at-law has explained to it the meaning and affect of this statute. Each Party understands fully the statutory language of Civil Code Section 1542 and, with the understanding, each Party nevertheless elects to, and does, assume all risk for claims released under this Agreement heretofore and hereafter arising, known or unknown, and each Party specifically waives any rights it may have under Civil Code Section 1542. Each Party fully understands that if the facts with respect to this Agreement are found hereafter to be other than or different from the facts now believed by it to be true, it expressly accepts and assumes the risk of such possible difference in facts and agrees that this Agreement shall be and remain effective, notwithstanding such difference in facts.

_____	League to Save Lake Tahoe (Initials)
_____	Friends of Tahoe Vista (Initials)
_____ 	Tahoe Vista Partners, LLC (Initials)
_____	Tahoe Regional Planning Agency (Initials)
_____	County of Placer (Initials)

Each Party hereby agrees never to commence, aid, prosecute or cause or permit to be commenced or prosecuted against the other Party any action or any other proceeding based in whole or in part upon any rights, liens, claims, demands or causes of action of any nature whatsoever waived, released or discharged by this Agreement. This Agreement may be pled as a full and complete defense to any subsequent action or other proceeding involving any person or Party which arises out of, relates to, or has anything to do with, the rights, liens, claims, demands or causes of action waived, released and discharged by this Agreement. The Parties acknowledge that this Agreement is being entered into in settlement and to avoid further dispute, expense or litigation. The Parties agree that neither execution hereof nor performance of any of the provisions of this Agreement shall

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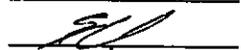
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constitute or be construed as an admission on the part of either Party of any liability regarding the claims, and nothing herein shall be admissible in any proceeding as an admission of any factual matter, liability or fault against any Party. Each Party agrees to indemnify and save harmless the other Parties from any loss incurred directly or indirectly by reason of the falsity or inaccuracy of any representation made herein by it.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date hereinafter written.

April 2, 2010

FRIENDS OF TAHOE VISTA

By: 
Ellie Waller

April __, 2010

LEAGUE TO SAVE LAKE TAHOE

By: _____
Rochelle Nason, Executive Director

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, President of Great Western Holdings, Inc.

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, an Individual

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April __, 2010

FRIENDS OF TAHOE VISTA

By: _____
Ellie Waller

April 8th, 2010

LEAGUE TO SAVE LAKE TAHOE

By: Rochelle Nason
Rochelle Nason, Executive Director

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, President of Great Western Holdings, Inc.

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, an Individual

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April __, 2010

FRIENDS OF TAHOE VISTA

By: _____
Ellie Waller

April __, 2010

LEAGUE TO SAVE LAKE TAHOE

By: _____
Rochelle Nason, Executive Director

April 7, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, President of Great Western Holdings, Inc.

April 7, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Tim Wilkens, an Individual

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Joe Lanza, an Individual

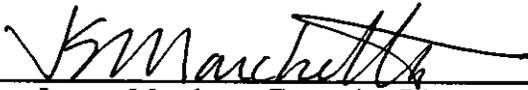
April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Rafe Miller, an Individual

April 6, 2010

TAHOE REGIONAL PLANNING AGENCY

By:  _____
Joanne Marchetta, Executive Director

April __, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Kirk Uhler, Chair

Approved as to form:

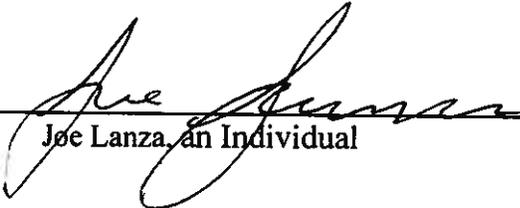
April __, 2010

KENYON YEATES LLP

By: _____
Bill Yeates
Attorneys for Plaintiff
Friends of Tahoe Vista

April 7th, 2010

TAHOE VISTA PARTNERS, LLC

By: 
Joe Lanza, an Individual

April 7th, 2010

TAHOE VISTA PARTNERS, LLC

By: 
Rafe Miller, an Individual

April , 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Joanne Marchetta, Executive Director

April , 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Kirk Uhler, Chair

Approved as to form:

April , 2010

KENYON YEATES LLP

By: _____
Bill Yeates
Attorneys for Plaintiff
Friends of Tahoe Vista

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Joe Lanza, an Individual

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Rafe Miller, an Individual

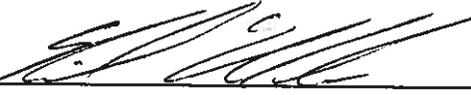
April __, 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Joanne Marchetta, Executive Director

April 6, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By:  _____
Kirk Uhler, Chair

Approved as to form:

April __, 2010

KENYON YEATES LLP

By: _____
Bill Yeates
Attorneys for Plaintiff
Friends of Tahoe Vista

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Joe Lanza, an Individual

April __, 2010

TAHOE VISTA PARTNERS, LLC

By: _____
Rafe Miller, an Individual

April __, 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Joanne Marchetta, Executive Director

April __, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Kirk Uhler, Chair

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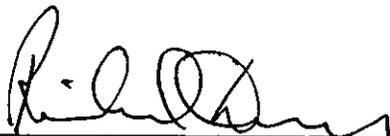
April B, 2010

KENYON YEATES LLP

By:  _____
Bill Yeates
Attorneys for Plaintiff
Friends of Tahoe Vista

April 8, 2010

LOZEAU DRURY LLP

By: 
Richard T. Drury
Attorneys for Plaintiff
League to Save Lake Tahoe

April __, 2010

LEAGUE TO SAVE LAKE TAHOE

By: _____
Rochelle Nason

April __, 2010

REMY THOMAS MOOSE & MANLEY LLP

By: _____
Whitman F. Manley
Howard F. Wilkins III
Attorneys for Defendant,
Tahoe Vista Partners LLC

April __, 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Nicole Rinke, General Counsel
John L. Marshall
Attorneys for Defendant
Tahoe Regional Planning Agency

April __, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Scott Finley
Attorneys for Defendant
Placer County Board of Supervisors

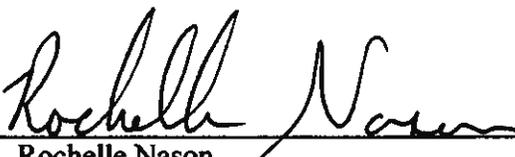
April __, 2010

LOZEAU DRURY LLP

By: _____
Richard T. Drury
Attorneys for Plaintiff
League to Save Lake Tahoe

April 15th, 2010

LEAGUE TO SAVE LAKE TAHOE

By: 
Rochelle Nason

April __, 2010

REMY THOMAS MOOSE & MANLEY LLP

By: _____
Whitman F. Manley
Howard F. Wilkins III
Attorneys for Defendant,
Tahoe Vista Partners LLC

April __, 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Nicole Rinke, General Counsel
John L. Marshall
Attorneys for Defendant
Tahoe Regional Planning Agency

April __, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Scott Finley
Attorneys for Defendant
Placer County Board of Supervisors

April __, 2010

LOZEAU DRURY LLP

By: _____
Richard T. Drury
Attorneys for Plaintiff
League to Save Lake Tahoe

April __, 2010

LEAGUE TO SAVE LAKE TAHOE

By: _____
Rochelle Nason

April 8, 2010

REMY THOMAS MOOSE & MANLEY LLP

By: _____

Whitman F. Manley
Howard F. Wilkins III
Attorneys for Defendant,
Tahoe Vista Partners LLC

April __, 2010

TAHOE REGIONAL PLANNING AGENCY

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Nicole Rinke, General Counsel
John L. Marshall
Attorneys for Defendant
Tahoe Regional Planning Agency

April __, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By: _____
Scott Finley
Attorneys for Defendant
Placer County Board of Supervisors

April __, 2010

LOZEAU DRURY LLP

By: _____
Richard T. Drury
Attorneys for Plaintiff
League to Save Lake Tahoe

April __, 2010

LEAGUE TO SAVE LAKE TAHOE

By: _____
Rochelle Nason

April __, 2010

REMY THOMAS MOOSE & MANLEY LLP

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Whitman F. Manley
Howard F. Wilkins III
Attorneys for Defendant,
Tahoe Vista Partners LLC

April __, 2010

TAHOE REGIONAL PLANNING AGENCY

By: _____
Nicole Rinke, General Counsel
John L. Marshall
Attorneys for Defendant
Tahoe Regional Planning Agency

April 6, 2010

PLACER COUNTY BOARD OF SUPERVISORS

By:  _____
Scott Finley
Attorneys for Defendant
Placer County Board of Supervisors

ATTACHMENT 3.1(f)

Addendum to Adopted Environmental Assessment/Environmental Impact Report for the Tahoe Vista Partners, LLC Affordable Housing and Interval Ownership Development Project January 2011

Placer County Planning Department
State Clearinghouse # 2006022100

Prepared pursuant to the California Environmental Quality Act (CEQA) of 1970, section 15164 of the CEQA guidelines.

Placer County, acting as the Lead Agency, and in conjunction with the Tahoe Regional Planning Agency (TRPA), prepared an Environmental Assessment/Environmental Impact Report (EA/EIR) to comply with CEQA. The County adopted the EA/EIR on October 20, 2008, and a Notice of Determination (NOD) was filed on October 24, 2008.

Project Description: Tahoe Vista Partners, LLC (TVP), proposed to construct 45 tourist accommodation units (TAUs) or interval ownership units, a clubhouse/administration building, 10 affordable/employee housing units, improvements to the existing main 2-story commercial building, and frontage improvements along State Route (SR) 28 within the Tahoe Vista Community Plan area of the unincorporated area of Placer County on the north shore of Lake Tahoe. The project was approved by TRPA on July 23, 2008, and by the Placer County Board of Supervisors on October 20, 2008. The project, as approved by TRPA and the County, would convert the existing campground/RV park into a timeshare resort with up to 39 market rate timeshare units, six affordable housing units, a clubhouse and related structures.

TRPA regulates land coverage within the Lake Tahoe Basin as a means of achieving its environmental objectives and, accordingly, as part of TRPA's project approval, 174,324 sq. ft. of coverage was recognized as legally existing on the project site. Of this total, 92,633 sq. ft. is considered in excess of the Bailey Coefficient (Base Allowable Coverage).

On October 14, 2008, TRPA and TVP were sued by two plaintiffs, the League to Save Lake Tahoe, a California non-profit corporation, and Friends of Tahoe Vista, an unincorporated association, in a lawsuit entitled *League to Save Lake Tahoe, et al. v. Tahoe Regional Planning Agency, et al.* in the United States District Court for the Eastern District of California (Civ. No. 2:08-CV-2447 JAM/KJM).

Description of Project Changes:

In April 2010 all of the above mentioned parties to the lawsuit, the County of Placer, and the Board of Supervisors of the County of Placer executed a Settlement Agreement, whereby the Project was modified, including the following changes:

1. TVP shall propose and TRPA shall grant an amendment to the TRPA permit to:
 - a. limit the recognized existing Land Coverage for the Project site from 174,324 sq. ft. to 125,000 sq. ft.; and
 - b. remove the requirement that the six affordable units be built on site and substitute a requirement that all affordable housing units be provided within the existing housing stock.
2. TVP shall propose and Placer County may make similar modifications to its conditions of approval and mitigation measures for the Project.

The Settlement Agreement becomes effective when the time period for seeking judicial review of the TVP Permit amendments approved by TRPA and Placer County have run without a legal challenge being filed, whichever jurisdictional review date is later. The Settlement Agreement modifies the specific manner in which land coverage is accounted for and mitigated for the Project. These land coverage changes, and the potential environmental impacts from these land coverage changes, are described below.

Transfer of Land Coverage

The CEQA document considered the Project site to have 174,324 sq. ft. of verified existing land coverage. The Settlement Agreement reduces that amount to 125,000 sq. ft., which exceeds TRPA's recognized Base Allowable Coverage (81,691 sq. ft.) by 43,309 sq. ft. Section 20.5 of the TRPA Code of Ordinances (Code) prescribes the options for mitigating projects where the amount of land coverage existing prior to the project in the project area exceeds the base land coverage (Base Allowable Coverage). A project applicant may mitigate their excess existing land coverage by either: a) reducing coverage onsite; b) reducing coverage offsite; c) paying a coverage mitigation fee; d) parcel consolidation or parcel line adjustment (to make the project area larger); or e) within adopted community plans the project may rely on the community plan to mitigate excess land coverage provided TRPA makes certain findings. In all cases, the quantity of excess land coverage required to be mitigated is prescribed by Section 20.5.A.3 of the Code.

The table on the following page compares the manner in which excess coverage is described to be mitigated in the adopted EA/EIR with the manner required pursuant to the Settlement Agreement.

Project Name	Approved Project in the Final EA/EIR	Project Stipulated in the Settlement Agreement
Land Capability District	Class 6	Class 6
Proposed Onsite Coverage (sq. ft.)	165,644 sq. ft.	125,000 sq. ft.
Proposed Area to be Restored Onsite (sq. ft.)	8,680 sq. ft.	49,324 sq. ft.
Proposed area of Coverage to be Retired to Mitigate Excess Coverage (sq. ft.)	Undetermined; Project to pay an Excess Coverage Mitigation Fee	43,309 sq. ft.

Preparation of Addendum: This Addendum reflects the updates to the Project stipulated by the Settlement Agreement and addresses the impacts of a decision by the California Tahoe Conservancy to provide potential land coverage to TVP from its Land Bank Inventory to fully mitigate excess land coverage within the Project Area as mandated by the Settlement Agreement.

Based on the following facts, the Conservancy finds that the proposed changes to the Project are not substantial and do not involve any new significant environmental effects based on the following facts:

1. less land coverage (49,324 sq.ft. less) will be created, reducing potential water quality impacts as compared with the original project;
2. superior excess land coverage mitigation will be required as compared with the original project (43,309 sq. ft. transferred and immediately retired on Conservancy land compared with incremental mitigation over time); and
3. the Conservancy’s Land Bank is capable of providing 43,309 sq. ft. of potential land coverage for transfer to meet the Project’s excess coverage mitigation obligation, resulting in the retirement of this quantity from a Conservancy property that has been incorporated into the Land Bank’s supply since 2001. This transfer will result in no net gain in land coverage within the Agate Bay Hydrologically Related Area.

ATTACHMENT 3.1(g)

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 10th Street, Room 121
Sacramento, CA 95814

FROM: California Tahoe Conservancy
1061 Third Street
South Lake Tahoe, CA 96150

Subject:

Filing a Notice of Determination in compliance with Section 21108 of the Public Resource Code.

Project Title:

Tahoe Vista Partners, LLC's Affordable Housing and Interval Ownership Development Project

State Clearinghouse Number:

2006022100

Contact Person:

Amy Cecchetti

Telephone Number:

(530) 543-6033

Project Location:

6873 North Lake Boulevard, Tahoe Vista, CA (Placer County Assessor's Parcel Number 117-071-029)

Project Description:

The California Tahoe Conservancy (Conservancy) Board has authorized the allocation and sale of 10 Tourist Accommodation Units and up to 43,309 square feet of coverage rights from the Conservancy's Land Bank, to the Tahoe Vista Partners, LLC's Affordable Housing and Interval Ownership Project to meet the conditions of the Settlement Agreement and project permit conditions.

This is to advise that the California Tahoe Conservancy, acting as a responsible agency, has approved the above-described project on January 20, 2011 and has made the following determinations regarding the above-described project:

1. The project will not have a significant effect on the environment.
2. An EA/EIR for the project was prepared and approved by the by the Tahoe Regional Planning Agency Governing Board on July 23, 2008 and the Placer County Board of Supervisors on October 20, 2008. A Notice of Determination was filed on October 24, 2008. The Notice of Determination, EA/EIR, and record of project approval may be examined at the Placer County Community Development Resource Agency Office at 3091 County Center Drive, Suite 190, Auburn, CA 95603. In April 2010 a Settlement Agreement was executed between the TRPA, Placer County, Tahoe Vista Partners, LLC, the League to Save Lake Tahoe, and Friends of Tahoe Vista, stipulating changes to the project. In January 2011 the Conservancy prepared an Addendum to the EA/EIR to reflect project conditions stipulated by the Settlement Agreement. The California Tahoe Conservancy reviewed and considered the EA/EIR, Settlement Agreement, and Addendum prior to project approval. The Addendum to the EA/EIR may be examined at the California Tahoe Conservancy, 1061 Third Street, South Lake Tahoe, CA 96150.
3. Mitigation measures, incorporated into a Mitigation Monitoring and Reporting Program, were made a condition of the project approval by Placer County.

4. The Conservancy finds that no substantial changes are proposed in the project, and no substantial changes have occurred with respect to the circumstances under which the project is proposed that would affect any potentially significant environmental effects. Furthermore, there are no changes regarding the project that would require new or different mitigation measures.

Fish and Game Fees: Already paid by Tahoe Vista Partners, LLC on July 14, 2008 to Placer County.

Date Received for Filing:

Patrick Wright
Executive Director

ATTACHMENT 3.2

THE ASPENS AT SOUTH LAKE MULTI-RESIDENTIAL HOUSING PROJECT

Recommended Action: Authorize transfer of up to 15,000 square feet (sq. ft.) of potential land coverage rights for the Aspens at South Lake Multi-Residential Housing Project.

Fiscal Summary: Up to \$90,000 in revenues will be generated from the sale of land coverage.

Project Location: In the City of South Lake Tahoe (City), near the intersection of Pioneer Trail and Ski Run Boulevard (El Dorado County Assessor Parcel Numbers 027-323-10 and -16) (Attachment 3.2(a)).

Background

Staff has received a request from Pacific West Communities, Inc. to transfer land coverage rights to facilitate construction of a new multi-family affordable housing project, identified as “The Aspens at South Lake Multi-Residential Housing Project” (Project). The Conservancy has annually allocated land coverage rights to a variety of project categories within the six hydrologic or watershed areas located within the California portion of the Tahoe Basin. The project proponents would purchase coverage from the Land Bank’s “open market” category, in which coverage is designated for private commercial or residential projects. Within this open market category, the Land Bank has predominantly served projects classified as new construction. New construction projects are allowed to exceed their coverage limits under the Bailey Land Classification System, provided the additional coverage is mitigated through transfer and retirement of land coverage from other parcels within the same hydrologic area. This multi-family residential project will exceed its base allowed coverage and therefore, the developer is requesting Land Bank assistance in meeting a portion of their need. The Project is located in the South Stateline Hydrologic Area, where the Land Bank currently has 17,002 sq. ft. of coverage available to residential projects.

Project Description

The developer is proposing to construct 55 new deed-restricted affordable housing units and one deed-restricted moderate-income manager's residential unit (for a total of 56 units) to be located in seven two-story and four three-story buildings. A community center is proposed which will house a community meeting space, kitchen, computer center, and laundry facilities. The proposed project design includes 84 parking spaces, patios or decks for each unit, secure bicycle storage, a community picnic/play area, and landscaping and water quality improvements for the project area. The developer is dedicating a 20-foot wide bicycle pedestrian easement in the front of the property for possible construction of the Conservancy's South Tahoe Greenway Shared Use Trail.

The 5.5-acre project area is located within land capability Class 1b, Class 3, and Class 5. The proposed land coverage would be entirely located in land Class 5. The project area's total base allowed coverage is 32,526 sq. ft. (fourteen percent of the project area). The proposed coverage for the project is 78,497 sq. ft. (thirty-two percent of the project area). Under TRPA provisions, multi-residential facilities of five or more units located in a community plan are allowed to exceed their base coverage up to a limit of 50% of the project area. The proposal to increase the coverage from 32,526 sq. ft. to 78,497 sq. ft. requires a transfer of 45,971 sq. ft. of potential coverage from within the South Stateline Hydrologic Area.

The developer has an alternative source for most of the required coverage, but is requesting to purchase at least 15,000 sq. ft. of the required 45,971 sq. ft. from the Conservancy. The 15,000 sq. ft. was allocated to the Land Bank's open market category in May 2010, and this amount remains available for the Project. Staff is recommending the Conservancy transfer up to 15,000 sq. ft. at the Land Bank's current listed price of \$6.00 per sq. ft., generating a total of up to \$90,000 in revenues.

Project Evaluation

Staff is recommending approval of the transfer because the Conservancy is assisting a project that is consistent with local and regional agency objectives. The planned use is in conformance with the Stateline/Ski Run Community Plan, and the City's Housing Program identifies the project area as a promising site for

affordable housing due to its proximity to a large employer base, bus lines, and a Class II bike trail.

The \$90,000 in revenue can eventually be used to fund other Conservancy land acquisition or land restoration projects.

Consistency with California Environmental Quality Act (CEQA)

The City, acting as the Lead Agency, prepared an Initial Study (IS) and Negative Declaration (ND) for this Project to comply with CEQA requirements. The City adopted the ND on December 10, 2009, and a Notice of Determination (NOD) was filed on December 16, 2009.

Copies of the IS and ND have been provided to the Board under separate cover and are available for public review at the Conservancy office at 1061 Third St., South Lake Tahoe, CA 96150 (Attachment 3.2(b)).

Staff has reviewed the ND and believes that the improvements proposed have been adequately analyzed in the document. Since completion of the ND, there are no new information, substantial changes to the proposed project, or changes to project implementation that would involve any new significant effects which were not analyzed in the ND.

Staff recommends the Conservancy make the findings as set forth in the attached resolution and authorize the transfer of the rights. If the Board authorizes this action, staff will file a NOD with the State Clearinghouse pursuant to State CEQA Guidelines, Section 15096 (Attachment 3.2(c)).

List of Attachments:

- Attachment 3.2(a) – Location Map
- Attachment 3.2(b) – City’s CEQA documents (on attached CD)
- Attachment 3.2(c) – Conservancy’s Notice of Determination

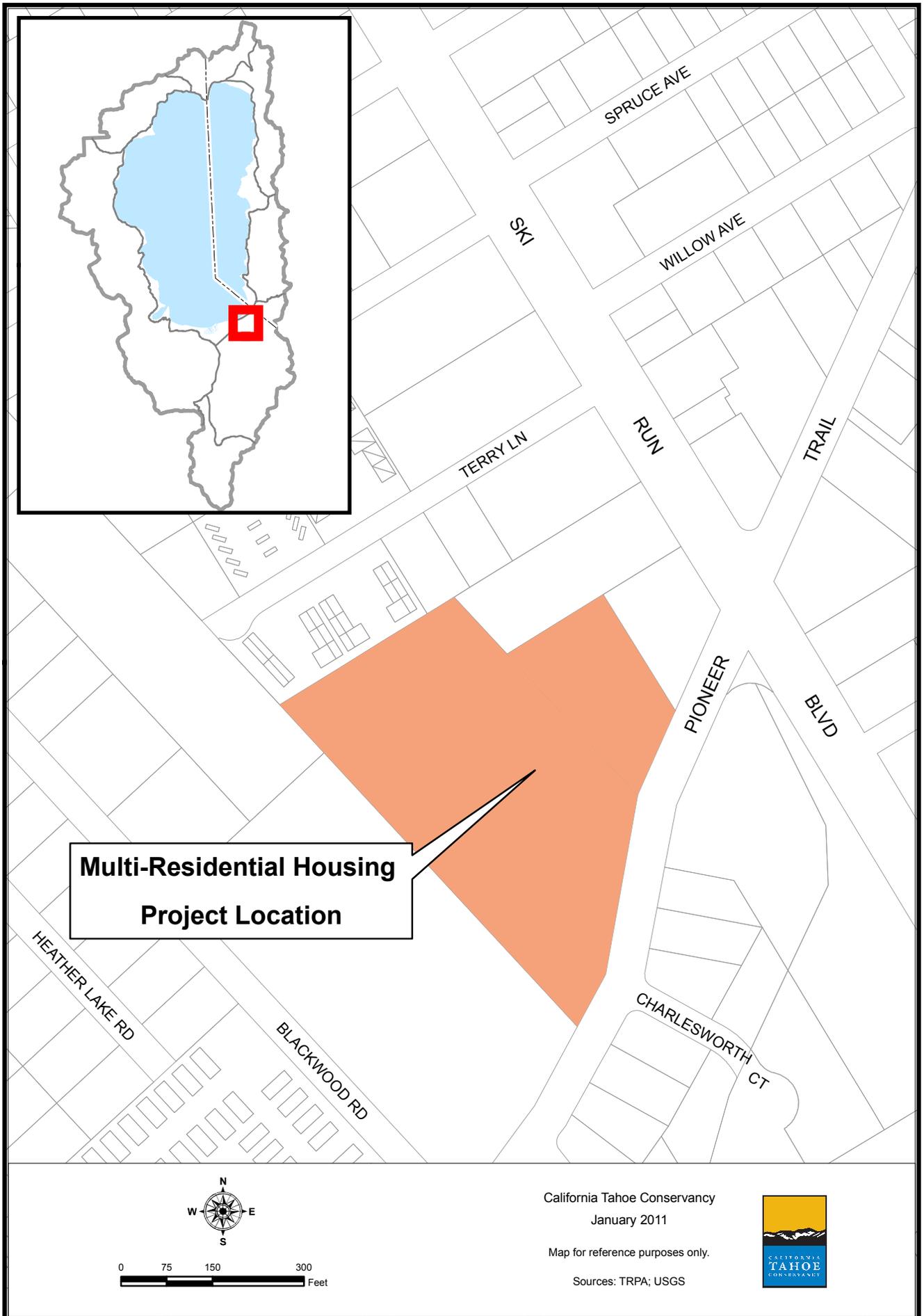
Conservancy Staff Contact:

Gerry Willmettt

(530) 543-6042

ATTACHMENT 3.2(a)

The Aspens at South Lake, Multi-Residential Housing Project



**Multi-Residential Housing
Project Location**

California Tahoe Conservancy
January 2011

Map for reference purposes only.

Sources: TRPA; USGS



ATTACHMENT 3.2(b)

The Aspens at South Lake Multi-Residential Housing Project

CEQA Documents on Attached CD:

Initial Study

Negative Declaration

ATTACHMENT 3.2(c)

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 10th Street, Room 121
Sacramento, CA 95814

FROM: California Tahoe Conservancy
1061 Third Street
South Lake Tahoe, CA 96150

Subject:

Filing of Notice of Determination in compliance with Section 21108 of the Public Resource Code.

Project Title:

The Aspens at South Lake Multi-Residential Housing Project

State Clearinghouse Number:
209112034

Contact Person:
Gerry Willmet

Telephone Number:
(530) 543-6042

Project Location:

Within the City of South Lake Tahoe (City), near the intersection of Pioneer Trail and Ski Run Boulevard, specifically identified as 3521 and 3541 Pioneer Trail (El Dorado County Assessor Parcel Numbers 027-323-10 and -16).

Project Description:

The California Tahoe Conservancy (Conservancy) has authorized the transfer of up to 15,000 square feet of land coverage rights to facilitate construction of 55 multi-residential units and one manager's unit on 5.5 acres of land. The rental units will be deed-restricted affordable housing. The project also includes a paved parking lot, community building, children's play area, landscaping, and installation of stormwater treatment facilities.

This is to advise that the Conservancy, acting as a responsible agency, approved the above described project on January 20, 2011 and has made the following determinations:

1. The project will not have a significant effect on the environment.
 2. A Negative Declaration for the project was prepared and approved by the City of South Lake Tahoe on December 10, 2009, and a Notice of Determination was filed. The Notice of Determination, Negative Declaration, and record of project approval may be examined at the City of South Lake Tahoe's Planning Division Office at 1052 Tata Lane, South Lake Tahoe, CA 96150. The Conservancy reviewed and considered the Negative Declaration that was prepared by the City prior to project approval.
 3. The Conservancy finds that no substantial changes are proposed in the project, and no substantial changes have occurred with respect to the circumstances under which the project is proposed that would affect any potentially significant environmental effects.
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Fish and Game Fees: N/A (City made payment on December 16, 2009).

Date Received for Filing:

Patrick Wright
Executive Director