



STAFF REPORT

**OVERSIGHT BOARD of the
South Tahoe Redevelopment Successor Agency
July 2, 2013**

To: Oversight Board Members

From: Nira Feeley, Interim City Attorney, City of South Lake Tahoe

Re: Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Making a Determination that the Transfer of the South Tahoe Public Parking Garage to the South Tahoe Joint Powers Parking Financing Authority is Pursuant to an Enforceable Obligation, Requesting the Oversight Board's Concurrence and Taking Certain Other Related Actions

RECOMMENDATION:

Adopt Resolution (Attachment A)

BACKGROUND:

On July 2, 2013, the South Tahoe Joint Powers Parking Financing Authority (STJPPFA) met and considered the same actions considered by the South Tahoe Redevelopment Successor Agency as set forth in the attached resolution. The attached Staff Report (Attachment B) was written and submitted to the South Tahoe Joint Powers Parking Financing Authority for discussion and consideration by South Tahoe Redevelopment Successor Agency's Executive Director, Nancy Kerry. The report describes in detail the issues surrounding the need to transfer the Parking Garage from the Successor Agency to the STJPPFA. The report was forwarded in its entirety to the Successor Agency for consideration on the same day as this Oversight Board meeting.

This staff report prepared by Ms. Kerry contains all the relevant information that would otherwise be contained in the instant report. Further, the resolution recommended in that staff report is identical to the resolution attached hereto. Thus for the purposes of brevity and consistency, I am attaching that staff report and its attached documents to this report for Oversight Board consideration of the same action to be discussed and taken up by the Successor Agency on the same day as the meeting of the Oversight Board.

An oral report will be provided to the Oversight Board during the July 2, 2013 meeting regarding the actions taken by the Successor Agency earlier in the day.

ISSUE AND DISCUSSION:

See report from Successor Agency to STJPPFA (Attachment C).

By:

Nira Feeley
Interim City Attorney, City of South Lake Tahoe

Attachments:

- A. Oversight Board Resolution for consideration and adoption
- B. Successor Agency Resolution authorizing Transfer of Parking Garage to STJPPFA
- C. Staff Report to the South Tahoe Joint Powers Parking Financing Authority and all attachments:
 - 1. South Tahoe JPPFA Resolution presented for adoption
 - 2. 2002 Indenture between Authority and BNY
 - 3. 2002 Parking Facility Agreement
 - 4. May 10, 2004 Staff Report
 - 5. Park Avenue Project original Subdivision Map approved June, 2000
 - 6. 2005 Grant Deed adjusting lot lines between Lot 10 (Owned by STRDA) and Lot 7 and Lot 3B owned by Trans-Sierra Investments, Inc.

Attachment A

Resolution of the
OVERSIGHT BOARD
of the
Successor Agency to the South Tahoe
Redevelopment Agency

July 2, 2013
consideration and adoption

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY MAKING A DETERMINATION REGARDING THE TRANSFER OF THE SOUTH TAHOE PUBLIC PARKING GARAGE TO THE SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY AND APPROVING AND AUTHORIZING CERTAIN OTHER RELATED ACTIONS

WHEREAS, on August 14 2002, the South Tahoe Joint Powers Parking Financing Authority (the "Authority") issued its \$9,000,000 aggregate principal amount Parking Revenue Bonds Series A (the "2002 Bonds"), pursuant to an Indenture, dated as of June 1, 2002 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A.(formerly, BNY Western Trust Company), as trustee; and

WHEREAS, the proceeds from the sale of the 2002 Bonds were used to finance the acquisition, construction and improvement of a parking facility (including the land and the improvements thereon, the South Tahoe Public Parking Garage "Parking Garage") relating to the project known as the "Park Avenue Project"; and

WHEREAS, in accordance with the Indenture, payment of debt service on the 2002 Bonds is secured primarily by revenues from the operation of the Parking Garage; and

WHEREAS, in connection with the Parking Garage and the issuance of the 2002 Bonds, the South Tahoe Redevelopment Agency (the "Redevelopment Agency") entered into the Parking Facility Agreement, dated as of June 1, 2002 (the "Parking Facility Agreement"), by and between the Redevelopment Agency and the Authority; and

WHEREAS, under Section 2 of the Parking Facility Agreement, at the Authority's direction, the Redevelopment Agency must take all necessary and appropriate action to transfer all of the Redevelopment Agency's interests in the Parking Garage to the Authority; and

WHEREAS, in 2004 the South Tahoe Redevelopment Agency and the City of South Lake Tahoe (Authority member agencies) directed their administrators to take the necessary ministerial actions to transfer their respective agency interests in the Parking Garage to the Authority however, the Parking Garage deed (APN 029-470-14) demonstrate the title transfer was not completed; and

WHEREAS, pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011), the Redevelopment Agency was dissolved as of February 1, 2012, and the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, AB 1484, which became effective at the end of June 2012, amended and supplemented the provisions of AB X1 26 (AB X1 26 and AB 1484, together, being referred to

herein as the “Dissolution Act”); and

WHEREAS, pursuant to Section 34175(b) of the California Health and Safety Code (“HSC”), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Redevelopment Agency, including the Redevelopment Agency’s title and interests in the Parking Garage, transferred to the control of the Successor Agency by operation of law; and

WHEREAS, pursuant to the Dissolution Act, including HSC Sections 34171(d)(2)(B) and 34178(b)(1), the Parking Facility Agreement remains an enforceable obligation after the dissolution of the Redevelopment Agency and is binding on the Successor Agency; and

WHEREAS, the Successor Agency and this Oversight Board have each received the Authority’s Resolution No. _____ (the “Authority Resolution”) directing the Successor Agency to transfer the Successor Agency’s title to and interests in the Parking Garage; and

WHEREAS, pursuant to HSC Section 34177(c), the Successor Agency is required to perform obligations required pursuant to enforceable obligations; and

WHEREAS, the transfer of the Successor Agency’s title to and interest in the Parking Garage pursuant to the Parking Facility Agreement is also consistent with the mandate of the Dissolution Act that the Successor Agency expeditiously wind down the affairs of the Redevelopment Agency; and

WHEREAS, the Board of Directors of the Successor Agency has adopted its Resolution No. _____ making a finding and determination that the transfer of the Parking Garage as directed by the Authority Resolution is required pursuant to an enforceable obligation of the Successor Agency, and requesting this Oversight Board to (i) concur with such finding and determination and (ii) approve the Successor Agency’s execution and delivery of a related quitclaim deed (the “Quitclaim Deed”);

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE SOUTH TAHOE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Finding and Determination Regarding Transfer of Parking Garage. This Oversight Board hereby finds and determines, and concurs with the finding and determination of the Board of Directors of the Successor Agency, that the transfer of the Parking Garage as directed by the Authority Resolution is required pursuant to an enforceable obligation of the Successor Agency.

Section 3. Execution of Quitclaim Deed. This Oversight Board hereby approves the Successor Agency’s execution and delivery of the Quitclaim Deed, substantially in the form attached to the Authority Resolution.

Section 4. Other Acts. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED AND ADOPTED on July 2, 2013, by the following vote:

AYES:

NOES:

ABSENT:

Chair of the Oversight Board the Successor
Agency to the South Tahoe Redevelopment
Agency

ATTEST:

Secretary

Attachment B

Resolution of the
SUCCESSOR AGENCY
of the
South Tahoe Redevelopment Agency

Presented July 2, 2013
for consideration and adoption

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY MAKING A DETERMINATION THAT THE TRANSFER OF THE SOUTH TAHOE PUBLIC PARKING GARAGE TO THE SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY IS PURSUANT TO AN ENFORCEABLE OBLIGATION, REQUESTING THE OVERSIGHT BOARD'S CONCURRENCE AND TAKING CERTAIN OTHER RELATED ACTIONS

WHEREAS, on August 14 2002, the South Tahoe Joint Powers Parking Financing Authority (the "Authority") issued its \$9,000,000 aggregate principal amount Parking Revenue Bonds Series A (the "2002 Bonds"), pursuant to an Indenture, dated as of June 1, 2002 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A.(formerly, BNY Western Trust Company), as trustee; and

WHEREAS, the proceeds from the sale of the 2002 Bonds were used to finance the acquisition, construction and improvement of a parking facility (including the land and the improvements thereon, the South Tahoe Public Parking Garage "Parking Garage") relating to the project known as the "Park Avenue Project"; and

WHEREAS, in accordance with the Indenture, payment of debt service on the 2002 Bonds is secured primarily by revenues from the operation of the Parking Garage; and

WHEREAS, in connection with the Parking Garage and the issuance of the 2002 Bonds, the South Tahoe Redevelopment Agency (the "Redevelopment Agency") entered into the Parking Facility Agreement, dated as of June 1, 2002 (the "Parking Facility Agreement"), by and between the Redevelopment Agency and the Authority; and

WHEREAS, under Section 2 of the Parking Facility Agreement, at the Authority's direction, the Redevelopment Agency must take all necessary and appropriate action to transfer all of the Redevelopment Agency's interests in the Parking Garage to the Authority; and

WHEREAS, in 2004 the South Tahoe Redevelopment Agency and the City of South Lake Tahoe (Authority member agencies) directed their administrators to take the necessary ministerial actions to transfer their respective agency interests in the Parking Garage to the Authority however, the deed for the Parking Garage (Lot 10 of the Park Avenue Project), demonstrate the title transfer was not completed; and

WHEREAS, pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011), the Redevelopment Agency was dissolved as of February 1, 2012, and the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, AB 1484, which became effective at the end of June 2012, amended and supplemented the provisions of AB X1 26 (AB X1 26 and AB 1484, together, being referred to herein as the “Dissolution Act”); and

WHEREAS, pursuant to Section 34175(b) of the California Health and Safety Code (“HSC”), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Redevelopment Agency, including the Redevelopment Agency’s title and interests in the Parking Garage, transferred to the control of the Successor Agency by operation of law; and

WHEREAS, pursuant to the Dissolution Act, including HSC Sections 34171(d)(2)(B) and 34178(b)(1), the Parking Facility Agreement remains an enforceable obligation after the dissolution of the Redevelopment Agency and is binding on the Successor Agency; and

WHEREAS, the Successor Agency has received the Authority’s Resolution No. _____ (the “Authority Resolution”) directing the Successor Agency to transfer the Successor Agency’s title to and interests in the Parking Garage; and

WHEREAS, pursuant to HSC Section 34177(c), the Successor Agency is required to perform obligations required pursuant to enforceable obligations; and

WHEREAS, the transfer of the Successor Agency’s title to and interest in the Parking Garage pursuant to the Parking Facility Agreement is also consistent with the mandate of the Dissolution Act that the Successor Agency expeditiously wind down the affairs of the Redevelopment Agency;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SOUTH TAHOE REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

- Section 1. Recitals. The above recitals, and each of them, are true and correct.

- Section 2. Finding and Determination Regarding Transfer of Parking Garage. This Board hereby finds and determines that the transfer of the Parking Garage as directed by the Authority Resolution is required pursuant to an enforceable obligation of the Successor Agency.

- Section 3. Request to Oversight Board. This Board hereby requests the Oversight Board of the Successor Agency to (i) concur with the finding and determination set forth in Section 2 and (ii) approve the Successor Agency’s execution and delivery of the Quitclaim Deed, in substantially the form attached to the Authority Resolution. The Secretary of the Successor Agency is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date

- Section 4. Execution of Quitclaim Deed. The Quitclaim Deed, in the form attached to the Authority Resolution, is hereby approved. Each of the Chair and the Executive Director, and any officer of the Successor Agency designated by either of them in writing (each, an “Authorized Officer”), acting singly, is hereby authorized and directed, for and in the name and

on behalf of the Successor Agency, to execute and deliver the Quitclaim Deed in substantially said form, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval; provided that such execution and delivery shall be occur after the effectiveness (pursuant to Health and Safety Code Section 34179(h)) of the Oversight Board's resolution approving the execution and delivery of Quitclaim Deed. The Secretary of the Successor Agency is hereby authorized to cause the Quitclaim Deed, upon its execution, to be recorded in the Official Records of the El Dorado County Recorder's Office.

Section 3. Other Acts. The officers of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all instruments which they may deem necessary or advisable in order to effectuate the purposes of this Resolution.

PASSED AND ADOPTED on July 2, 2013, by the following vote:

AYES:

NOES:

ABSENT:

Chair of the Board of Directors of
Successor Agency to the South Tahoe
Redevelopment Agency

ATTEST:

Secretary

Attachment C

*July 2, 2013 Staff Report to
South Tahoe Joint Powers Parking Authority
(STJPPFA)*

*RE: Transfer of Parking Garage from
Redevelopment Successor Agency to STJPPFA*

STAFF REPORT

SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY

July 2, 2013

To: Board of Directors for the Joint Powers Parking Financing Authority

From: Nancy Kerry, Executive Director, South Tahoe Redevelopment Successor Agency

Re: Resolution of the South Tahoe Joint Powers Parking Financing Authority Directing the Successor Agency to the South Tahoe Redevelopment Agency to Transfer the South Tahoe Public Parking Garage to the Authority and Authorizing Certain Related Matters

RECOMMENDATION:

Adopt Resolution (Attachment 1)

BACKGROUND:

On August 14, 2002, the South Tahoe Joint Powers Parking Financing Authority ("Authority") issued bonds in the aggregate principal amount of \$9,000,000 to finance the acquisition of property and construction of a 420-space public parking garage. The garage services and is part of the project known as the Park Avenue Project, the location of which now includes what is commonly known as Heavenly Village commercial area.

The bonds issued in 2002 are referred to as the 2002 Parking Revenue Bonds Series A ("2002 Bonds"). On June 1, 2002, the Authority signed an Indenture with the Bank of New York Western Trust Company (bond trustee). As described and required by the Indenture, debt service bond payments are secured primarily by revenues from patrons of the Parking Garage (see Attachment 2, Indenture – Operating Revenues page A-3).

Also on June 1, 2002, the South Tahoe Redevelopment Agency and the Authority entered into the Parking Facility Agreement ("Agreement"). In Section 2 of the Agreement, at the Authority's direction, the Redevelopment Agency must take "all necessary and appropriate action to transfer all of the Redevelopment Agency's interests in the Parking Garage to the Authority." (see Attachment 3, page 1).

As noted in a May, 2004 Staff Report to the South Tahoe Redevelopment Agency and City of South Lake Tahoe and in accordance with the Parking Facility Agreement, "Redevelopment Agencies are not set up to hold property long term and redevelopment agencies are precluded from law from paying ongoing ordinary maintenance for property." In reference to the Parking Garage, the report goes on to state, "in the next few months, the Public Parking Garage will be transferred to the Parking Authority" (Attachment 4, see pg 4).

Although direction was provided to the administrators of the South Tahoe Redevelopment Agency to take the necessary ministerial actions to transfer the Agency's interest in the Parking Garage to the Authority, a recent review of the recorded ownership of the parcel indicates the title transfer was not completed.

ISSUE AND DISCUSSION:

This item is before the South Tahoe Joint Powers Parking Financing Authority (Authority) to reaffirm the transfer of the Parking Garage from the South Tahoe Redevelopment Successor Agency to the Authority.

As a result of the passage of AB X1 26 as amended by AB 1484 (those laws taken together are referred to as the “*Dissolution Act*”) redevelopment agencies were dissolved and ceased operations on February 1, 2012. At the same time as the redevelopment agency was dissolved, the South Tahoe Redevelopment Successor Agency was created. The Dissolution Act also amended various sections of the California Health and Safety Code (“HSC”).

HSC § 34175(b) requires that all properties, contracts, leases, books and records, buildings, and equipment of redevelopment agencies be transferred to the control of its Successor Agency by operation of law. Because the Parking Garage was not transferred to the Authority as anticipated and *directed* by the 2002 Parking Facility Agreement, the Redevelopment Agency’s title and interest in the Parking Garage has been effectively transferred to the Successor Agency. As such, the Parking Garage (the building) could be an enforceable obligation of the Successor Agency although the revenues from the garage are pledged to the 2002 Bonds.

Parking Garage 2002 Bonds Need Refinancing

The 2002 Bonds, issued by the Authority, need to be refinanced to increase coverage between debt service and revenue projections. Since the time the Parking Garage was built, annual revenues have remained flat after seasonal adjustments. The research needed for refinancing of the Parking Garage revealed the title of the garage had remained in the Redevelopment Agency’s name. However, because the parking garage was thought to be in the name of the Authority, and all its revenues are pledged the 2002 Bonds, the garage has not been discussed or listed on the STRSA’s Recognized Obligation Payment Schedules for Enforceable Obligations as an asset, debt, or obligation (nor has it been discussed by the Oversight Board and/or DOF, etc.).

In order to move forward with refinancing process, we need to bring this issue to the attention of this board and all of the parties involved in the dissolution of the Redevelopment Agency to reaffirm the transfer of the Parking Garage.

Quit Claim Deed

The attached resolution (Attachment 1), includes a Quit Claim Deed for execution and recordation by the South Tahoe Redevelopment Successor Agency. At the time of the writing of this staff report, the legal description was not complete; the garage is identified as “Lot 10” of the Park Avenue Project. For purposes of reference, attached to this staff report is the original Park Avenue Project Subdivision Map (Attachment 5) and a 2005 Grant Deed (Attachment 6) between the South Tahoe Redevelopment Agency and Trans-Sierra Investments, Inc., adjusting the lot lines between Lot 10 (Parking Garage) and Lot 7 and 3B to accommodate an expanded movie theatre location.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The transfer of the Successor Agency’s title to and interest in the Parking Garage pursuant to the Parking Facility Agreement is consistent with the mandate of the Dissolution Act that the Successor Agency expeditiously wind down the affairs of the Redevelopment Agency.

In addition, the South Tahoe Redevelopment Successor Agency cannot afford to take on any additional Enforceable Obligations (EOs) nor can the list of EOs be amended until completion of

a Due Diligence Report and Asset Management and Disposition Plan. Transferring the Parking Garage as was anticipated and *directed* in the 2002 Parking Facility Agreement would remove the Parking Garage from identification as an Enforceable Obligation of the Successor Agency. Further, since all revenues from the Parking Garage are pledged to the 2002 Parking Garage Bonds, the Parking Garage would not alleviate the Successor Agency's debt (as was the intent of the dissolution of redevelopment agencies) rather, it would increase its obligations.

SIGNATURES:

By:


Nancy Kerry
Executive Director, STRSA

Attachments:

1. South Tahoe JPPFA Resolution presented for adoption
2. 2002 Indenture between Authority and BNY
3. 2002 Parking Facility Agreement
4. May 10, 2004 Staff Report (*see page 4*)
5. Park Avenue Project original Subdivision Map approved June, 2000
6. 2005 Grant Deed adjusting lot lines between Lot 10 (Owned by STRDA) and Lot 7 and Lot 3B owned by Trans-Sierra Investments, Inc.

Attachment 1

*Resolution of the
South Tahoe Joint Powers Parking
Financing Authority*

*Presented for adoption
July 2, 2013*

RESOLUTION NO. _____

A RESOLUTION OF THE SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY DIRECTING THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY TO TRANSFER THE SOUTH TAHOE PUBLIC PARKING GARAGE TO THE AUTHORITY AND AUTHORIZING CERTAIN RELATED MATTERS

WHEREAS, on August 14 2002, the South Tahoe Joint Powers Parking Financing Authority (the "Authority") issued its \$9,000,000 aggregate principal amount Parking Revenue Bonds Series A (the "2002 Bonds"), pursuant to an Indenture, dated as of June 1, 2002 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A.(formerly, BNY Western Trust Company), as trustee; and

WHEREAS, the proceeds from the sale of the 2002 Bonds were used to finance the acquisition, construction and improvement of a parking facility (including the land and the improvements thereon, the South Tahoe Public Parking Garage "Parking Garage") relating to the project known as the "Park Avenue Project"; and

WHEREAS, in accordance with the Indenture, payment of debt service on the 2002 Bonds is secured primarily by revenues from the operation of the Parking Garage; and

WHEREAS, in connection with the Parking Garage and the issuance of the 2002 Bonds, the South Tahoe Redevelopment Agency (the "Redevelopment Agency") entered into the Parking Facility Agreement, dated as of June 1, 2002 (the "Parking Facility Agreement"), by and between the Redevelopment Agency and the Authority; and

WHEREAS, under Section 2 of the Parking Facility Agreement, at the Authority's direction, the Redevelopment Agency must take all necessary and appropriate action to transfer all of the Redevelopment Agency's interests in the Parking Garage to the Authority; and

WHEREAS, in 2004 the South Tahoe Redevelopment Agency and the City of South Lake Tahoe (Authority member agencies) directed their administrators to take the necessary ministerial actions to transfer their respective agency interests in the Parking Garage to the Authority however, the Parking Garage deed (APN 029-470-14) demonstrate the title transfer was not completed; and

WHEREAS, pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011), the Redevelopment Agency was dissolved as of February 1, 2012, and the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, AB 1484, which became effective at the end of June 2012, amended and supplemented the provisions of AB X1 26 (AB X1 26 and AB 1484, together, being referred to herein as the "Dissolution Act");

WHEREAS, pursuant to Section 34175(b) of the California Health and Safety Code (“HSC”), all assets, properties, contracts, leases, books and records, buildings, and equipment of the Redevelopment Agency, including the Redevelopment Agency’s title and interest in the Parking Garage, transferred to the control of the Successor Agency by operation of law; and

WHEREAS, pursuant to the Dissolution Act, including HSC Sections 34171(d)(2)(B) and 34178(b)(1), the Parking Facility Agreement remains an enforceable obligation after the dissolution of the Redevelopment Agency and is binding on the Successor Agency; and

WHEREAS, at this time, the Authority desires to direct the Successor Agency to transfer the Successor Agency’s title to and interests in the Parking Garage; and

WHEREAS, pursuant to HSC Section 34177(c), the Successor Agency is required to perform obligations required pursuant to enforceable obligations; and

WHEREAS, the transfer of the Successor Agency’s title to and interest in the Parking Garage pursuant to the Parking Facility Agreement is also consistent with the mandate of the Dissolution Act that the Successor Agency expeditiously wind down the affairs of the Redevelopment Agency;

NOW, THEREFORE, THE SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Request and Direction to Successor Agency Regarding Transfer. The Authority hereby authorizes and directs the Secretary of the Authority to transmit a copy of this Resolution, as adopted, to the Successor Agency and the Oversight Board of the Successor Agency. Upon such transmittal, this Resolution shall serve as the Authority’s direction to the Successor Agency to transfer the Successor Agency’s title to and interests in the Parking Garage to the Authority.

Section 3. Quitclaim Deed. The Quitclaim Deed, in the form attached to this Resolution as Attachment A, is hereby approved. After the Successor Agency’s execution and delivery of the Quitclaim Deed, in substantially said form, each of the Chair and the Executive Director, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Certificate of Acceptance evidencing the Authority’s acceptance of the transfer of the Parking Garage by the Successor Agency.

Section 4. Other Acts. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all instruments which they may deem necessary or advisable in order to effectuate the purposes of this Resolution and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. Effective Date. This resolution shall take effect from and after its passage and adoption by the Authority.

PASSED AND ADOPTED on July 2, 2013, by the following vote:

AYES:

NOES:

ABSENT:

Chairman of the
South Tahoe Joint Powers Parking
Financing Authority

ATTEST:

Secretary of the
South Tahoe Joint Powers Parking Financing Authority

ATTACHMENT A

FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

South Tahoe Parking Financing Authority
1901 Airport Rd. Suite 206
South Lake Tahoe, CA 96150
Attention: Susan Alessi, Agency Secretary

[SPACE ABOVE FOR RECORDER'S USE ONLY]

QUITCLAIM DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

This transfer is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency") does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY, a joint powers authority, certain real property (including land and improvements thereon) located in the County of El Dorado, State of California, more particularly described on Exhibit A attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Agency has executed this Quitclaim Deed as of the date set forth below.

Dated: _____, 2013

**SUCCESSOR AGENCY TO THE SOUTH
TAHOE REDEVELOPMENT AGENCY**

By: _____

Print Name: _____

Title: _____

ATTEST:

Secretary

**Exhibit A
to Quitclaim Deed**

LEGAL DESCRIPTION

THE LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF EL DORADO DESCRIBED AS FOLLOWS (AND THE IMPROVEMENTS THEREON):

CERTIFICATE OF ACCEPTANCE
(California Government Code Section 27281)

This is to certify that the interest in real property conveyed to the South Tahoe Joint Powers Parking Financing Authority (the "Authority") by that certain Quitclaim Deed, dated _____, 2013, executed by the Successor Agency to the South Tahoe Red evelopment Agency is hereby accepted by the undersigned officer on behalf of the Authority pursuant to the authority conferred by a resolution of the Authority, adopted on _____, 2013, and the Authority consents to recordation thereof by either its or the Agency's duly authorized officer.

Dated: _____, 2013

**SOUTH TAHOE JOINT POWERS PARKING
FINANCING AUTHORITY**

By: _____

Print Name: _____

Title: _____

Attachment 2

*2002 Indenture between
STJPPFA (Authority) and BNY*

APPENDIX A

SUMMARY OF BASIC LEGAL DOCUMENTS

The following is a summary of certain provisions of the Indenture and Parking Facility Agreement and is supplemental to the summary of other provisions of those documents contained elsewhere in this Official Statement. This summary is not intended to be definitive. Reference is made to the Indenture and the Parking Facility Agreement for the complete texts thereof. Copies of the Indenture and Parking Facility Agreement are available from the Authority.

INDENTURE

Definitions

"Act" means Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (codified at California Government Code Sections 6500 and following). Whenever reference is made in the Indenture to the Act, reference is made to the Act as in force on the date of the initial execution and delivery of the Indenture, unless the context otherwise requires.

"Agency" means the South Tahoe Redevelopment Agency, a public body corporate and politic, its successors and assigns.

"Annual Bond Service" means, as of any date of calculation, the sum of (1) the interest falling due on Bonds then Outstanding (assuming that all Serial Bonds then Outstanding are retired on their respective maturity dates and that all Term Bonds then Outstanding are retired at the times of and in the amounts provided for by Mandatory Sinking Account Payments), (2) the principal installments for Serial Bonds then Outstanding falling due by their terms, and (3) the amount of all Mandatory Sinking Account Payments required.

"Authority" means the South Tahoe Joint Powers Parking Financing Authority, created under the Act and the JPA Agreement, its successors and assigns.

"Authorized Authority Representative" means the Chairman or Vice-Chairman or Executive Director of the Authority, or any other person designated in writing by any of the foregoing as an Authorized Authority Representative.

"Bondholder" means the registered owner of a Bond as set forth on the bond registration books of the Trustee maintained pursuant to the Indenture.

"Bond Reserve Account Credit Facility" means (i) a letter of credit, surety bond or other financial undertaking issued by a financial institution, if the unsecured obligations of such financial institution have the highest rating then issued by a nationally recognized bond rating agency, or (ii) a policy of insurance issued by a municipal bond insurance company, if the obligations insured by such insurance company have the highest rating then issued by a nationally recognized bond rating agency, and which has been delivered to the Trustee by the Authority to satisfy the obligation to deposit moneys in the Bond Reserve Account in connection with the issuance of any Series of Bonds and which is in an amount at least equal to the Bond Reserve Account Requirement for such Series of Bonds.

"Bond Reserve Account Requirement" means, as of any date of calculation, an amount equal to Maximum Annual Bond Service on all Bonds Outstanding under the Indenture; or such larger amount as may be established as the Bond Reserve Account Requirement by any Supplemental Indenture.

"Bond Year" means the period of twelve consecutive months ending on December 1 in any year in which Bonds are Outstanding.

"*Bonds*" means the South Tahoe Joint Powers Parking Financing Authority Parking Revenue Bonds authorized under and secured by the Indenture. "*Serial Bonds*" means the Bonds, falling due by their terms in specified years, for which no Mandatory Sinking Account Payments are provided. "*Term Bonds*" means the Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

"*Certificate of the Authority*" means a certificate signed by an Authorized Authority Representative. If and to the extent required by the provisions of the Indenture, each Certificate of the Authority shall include the statements provided for in the Indenture.

"*Certificate of the Financial Consultant*" means a written certificate duly prepared, executed and delivered by person or firm of recognized regional standing in connection with matters relating to the financial and business activities of local government agencies, selected by the Authority.

"*CFD No. 2001-1 Indenture*" means the Indenture, dated as of December 1, 2001, between the Agency and BNY Western Trust Company, as trustee, authorizing the issuance of the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project) Special Tax Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

"*City*" means the City of South Lake Tahoe, a general law city and municipal corporation, its successors and assigns.

"*Code*" means the Internal Revenue Code of 1986, as amended, any successor to the Code, and the applicable Treasury Regulations promulgated thereunder.

"*Completion Project*" means any kind of acquisition, completion, furnishing or equipping of any kind of additions, extensions, alterations or improvements to the Project.

"*Continuing Disclosure Agreement*" means that certain Continuing Disclosure Agreement between the Authority and the Trustee executed and delivered by the Authority on the date of issuance and delivery of the Bonds of Series A, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Fiscal Year*" means the period beginning on October 1 of each year and ending on the next succeeding September 30, or any other twelve-month period subsequently selected and designated as the official fiscal year of the Authority.

"*Gross Revenues*" means (i) Operating Revenues; and (ii) so long as it is pledged under the Indenture, Surplus Special Tax Revenues.

"*Indenture*" means the Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"*JPA Agreement*" means the Joint Exercise of Powers Agreement, dated as of June 1, 2002, between the Agency and the City, as originally executed or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof.

"*Maintenance and Operation Expenses*" means necessary operating expenses, maintenance charges, expenses of reasonable upkeep and repairs, a properly allocated share of charges for insurance, direct or special administrative expenses directly chargeable to the Project and all other expenses incident to the operation of the Project, but shall not include debt service, depreciation or any general administrative expenses of the Authority, the City or the Agency.

"*Maximum Annual Bond Service*" means, as of any date of calculation, an amount equal to the Annual Bond Service for that Bond Year in which such Annual Bond Service shall be largest.

"Net Maximum Annual Bond Service" means, as of any date of calculation, an amount equal to (a) Maximum Annual Bond Service for such date minus (b) the quotient derived from dividing (i) the amount of Surplus Special Tax Revenues deposited by the Agency with the Authority pursuant to the Parking Facilities Agreement during the preceding Bond Year, by (ii) 1.10.

"Net Operating Revenues" means the Operating Revenues less Maintenance and Operation Expenses, excluding any earnings on or other income derived from the investment of the Net Operating Revenues.

"Operating Revenues" means any and all income, rents, rates, fees, charges, insurance and condemnation proceeds or other moneys received or receivable in connection with, or derived by the Authority from the ownership or operation of, or arising from, the Project, including without limitation any such revenues or moneys received by the City or the Agency pursuant to the Parking Facility Agreement, but excluding any refundable deposits or fines and forfeitures.

"Outstanding", when used as of any particular time with reference to Bonds (subject to the provisions of the Indenture), means all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except --

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which funds in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of the Indenture.

"Parking Consultant" means a person or firm of recognized regional standing in connection with matters relating to the operation, management and financial condition of parking garages or similar facilities for parking motor vehicles, selected by the Authority.

"Parking Facility Agreement" means the Parking Facility Agreement, dated as of June 1, 2002, between the Agency and the Authority relating to the planning, design, construction, acquisition, operation and ownership of the Project and the payment by the Agency to the Authority of the Surplus Special Tax Revenues.

"Participating Underwriter" shall have the meaning set forth in the Continuing Disclosure Agreement.

"Permitted Investments" means any of the following:

(1) United States Treasury notes, bonds, bills, or certificates of indebtedness, or obligations for which the faith and credit of the United States of America are pledged for the payment of principal and interest (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and if they become legal investments under the laws of the State of California for moneys held under the Indenture, securities which represent an undivided interest in such direct obligations), and also any securities now or hereafter authorized, both the principal of and interest on which is guaranteed fully and directly by the full faith and credit of the United States of America;

(2) Notes, debentures, participation certificates or other obligations of the Government National Mortgage Association or the Federal National Mortgage Association established under the National Housing Act, as amended;

(3) Demand deposits, time certificates of deposit or negotiable certificates of deposit issued by a state or nationally chartered bank or trust company, including the Trustee or an affiliate, or a state or national savings and loan association, provided that such certificates of deposit shall be (i) continuously and fully insured by

the Federal Deposit Insurance Corporation or (ii) issued by any bank or trust company organized under the laws of any state of the United States, or any national banking association (including the Trustee and any affiliate), having a combined capital and surplus of at least \$100,000,000 and having a short-term rating of "A-1" or better by Standard & Poor's;

(4) Any repurchase agreement with any bank or trust company organized under the laws of any state of the United States (including the Trustee) or any national banking association or government bond dealer reporting to, trading with and recognized as a primary dealer by, the Federal Reserve Bank of New York, which agreement is secured at all times by collateral security described in clauses (1) or (2) of this definition and in which the Trustee has a perfected security interest, and which collateral (a) is held by the Trustee or a third party agent for the Trustee, (b) is not subject to liens or claims of third parties, (c) has a market value determined as frequently and in an amount sufficient to satisfy the collateralization levels required by Moody's Investors Service and Standard & Poor's to maintain the ratings on the Notes, and (d) will be liquidated if the requisite collateral level is not maintained;

(5) Bankers' acceptances which are issued by a bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee) rated "A" or better by Moody's Investors Service and Standard & Poor's; provided, that such banker's acceptances may not exceed 270 days' maturity;

(6) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of \$500,000,000 and that have an "A" or higher rating for the issuer's debentures, other than commercial paper, as provided by Moody's Investors Service and Standard & Poor's; provided that purchases of eligible commercial paper may not exceed 180 days' maturity nor represent more than 10% of the outstanding commercial paper of an issuer corporation;

(7) Notes, warrants or other evidence of indebtedness of any of the states of the United States or of any political subdivision or public agency thereof and rated "A" or better by Standard & Poor's;

(8) Funds invested in the Local Agency Investment Fund (as that term is defined in Section 16429.1 of the California Government Code, as such Section may be amended or recodified from time to time) so long as any funds so invested by the Trustee are subject to deposit and withdrawal by the Trustee and provided that the Trustee may restrict such investment if necessary to keep moneys available for the purposes of the Indenture;

(9) Any investment agreement with (i) any bank or trust company licensed to do business in any state of the United States or any national banking association (including the Trustee) or government bond dealer reporting to, trading with and recognized as a primary dealer by, the Federal Reserve Bank of New York, having a combined capital and surplus of at least \$100,000,000, and rated "A" or better by Moody's Investors Service and Standard & Poor's or (ii) any corporation that is organized and operating within the United States of America and that has total assets in excess of \$500,000,000 and rated "A" or better by Moody's Investors Service and Standard & Poor's; provided, however, that the Trustee is required to withdraw all amounts invested therein if such rating falls below "A", unless (i) such investment agreement shall have been collateralized with securities described in subparagraph (1) hereof or subparagraph (2) hereof (which collateral shall be marked to market weekly at collateral levels required by Moody's Investors Service and Standard & Poor's for investment agreements authorized to be entered into in connection with bonds rated "A" by such rating agencies) and held by the Trustee or a third-party custodian and (ii) the Holders of at least a majority in aggregate principal amount of Outstanding 1999 Series A Notes consent to the continuation of such investment agreement;

(10) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended;

(11) The interest portion of obligations issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and stripped by the United States Government at the Federal Reserve Bank of New York as federal securities; and

(12) Money market funds which invest solely in Permitted Investments or secured by such investments, which money market fund is rated "Am" or better by Standard & Poor's. Such money market funds may include funds for which the Trustee, its parent or its affiliates or subsidiaries provide investment advisory or other management services.

"Project" means, collectively, (1) the approximately 420-space parking facility more fully described in Exhibit A to the Indenture and (2) any Completion Project.

"Renewal and Replacement Annual Contribution" means, as of any date, the amount that, in the opinion of the City Engineer of the City or a Parking Consultant, should be set aside in each Fiscal Year in order to provide for the Renewal and Replacement Requirement, and which amount shall be set forth in the current annual budget for the Project filed by the Authority with the Trustee in accordance with the Indenture.

"Renewal and Replacement Requirement" means, as of any date, the amount that is necessary, in the opinion of the City Engineer of the City or a Parking Consultant, to provide during the next five years (or such longer period not to exceed ten years as such City Engineer or Parking Consultant may specify) for the reasonably anticipated costs of repair, replacement and renewal of the Project in order to maintain the Project in good repair, working order and condition, as required by the Indenture, and which amount shall be set forth in the current annual budget for the Project filed by the Authority with the Trustee in accordance with the Indenture.

"Supplemental Reserve Account Requirement" means, as of any date of calculation, an amount equal to the sum of: (i) two and one-half (2.5) times Maximum Annual Bond Service, plus (ii) an amount, if any, equal to the difference between (a) the amount then on deposit in the Surplus Revenue Fund and (b) the Renewal and Replacement Requirement.

"Surplus Special Tax Revenues" means the special tax revenues on deposit in the Community Facilities Fund under the CFD No. 2001-1 Indenture and paid by the Agency to the Authority pursuant to the Parking Facility Agreement, which payment shall be subordinate in all respects to the use of the proceeds of the Special Tax as defined in and required by the CFD No. 2001-1 Indenture, and shall not exceed the maximum annual amount, and otherwise subject to the terms and conditions, set forth in the Parking Facility Agreement.

"Trustee" means the BNY Western Trust Company, serving as trustee for the Bonds, and any successor thereto or agent thereof.

Construction Fund

The Indenture establishes a Construction Fund, which will be maintained by the Trustee, including the Series A Project Account therein. Moneys in the Series A Project Account within the Construction Fund are required to be used and applied solely for the acquisition, construction and completion of the Project and the payment of costs and expenses incident to the issuance and sale of the Bonds of Series A. Any moneys remaining in the Series A Project Account after all costs of the Project have been paid or provided for will be deposited in the Revenue Fund.

Pledge of Gross Revenues; Flow of Funds

Under the Indenture all of the Gross Revenues are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds, *except* that out of Gross Revenues there may be allocated and applied such sums, for such purposes, as are expressly permitted by the Indenture. Said pledge shall constitute a first lien on the Gross Revenues for the payment of the Bonds in accordance with their terms.

Pursuant to the Indenture the Trustee shall establish a special fund to be known as the "South Tahoe

Parking Revenue Fund" (the "Revenue Fund"), which will be maintained by the Trustee so long as any of the Bonds are Outstanding. Commencing August 1, 2002, all Gross Revenues shall be transmitted by the Authority to the Trustee at least once in every calendar month and not later than the fifteenth (15th) Business Day of the month next succeeding the month in which such Gross Revenues were received by the Authority. The Trustee will deposit all Gross Revenues to the credit of the Revenue Fund; provided, however, that proceeds of insurance policies or condemnation awards shall be deposited into the Insurance and Condemnation Proceeds Fund in accordance with the Indenture. All moneys at any time deposited in the Revenue Fund will be held in trust for the benefit of the holders from time to time of the Bonds and will be disbursed, allocated and applied solely for the uses and purposes described in this section.

Within the Revenue Fund, the Trustee shall establish a separate account to be known as the "South Tahoe Parking Maintenance and Operation Expenses Account" (the "Maintenance and Operation Expenses Account"), which account will be maintained so long as any of the Bonds are Outstanding. Upon the receipt of the Gross Revenues by the Trustee pursuant to the Indenture, the Trustee shall promptly deposit into the Maintenance and Operation Expenses Account that amount necessary to maintain the balance in such account in an amount not less than the amount of budgeted Maintenance and Operation Expenses for the next succeeding two months as set forth in the budget filed with the Trustee pursuant to the Indenture. At the time the Gross Revenues are transmitted by the Authority to the Trustee pursuant to the Indenture, the Authority shall also send to the Trustee any unpaid bills and invoices for Maintenance and Operation Expenses that are then due and payable. So long as no Event of Default has occurred and is continuing under the Indenture, Maintenance and Operation Expenses of the Project (as set forth in such bills and invoices) shall be paid from time to time by the Trustee from the Maintenance and Operation Expenses Account as the same become due and payable. During any time that an Event of Default has occurred and is continuing under the Indenture, the Trustee shall only apply the amounts on deposit in the Maintenance and Operation Expenses Account to pay such Maintenance and Operation Expenses as may be permitted in accordance with the Indenture.

The Trustee may make refunds of prepaid rents, fees or deposits pursuant to law in connection with the operation of the Project, and the moneys so refunded will be paid from the Revenue Fund.

After the payments required above, the Trustee shall make transfers from the available moneys in the Revenue Fund, for the following purposes, in the following order of priority:

(a) *Bond Account.* The Trustee shall establish a separate account to be known as the "South Tahoe Parking Bond Account" (the "Bond Account"), which account will be maintained so long as any of the Bonds are Outstanding. The Trustee shall establish three sub-accounts within the Bond Account designated as the Bond Interest Account, the Bond Principal Account and the Bond Reserve Account.

(1) *Bond Interest Account.* On or before the fifth business day of each month (and after giving effect to any moneys available in the Series A Capitalized Interest Account for the payment of interest on the Bonds of Series A pursuant to the Indenture), the Trustee shall transfer from available moneys in the Revenue Fund and deposit in the Bond Interest Account, in approximately equal monthly installments, an amount equal to at least one-fifth of the aggregate half-yearly amount of interest becoming due and payable on all Outstanding Bonds during the next ensuing six months, until the requisite half-yearly amount of interest on all of the Outstanding Bonds is on deposit in the Bond Interest Account. (In the event that the first interest payment date with respect to any Series of Bonds shall be less than five months after the date of delivery of said Series of Bonds, such monthly deposits in the Bond Interest Account during the period between said date of delivery and said first interest payment date shall be in such monthly amounts, larger than those provided by the foregoing sentence, as may be necessary to assure that there will be on hand in the Bond Interest Account on said interest payment date an amount sufficient to pay the interest payment then due.) No deposit need be made in the Bond Interest Account if the amount contained therein is at least equal to the interest to become due in the next ensuing six months upon all of the Bonds then Outstanding. Moneys in the Bond Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture).

(2) *Bond Principal Account.* On or before the fifth Business Day of each month and after the deposit required pursuant to paragraph (a)(1) above has been made, the Trustee shall transfer from available moneys

in the Revenue Fund and deposit in the Bond Principal Account, in approximately equal monthly installments, an amount at least equal to the sum of (A) one-tenth of the aggregate yearly amount of principal becoming due and payable on the Outstanding Serial Bonds during the next ensuing twelve months and (B) one-tenth of any Mandatory Sinking Account Payment required on any Mandatory Sinking Account Payment date occurring within the next ensuing twelve months. (In the event that the first maturity date or the first Mandatory Sinking Account Payment date with respect to any Series of Bonds is less than ten months after the date of delivery of said Series of Bonds, such deposits in the Bond Principal Account during the period between said date of delivery and said first maturity date or first Mandatory Sinking Account Payment date shall be in such monthly amounts, larger than those provided by the foregoing sentence, as may be necessary to assure that there will be on hand in the Bond Principal Account on said maturity date or Mandatory Sinking Account Payment date an amount sufficient to pay the principal or Mandatory Sinking Account Payment then due.) No deposit need be made in the Bond Principal Account if the amount contained therein is sufficient (i) to pay the principal of all serial Bonds then Outstanding maturing by their terms in the next ensuing twelve months and (ii) to provide any Mandatory Sinking Account Payment required on any Mandatory Sinking Account Payment date occurring within the next ensuing twelve months. Moneys in the Bond Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as they become due and payable or for the purchase or redemption of Bonds prior to their fixed maturity date.

(3) *Bond Reserve Account.* On or before the fifth Business Day of each month and after the deposits required pursuant to paragraphs (a)(1) and (2) have been made, the Trustee shall transfer from available moneys in the Revenue Fund and deposit in the Bond Reserve Account, all moneys that shall be required to maintain a balance in the Bond Reserve Account at least equal to the Bond Reserve Account Requirement. In determining the balance required to be maintained in the Bond Reserve Account, said balance may be satisfied by depositing with the Trustee, a Bond Reserve Account Credit Facility, which shall be applied solely in accordance with its terms for the purpose of paying the principal of or interest on the Series of Bonds secured by such Bond Reserve Account Credit Facility. No deposit need be made in the Bond Reserve Account so long as there is in the Bond Reserve Account a sum equal to the Bond Reserve Account Requirement or when and if the sum of the amounts contained therein and in the Bond Interest Account and in the Bond Principal Account and in the Supplemental Reserve Account are at least equal to the sum of the aggregate principal amount of all of the Bonds then Outstanding and all of the interest then due or thereafter to become due on all such Bonds. If the amount in the Bond Reserve Account at any time exceeds the Bond Reserve Account Requirement, the Trustee will withdraw the amount of such excess from said fund and transfer such amount to the Revenue Fund unless the Authority directs the Trustee to deposit such excess into the Extraordinary Redemption Account for the extraordinary redemption of Bonds. Except for such withdrawals, moneys in the Bond Reserve Account will be used and withdrawn for the purpose of paying the principal of or interest on the Bonds, or making Mandatory Sinking Account Payments, in the event that no other funds (including without limitation any amount on deposit in the Supplemental Reserve Account) are available therefor, or for the retirement of all of the Bonds then Outstanding.

(b) *Supplemental Reserve Account.* The Trustee shall establish a separate account to be known as the "South Tahoe Parking Supplemental Reserve Account" (the "Supplemental Reserve Account"), which account will be maintained so long as any of the Bonds are Outstanding.

(1) On or before the fifth Business Day of each month and after the deposits required pursuant to paragraph (a) have been made, any moneys remaining in the Revenue Fund shall be deposited by the Trustee into the Supplemental Reserve Account, as follows:

(i) all such moneys shall be so deposited until the balance in the Supplemental Reserve Account is equal to the Supplemental Reserve Account Requirement; and

(ii) thereafter, all or any portion of such moneys shall be so deposited in order to maintain such balance at the Supplemental Reserve Account Requirement; and

(iii) during any period in which the Authority has not satisfied the Actual Coverage Test pursuant to the Indenture or the amount of Surplus Special Tax Revenues for the immediately prior Fiscal Year are not at least equal to \$190,000, all such moneys shall be so deposited and shall be retained by the Trustee during such period in the Supplemental Reserve Account.

(2) So long as the Authority has satisfied the Actual Coverage Test pursuant to the Indenture, no deposit need be made in the Supplemental Reserve Account so long as there is in the Supplemental Reserve Account a sum equal to the Supplemental Reserve Account Requirement or when and if the sum of the amounts contained therein and in the Bond Interest Account and in the Bond Principal Account and the Bond Reserve Account is at least equal to the sum of the aggregate principal amount of all of the Bonds then Outstanding and all of the interest then due or thereafter to become due on all such Bonds. Moneys in the Supplemental Reserve Account shall be used and withdrawn solely for the purpose of (i) paying any Maintenance and Operation Expenses then due and payable (but only to the extent that amounts on deposit in the Maintenance and Operation Expenses Account are not sufficient to make such payments) or paying any necessary costs of renewal or replacement of the Project (but only to the extent that amounts on deposit in the Surplus Revenue Account are not sufficient to make such payments); or (ii) paying the principal of or interest on the Bonds, or making Mandatory Sinking Account Payments (but only to the extent that amounts then on deposit in the Bond Interest Account and the Bond Principal Account within the Bond Account are not sufficient to make such payments), or (iii) for the retirement of all of the Bonds then Outstanding (either upon maturity or redemption) in accordance with their terms, or (iv) withdrawing funds for special redemption in accordance with the immediately succeeding paragraph.

The Authority may file a Written Order of the Authority with the Trustee that directs the Trustee to withdraw all or any part of any amount on deposit in the Supplemental Reserve Account in excess of the Supplemental Reserve Account Requirement and deposit such amount in the Extraordinary Redemption Account in the Bond Redemption Fund for purposes of redeeming the Bonds of Series A in accordance with the Indenture; provided, that such withdrawal, deposit and redemption shall only be made if such Written Order of the Authority is accompanied by a Certificate of the Financial Consultant which confirms that, if such redemption had occurred at the beginning of the two immediately preceding Fiscal Years, the Authority would have been in compliance with the Actual Coverage Test during each of such Fiscal Years.

(c) *Surplus Revenue Account.* The Trustee shall establish a separate account to be known as the "South Tahoe Parking Surplus Revenue Account" (the "Surplus Revenue Account"), which account will be maintained so long as any of the Bonds are Outstanding. Any moneys remaining in the Revenue Fund at the close of any Fiscal Year, after the requirements of the foregoing paragraphs (a) and (b) have been satisfied, shall be deposited by the Trustee in the Surplus Revenue Account. So long as no Event of Default has occurred and is continuing under the Indenture, moneys on deposit in the Surplus Revenue Account may be applied or withdrawn upon the filing of a Written Request of the Authority with the Trustee for any of the following purposes –

- (1) to redeem Bonds prior to maturity in accordance with the Indenture;
- (2) to purchase Bonds at prices not exceeding their par value or then current redemption price, whichever is greater, plus accrued interest, which Bonds shall be cancelled;
- (3) for any purpose incidental to the acquisition, construction, furnishing, equipping, operation, maintenance, renewal, replacement or improvement of the Project or any part thereof; or
- (4) to the extent that the amount remaining on deposit in the Surplus Revenue Account exceeds the Renewal and Replacement Requirement, for transfer to any fund or account of the Authority or the Agency or the City for any lawful purpose.

Bond Redemption Fund

The Indenture establishes a Bond Redemption Fund, which shall be maintained by the Trustee pursuant to the Act, including a separate Optional Redemption Account and a separate Special Redemption Account therein and a separate Extraordinary Redemption Account therein. All amounts deposited into the Optional Redemption Account, the Special Redemption Account and the Extraordinary Redemption Account will be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds Outstanding, in the manner and upon the terms and conditions specified in the Indenture; provided, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices as may be directed by the Authority, except that such purchase price shall not exceed the par value of such Bonds.

Rebate Fund

The Indenture establishes within the Construction Fund a fund separate from any other fund established and maintained under the Indenture designated as the "Rebate Fund." The Trustee shall establish and maintain within the Rebate Fund a separate subaccount designated as the "Series A Rebate Account." There shall be deposited in the Rebate Fund from Surplus Revenues or other lawfully available funds such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund and any subaccount therein will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America.

Investment of Funds and Accounts

Moneys in any of the funds and accounts established pursuant to the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments upon the written direction of the Authority. The Trustee may rely upon any investment direction from the Authority as a certification to the Trustee that such investment constitutes a Permitted Investment. In the absence of direction from the Authority, the Trustee will invest in money market funds as provided by clause (12) of the definition of Permitted Investments. The Trustee (or any of its affiliates) may act as principal or agent or as sponsor, advisor or manager in connection with the making of any investment by the Trustee under the Indenture and may impose its customary charges therefor, and the Trustee shall not be responsible for any loss suffered in connection with any investment made in accordance with the Indenture. For investment purposes only, the Trustee may combine the funds and accounts established under the Indenture, but the Trustee shall account separately for each such fund and account.

Insurance

Under the Indenture, the Authority is required to procure and maintain certain minimum levels of insurance described below with respect of the Project while any of the Bonds are Outstanding:

(1) Fire and extended coverage insurance on all buildings included within the Project, in an amount of not less than the full insurable value of the Project, and earthquake insurance (if the Authority in its discretion determines that earthquake insurance is available on the open market from reputable insurance companies at reasonable cost) on all facilities constituting any part of the Project in an amount of not less than 80% of the full insurable value of the Project;

(2) Business interruption insurance on each facility constituting a portion of the Project, in an amount sufficient to enable the Authority to deposit with the Trustee, from the proceeds of such insurance an amount equal to the sum that would normally have been available for deposit in the Revenue Fund from the Gross Revenues of the damaged portion of the Project during a period of 24 months following a loss caused by perils covered by fire and extended coverage insurance or earthquake insurance (if available as described above);

(3) Boiler and machinery insurance covering any steam boilers and pressure vessels servicing the Project, in an amount of not less than \$1,000,000 per occurrence; and

(4) Public liability insurance, with limits of not less than \$1,000,000 for one Person and \$3,000,000 for more than one Person involved in one accident, to protect the Authority from claims for bodily injury or death which may arise from the Authority's operations, including any use or occupancy of its grounds, structures and vehicles.

As an alternative to providing the insurance described in paragraphs (1) – (4), the Authority may provide other kinds of insurance or methods or plans of protection if and to the extent such other kinds of insurance or plans of protection shall afford reasonable protection to the Authority, the Trustee and the officers, agents and employees of each, in light of all circumstances giving consideration to cost, availability and plans or methods of protection adopted by other governmental entities in the State of California.

Any insurance required by the Indenture may be contained in the form or forms of insurance customarily

maintained by the Authority in connection with its general property and liability insurance upon all of the facilities and properties operated by it (including such deductible or self-insured retention that may be provided for in said policies).

The proceeds of any insurance policy and the proceeds of any condemnation awards with respect to Project shall be deposited immediately upon receipt by the Authority or any other named insured parties into the "Insurance and Condemnation Proceeds Fund" which will be established and maintained pursuant to the Indenture. In the event the Authority elects to repair or replace the property damaged, destroyed or taken, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed by the Authority for the purpose of repairing or replacing the property damaged, destroyed or taken in the manner and subject to the conditions set forth in the Indenture with respect to disbursements from a Construction Fund, to the extent reasonably applicable. Proceeds in the amount of less than \$1,000,000 may be deposited to any fund or account of the Authority and applied to any lawful purpose. In the event the Authority elects not to repair or replace the property damaged, destroyed or taken, the Authority will transfer all amounts on deposit in the Insurance and Condemnation Proceeds Fund related thereto to the Special Redemption Account held by the Trustee, and used to redeem Bonds pursuant to the Indenture.

Issuance of Additional Bonds

The Indenture allows the Authority to issue Additional Bonds upon certain terms and conditions. Such terms and conditions relate primarily to the purpose and legality of such issues, the security for such issues and the manner of issuance.

The Authority may from time to time duly issue Additional Bonds, pursuant to the Indenture and subject to any aggregate principal amount limitation imposed by law, the Indenture or any Supplemental Indenture, for any one of the following purposes:

- to provide moneys needed to acquire, install, construct or complete a Completion Project including reimbursement of any sums advanced by the Authority on account of any such Completion Project;
- to refund all or part of the Bonds of any one or more Series then Outstanding.

The Indenture further conditions the issuance of Additional Bonds upon full compliance by the Authority with all covenants and undertakings set forth in the Indenture or any Supplemental Indenture. In addition, all Additional Bonds issued under the Indenture must be equally and ratably secured with all Bonds Outstanding.

The Indenture also requires that estimated Net Operating Revenues during the Fiscal Year next succeeding the estimated completion date of the Completion Project to be financed with the proceeds of such additional Series of Bonds, as set forth in a Certificate of the Financial Consultant filed with the Trustee, including the Net Operating Revenues to be derived from such Completion Project, equal at least 1.3 times Net Maximum Annual Bond Service for such Fiscal Year.

The foregoing paragraph shall not apply to (i) additional Series of Bonds issued to refund all or part of the Bonds if, as set forth in a Certificate of the Authority filed with the Trustee, the Maximum Annual Bond Service following such issuance is less than if such additional Series of Bonds were not issued; or (ii) bonds or other obligations of the Authority which are secured by a pledge or lien on Gross Revenues that is expressly stated to be junior and subordinate to the pledge of Gross Revenues under the Indenture.

Certain Covenants of the Authority

Compliance with Indenture and the Parking Facility Agreement. The Authority will not issue, or permit to be issued, any Bonds under the Indenture in any manner other than in accordance with the provisions of the Indenture, and will not suffer or permit any default to occur under the Indenture, but will faithfully observe and perform all the covenants, conditions and requirements thereof. The Authority may issue bonds or other securities or undertake any other loan, lease, installment payment or other obligation, under the terms of any other indenture,

resolution, proceeding or other instrument or agreement, but only the Bonds issued under the Indenture shall be secured thereby.

The Authority will not amend or modify in any manner the Parking Facility Agreement other than in accordance with the provisions of the Indenture, and will not default under, nor waive any default by any other party under, the Parking Facility Agreement, and the Authority will faithfully observe and perform and enforce all the covenants, conditions and requirements of the Parking Facility Agreement. The Authority may amend the Parking Facility Agreement, but only upon filing a Certificate of the Authority with the Trustee to the effect that such amendment shall not materially adversely affect the Bondholders.

Against Encumbrances; Release of Surplus Special Tax Revenues. The Authority will not create or suffer to be created any pledge, lien or charge upon all or any part of the Project or Gross Revenues except an encumbrance, pledge, lien or charge expressly stated to be inferior and subordinate to the lien of the Indenture.

The pledge and lien upon the Surplus Special Tax Revenues created under the Indenture shall be terminated and Gross Revenues will no longer include any amount of Surplus Special Tax Revenues upon the filing of a Certificate of the Authority with the Trustee confirming that all of the following conditions have been satisfied: (1) based upon the audited financial statements of the Authority, during each of the immediately preceding 3 successive Fiscal Years the amount of Net Operating Revenues during each such Fiscal Year has been not less than 150% of Maximum Annual Bond Service; (2) the amount on deposit in the Supplemental Reserve Account is not less than the Supplemental Reserve Account Requirement; and (3) no Event of Default (or any event which, with the passage of time or notice or both would constitute an Event of Default) has occurred and is continuing.

Establishment of Regulations, Rates and Charges. (a) Prospective Coverage Test. Upon completion of construction of the Project, and so long as any of the Bonds are Outstanding, the Authority will establish and maintain or cause to be established and maintained such rules and regulations and such rentals, rates, fees and charges for the use of the Project as shall be required to generate in the then current Fiscal Year Operating Revenues at least sufficient (1) to pay all Maintenance and Operation Expenses in such Fiscal Year; and (2) to provide Net Operating Revenues in such Fiscal Year equal to at least 1.3 times Net Maximum Annual Bond Service for the Bond Year commencing in such Fiscal Year (the "Prospective Coverage Test").

(b) Actual Coverage Test. On or before December 1 in each year, commencing on the December 1 next following the completion of not less than 12 months of operations for the Project (as evidenced by the Certificate of the Authority filed with the Trustee), the Authority shall file with the Trustee a Certificate of the Financial Consultant calculating the actual ratio of Net Operating Revenues for the immediately preceding Fiscal Year to Net Maximum Annual Bond Service for the Bond Year commencing during such Fiscal Year. The Authority shall take all reasonable actions to assure that (i) such ratio is not less than 1.3:1; and (ii) Surplus Special Tax Revenues for the immediately preceding Fiscal Year, commencing with the Fiscal Year ending September 30, 2006, are not less than \$190,000 (the "Actual Coverage Test").

In the event that at any time after the Actual Coverage Test has taken effect the Actual Coverage Test is not met because the ratio set forth in such Certificate of the Financial Consultant is less than 1.3:1, the Authority and Trustee shall take the following actions:

(i) on or before the fifth Business Day of December and the fifth Business Day of each month thereafter, the Trustee shall make the deposits to the Supplemental Reserve Account required pursuant to the Indenture and shall continue to make such monthly deposits to the Supplemental Reserve Account (regardless of whether the amount then on deposit in the Supplemental Reserve Account is equal to or greater than the Supplemental Reserve Account Requirement) until such time as the Authority has filed its Certificate of the Financial Consultant with the Trustee certifying that it has satisfied the Actual Coverage Test for 2 successive Fiscal Years; and

(ii) the Authority shall promptly retain the services of a Parking Consultant. Such Parking Consultant shall examine the rents, fees and prices as well as the Maintenance and Operation Expenses for the Project and will file a report with the Trustee, the Participating Underwriter and the Authority and the containing recommendations of actions that may increase the amount of Net Operating Revenues. The Participating

Underwriter or the Trustee may consult with the Parking Consultant during its examination and preparation of such report and will be provided all information concerning such Parking Consultant's examination and report, the Net Operating Revenues, the Project or such other matters as any of them may reasonably request.

So long as the Authority follows the recommendations set forth in the report of the Parking Consultant and the Trustee continues to make the required deposits to the Supplemental Reserve Account pursuant to the Indenture, failure to comply with the Prospective Coverage Test and the Actual Coverage Test will not constitute an Event of Default under the Indenture.

Sale or Disposition of Project. So long as the Bonds are Outstanding, the Authority will not sell, abandon or otherwise dispose of any part of the Project, except as hereinafter provided in this section. The Authority may at any time sell at fair market value, permanently abandon the use of, or otherwise dispose of the Project or any part thereof if the following conditions exist:

(a) The Authority is then in full compliance with all covenants and undertakings contained in the Indenture.

(b) The sum of (1) the estimated Net Operating Revenues to be derived during the next succeeding Fiscal Year from the portion of the Project which will remain after such sale or abandonment (estimated so as to reflect the schedule of rentals, rates, fees and charges to be in effect in such Fiscal Year, and so as to give recognition to any anticipated changes in current expenses of the Project) plus (2) the estimated Net Operating Revenues to be derived from the replacement facility, if any, to be added to the Project, pursuant to this section, as a replacement for the facility sold or abandoned, for the Fiscal Year next succeeding the estimated date of completion of such replacement facility shall be not less than 1.3 times the Net Maximum Annual Bond Service for such Fiscal Year.

The foregoing conditions do not apply in the event the Authority sells, abandons or otherwise disposes of any part of the Project which produced 2% or less of the Net Operating Revenues for the preceding Fiscal Year.

Accounting Records and Reports. The Authority will keep or cause to be kept accurate financial records and proper books of account relating to the Project and the operations thereof. Such books and records shall be made available at all reasonable times for inspection and examination, at the office of the Authority, by the Trustee or by any Bondholder or any authorized agent or representative of a Bondholder. However, nothing contained in the Indenture shall require the Authority to make available for inspection any books or records of the Authority pertaining to any business of the Authority other than the Project.

Construction, Operation and Maintenance of Project; Annual Budget for the Project. The Authority shall diligently cause the construction, acquisition and improvement of the Project to proceed with all practical dispatch. The Authority will keep the Project at all times in good repair, working order and condition, and will operate the Project (or cause the Project to be operated) in an efficient and economical manner. The Authority may establish (or cause to be established) from time to time such funds or accounts or other provision for the payment of Maintenance and Operation expenses as it shall deem appropriate.

No later than December 1, 2002 and on October 1 of each Fiscal Year thereafter the Authority agrees to prepare and to file with the Trustee a budget for the Project for such Fiscal Year. Such budget shall describe for each month during the Fiscal Year the anticipated receipts of Gross Revenues, costs and expenses for the Project and such other matters as the Authority shall deem necessary or appropriate, and shall include all anticipated Gross Revenues, Maintenance and Operation Expenses, Annual Bond Service payments, the Renewal and Replacement Requirement and the Renewal and Replacement Annual Contribution for such Fiscal Year. The Authority shall at all times undertake to operate the Project in accordance with the then current budget. Not less frequently than quarterly during each Fiscal Year, the Authority shall review such budget against the actual operating results for the Project and make such adjustments to the rentals, rates, fees and charges for the Project, the Maintenance and Operation Expenses and take such other actions as may be reasonably necessary to maintain Net operating Revenues at the amount stated in the budget and to satisfy the requirements of the Indenture.

Limitation on Indebtedness. The Authority covenants and agrees that it will not incur any indebtedness or financial obligations by borrowing money, by assuming or guaranteeing the obligations of others, by entering into installment purchase contracts or leases required to be capitalized in accordance with generally accepted accounting principles, and which have a claim on Gross Revenues superior or equal to and on a parity with the Bonds.

Tax Covenants. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit to take any action that would cause interest on the Bonds to be subject to federal income taxation. In particular, the Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Bonds.

Certain agreements, requirement and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Any such change may occur or action may be taken or omitted upon the advice or approval of Bond Counsel other than the Bond Counsel that rendered a final opinion with respect to the Bonds upon their original issuance, only if the Authority obtains from such Bond Counsel an opinion, substantially to the effect that interest on the Bonds is excluded from gross income for federal income tax purposes.

Events of Default; Acceleration; Remedies

Pursuant to the Indenture the following constitute Events of Default:

(1) Default in the due and punctual payment of the principal of, or premium (if any) or interest on, any Bond Outstanding when due and payable, whether at maturity, by proceedings for redemption, by declaration or otherwise;

(2) Default by the Authority in the performance or observance of any other covenant, agreement or condition in the Indenture or in the Bonds, if such default continues for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee or to the Authority and the Trustee by the holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding.

During the continuance of one or more of the Events of Default described above, the Trustee, by notice in writing to the Authority, may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time, shall, declare the principal of all such Bonds then Outstanding and the interest accrued thereon to be due and payable immediately unless the principal of all the Bonds Outstanding is already due and payable. If at any time after the acceleration of the principal of the Bonds Outstanding and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, however, the Authority shall pay or shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds Outstanding matured prior to such declaration and all matured installments of interest, if any, plus an amount sufficient to cover the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor then, the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority and to the Trustee, may rescind and annul such declaration and its consequences.

No owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, or for any remedy under or upon the Indenture, unless (a) such owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Indenture; (b) the owners of at least a majority in aggregate amount of all Bonds then Outstanding under the Indenture shall have made a written request upon the Trustee to

exercise the powers granted the Trustee pursuant to the Indenture or to institute such action, suit or proceeding in its own name; (c) said owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such requests; and (d) the Trustee shall have refused or omitted to comply with such requests for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Amendments

The Authority and the Trustee may amend the Indenture by Supplemental Indentures, without the consent of the owners of Bonds Outstanding, to add to the covenants and agreements of the Authority in the Indenture, to cure any ambiguity or defective provision in the Indenture which will not materially adversely affect the interests of the owners of the Bonds, to authorize the issuance of Additional Bonds and to make certain other changes as described in the Indenture. The Authority and the Trustee may enter into Supplemental Indentures amending any other provision of the Indenture with the consent of the holders of not less than 60% in aggregate principal amount of the Bonds Outstanding; provided, however, that no such Supplemental Indenture shall (1) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time for payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof without consent of the holder of each Bond so affected, or (2) create a lien upon, or a pledge of, the Gross Revenues ranking prior to or on a parity with the lien or pledge created by the Indenture or reduce the aforesaid percentage of Bonds required to approve any such Supplemental Indenture without the consent of the owners of all Bonds then Outstanding.

Defeasance

If the Authority shall pay or cause to be paid and discharge the entire indebtedness on all Bonds of any Series Outstanding (1) by paying or causing to be paid the principal of, premium, if any and interest on such Bonds Outstanding as and when the same become due and payable; (2) by depositing with the Trustee money or securities in the necessary amount to pay or redeem all such Bonds Outstanding; or (3) by delivering to the Trustee for cancellation by it, all such Bonds Outstanding, and if the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority, the Indenture and the pledge of Gross Revenues will cease, terminate, and become null and void. Money or securities in the necessary amount to pay or redeem Bonds Outstanding may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture (exclusive of the Construction Fund) and shall be either (a) lawful money of the United States of America in an amount equal to the principal of, premium, if any and unpaid interest on such Bonds or (b) direct obligations of the United States of America the principal of and interest on which when due will provide money sufficient to pay the principal of, premium, if any and unpaid interest on such Bonds when due. In either case, the Trustee must have been irrevocably instructed (by the terms of the Indenture or a Written Request of the Authority) to apply money or the proceeds of such securities to the payment of redemption of Bonds.

PARKING FACILITY AGREEMENT

Transfer of the Site; Payment of Surplus Special Tax Revenues

(A) The Agency shall take all actions as may be directed by the Authority to transfer all necessary and appropriate interests in the real property described in Exhibit A to the Parking Facility Agreement (the "Site") to or upon the order of the Authority so that the Authority may provide the Project as provided in the Parking Facility Agreement.

(B) On or before the first day of each month, commencing August 1, 2002, the Agency shall pay the Surplus Special Tax Revenues to the Authority for deposit by the Authority into the Revenue Fund pursuant to the Indenture; provided, however, that in any Fiscal Year the amount of Surplus Special Tax Revenues paid pursuant to this section shall not exceed \$190,000. In accordance with Section 7.02 of the CFD No. 2001-1 Indenture, the obligation of the Agency to pay Surplus Special Tax Revenues pursuant to this section shall be subordinate in all respects to the use of the proceeds of the Special Tax as defined in and provided in the CFD No. 2001-1 Indenture.

So long as the provisions of this paragraph remain in force, the Agency shall not issue any Additional Bonds pursuant to, and as that term is defined in, the CFD No. 2001-1 Indenture. Any bonds or other indebtedness of the Agency issued after the date of the Parking Facility Agreement and secured by a pledge of or lien upon the Special Tax Revenues (as that term is defined in the CFD No. 2001-1 Indenture) shall be payable on a parity with the Agency's obligations to pay Surplus Special Tax Revenues under the Parking Facility Agreement and the Authority's obligation to apply such Surplus Special Tax Revenues in accordance with the terms of the Indenture.

(C) Subject to paragraph (D) below, the Agency shall take all actions permitted by law that are necessary or desirable to cause the levy of the Special Tax during each Fiscal Year to be in an amount fully sufficient to satisfy all of the requirements of the CFD No. 2001-1 Indenture and to permit the Agency to make the deposit of Surplus Special Tax Revenues pursuant to paragraph (B) above.

(D) The payment of Surplus Special Tax Revenues by the Agency pursuant to paragraph (B) shall no longer be required after the pledge and lien upon the Surplus Special Tax Revenues created by the Indenture shall be terminated and the Gross Revenues shall no longer include any amount of Surplus Special Tax Revenues in accordance with the Indenture, which requires the filing of a Certificate of the Authority with the Trustee confirming that all of the following conditions have been satisfied: (1) based upon the audited financial statements of the Authority, during each of the immediately preceding 3 successive Fiscal Years the amount of Net Operating Revenues during each such respective Fiscal Year has been not less than 150% of Maximum Annual Bond Service; (2) the amount on deposit in the Supplemental Reserve Account is not less than the Supplemental Reserve Account Requirement; and (3) no Event of Default (or any event which, with the passage of time or notice or both would constitute an Event of Default) has occurred.

Planning, Design and Construction of the Project

The Authority shall take all necessary and appropriate actions to provide for the planning, design, construction, improvement and acquisition of the Project with all practical dispatch.

The Authority shall from time to time pay for the costs of the planning, design, construction, acquisition and improvement of the Project by filing its Written Request of the Authority with the Trustee pursuant to the Indenture, so that all such costs are promptly paid in full.

Operation of the Project

The Authority shall take all necessary and appropriate actions to operate the Project, or to cause the Project to be operated, in the manner required by the Indenture. In such respect, the Authority agrees to fully comply with all the requirements of the Indenture with respect to the operation and maintenance of the Project.

The Authority shall pay for the costs and expenses of the operation and maintenance of the Project by filing its Written Request of the Authority with the Trustee pursuant to the Indenture, so that all such costs and expenses are promptly paid in full.

Limited Obligation

Notwithstanding any other provision of the Parking Facility Agreement, the City, the Authority and the Agency shall not be required to advance any moneys derived from the proceeds of taxes for the use and benefit of the Authority, the City or the Agency or from any source of income of the Authority, the City or the Agency other than the Gross Revenues, for any of the purposes mentioned in the Parking Facility Agreement, whether for the payment of the principal of or interest on the Bonds or for the planning, design, construction, improvement, acquisition, maintenance or operation of the Project.

Attachment 3

2002 Parking Facility Agreement

PARKING FACILITY AGREEMENT

dated as of June 1, 2002

between

SOUTH TAHOE REDEVELOPMENT AGENCY

and

SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY

relating to the South Tahoe Joint Powers Parking Financing Authority Parking Revenue Bonds,
including \$9,000,000 aggregate principal amount of Bonds of Series A

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THIS PARKING FACILITY AGREEMENT, dated as of the first day of June, 2002, by and between the SOUTH TAHOE REDEVELOPMENT AGENCY, a public body, corporate and politic duly organized and validly existing under the laws of the State of California (the "Agency"), and the SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY, a joint exercise of powers authority duly organized and validly existing under the laws of the State of California (the "Authority"),

WITNESSETH:

WHEREAS, the Agency desires to provide for the vehicular parking needs of the residents and visitors to the City of South Lake Tahoe (the "City") and, in particular to meet such needs in connection with the Park Avenue Project undertaken by the Agency as a part of the South Tahoe Redevelopment Project Area No. 1 (the "Redevelopment Project"), by providing for the planning, design, construction, improvement and acquisition of an approximately 420-space parking facility (as hereinafter defined, the "Project") in the manner provided for herein and in the Indenture, dated as of June 1, 2002, between the Authority and BNY Western Trust Company, as trustee (the "Indenture");

WHEREAS, the Agency further desires to provide for the vehicular parking needs of the residents and visitors to the Park Avenue Project within the Redevelopment Project and to assist the Authority in that respect by transferring the real property constituting the site for the Project to the Authority and paying Surplus Special Tax Revenues (as that term is defined herein) to the Authority in the manner provided for herein;

WHEREAS, the Authority desires to assist the Agency in performing its public purposes by issuing its Parking Revenue Bonds pursuant to the Indenture and to provide for the planning, design, construction, improvement and acquisition of the Project in the manner provided for herein;

NOW, THEREFORE, the Agency and the Authority do hereby agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, all capitalized terms defined herein shall have the meanings set forth in the Indenture.

SECTION 2. Transfer of the Site; Payment of Surplus Special Tax Revenues.

(A) The Agency shall take all actions as may be directed by the Authority to transfer all necessary and appropriate interests in the real property described in Exhibit A hereto (the "Site") to or upon the order of the Authority so that the Authority may provide the Project as hereinafter provided.

(B) On or before the first day of each month, commencing July 1, 2002, the Agency shall pay the Surplus Special Tax Revenues to the Authority for deposit by the Authority into the Revenue Fund pursuant to Section 5.01 of the Indenture; provided, however, that in any Fiscal Year the amount of Surplus Special Tax Revenues paid pursuant to this Section 2 shall not exceed one hundred ninety thousand dollars (\$190,000). In accordance with Section 7.02 of the CFD No. 2001-1 Indenture, the obligation of the Agency to pay Surplus Special Tax Revenues pursuant to this Section 2 shall be subordinate in all respects to the use of the proceeds of the Special Tax as defined in and provided in the CFD No. 2001-1 Indenture. So long as this

Section 2(B) remains in force, the Agency shall not issue any Additional Bonds pursuant to, and as that term is defined in, the CFD No. 2001-1 Indenture. Any bonds or other indebtedness of the Agency issued after the date hereof and secured by a pledge of or lien upon the Special Tax Revenues (as that term is defined in the CFD No. 2001-1 Indenture) shall be payable on a parity with the Agency's obligations to pay Surplus Special Tax Revenues hereunder and the Authority's obligation to apply such Surplus Special Tax Revenues in accordance with the terms of the Indenture.

(C) Subject to Section 2(D) hereof, the Agency shall take all actions permitted by law that are necessary or desirable to cause the levy of the Special Tax during each Fiscal Year to be in an amount fully sufficient to satisfy all of the requirements of the CFD No. 2001-1 Indenture and to permit the Agency to make the deposit of Surplus Special Tax Revenues pursuant to Section 2(B).

(D) The payment of Surplus Special Tax Revenues by the Agency pursuant to Section 2(B) shall no longer be required after the pledge and lien upon the Surplus Special Tax Revenues created by the Indenture shall be terminated and the Gross Revenues shall no longer include any amount of Surplus Special Tax Revenues in accordance with Section 6.07(b) of the Indenture, which requires the filing of a Certificate of the Authority with the Trustee confirming that all of the following conditions have been satisfied: (1) based upon the audited financial statements of the Authority, during each of the immediately preceding three (3) successive Fiscal Years the amount of Net Operating Revenues during each such respective Fiscal Year has been not less than one hundred fifty percent (150%) of Maximum Annual Bond Service; (2) the amount on deposit in the Supplemental Reserve Account is not less than the Supplemental Reserve Account Requirement; and (3) no Event of Default (or any event which, with the passage of time or notice or both would constitute an Event of Default) has occurred.

SECTION 3. Planning, Design and Construction of the Project. (A) The Authority shall take all necessary and appropriate actions to provide for the planning, design, construction, improvement and acquisition of the Project with all practical dispatch.

(B) The Authority shall from time to time pay for the costs of the planning, design, construction, acquisition and improvement of the Project by filing its Written Request of the Authority with the Trustee pursuant to Section 3.02(4) of the Indenture, so that all such costs are promptly paid in full.

SECTION 4. Operation of the Project. (A) The Authority shall take all necessary and appropriate actions to operate the Project, or to cause the Project to be operated, in the manner required by the Indenture. In such respect, the Authority agrees to fully comply with all the requirements of the Indenture with respect to the operation and maintenance of the Project.

(B) The Authority shall pay for the costs and expenses of the operation and maintenance of the Project by filing its Written Request of the Authority with the Trustee pursuant to Section 5.01(b) of the Indenture, so that all such costs and expenses are promptly paid in full.

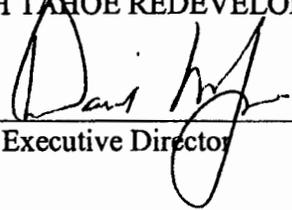
SECTION 5. Limited Obligation. Notwithstanding any other provision of this Parking Facility Agreement, the City, the Authority and the Agency shall not be required to advance any moneys derived from the proceeds of taxes for the use and benefit of the Authority, the City or the Agency or from any source of income of the Authority, the City or the Agency other than the Gross Revenues, for any of the purposes mentioned in this Parking Facility Agreement, whether for the payment of the principal of or interest on the Bonds or for the planning, design, construction, improvement, acquisition, maintenance or operation of the Project.

SECTION 6. Limitation of Rights to Parties and Bondholders. Nothing in this Parking Facility Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Agency, the Trustee, and the owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Parking Facility Agreement or any covenant, condition or provision contained herein; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Agency, the Trustee and the owners of the Bonds.

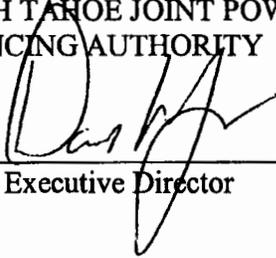
SECTION 7. Amendments; Severability; Governing Law. This Parking Facility Agreement may be amended at any time by the Agency and the Authority, but only upon the filing of a Certificate of the Authority with the Trustee to the effect that such amendment shall not materially adversely affect the Bondholders. It is the intent of the parties hereto that if any part of this Parking Facility Agreement is unlawful, void or unenforceable, all of the remaining parts of this Parking Facility Agreement shall be valid and binding upon the parties hereto. This Parking Facility Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the duly authorized representatives of the SOUTH TAHOE REDEVELOPMENT AGENCY and the SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY, have executed and delivered this Parking Facility Agreement on the date first written above.

SOUTH TAHOE REDEVELOPMENT AGENCY

By  _____
Executive Director

SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY

By  _____
Executive Director

Attachment 4

May 10, 2004 Staff Report

(see page 4)

SOUTH TAHOE REDEVELOPMENT AGENCY

Participating in Public-Private Partnerships
for a Better Future

**STAFF REPORT
CITY OF SOUTH LAKE TAHOE AND
SOUTH TAHOE REDEVELOPMENT AGENCY
MEETING OF MAY 18, 2004**

TO: David M. Jinkens, Executive Director
FROM: Eugene M. Palazzo, Redevelopment Manager
DATE: May 10, 2004
SUBJECT: Discussion, Direction and Possible Action on PADMA Budget for Calendar Year 2004 and Appointment of a City Council Sub-Committee Member for the PADMA/Public Parking Garage.

RECOMMENDED ACTION:

1. Approve PADMA annual budget for calendar year 2004 in the amount of \$109,834.
2. Direct staff to make payments to PADMA equally from the Transit Enterprise Account and the General Fund. Maintenance and Operation Expenses for the Parking Garage as defined in the Indenture may be paid from the Parking Garage Budget.
3. Direct staff and the Council Sub-Committee to discuss and work with the PADMA Partners on options for the City/Agency to withdraw from PADMA by the end of the 2004 calendar year.
4. Appoint a Council sub-committee member for PADMA/Public Parking Garage. This appointment will replace Councilman Cole.

SUB-COMMITTEE:

This staff report and recommended actions have been reviewed and approved by the City Council appointed sub-committee. Due to other demands placed on his time, Councilman Cole has resigned from the PADMA/Public Parking Garage sub-committee.

BACKGROUND:

At a joint meeting of the City Council and the Redevelopment Agency held on August 4, 2000, the Council and Agency both approved execution of the Declaration of Covenants, Conditions and Restrictions for the Park Avenue Development Project Maintenance Association, more commonly referred to as "PADMA".

As background, the PADMA was established to maintain all of the public improvements and spaces that are part of the Park Avenue project. Ongoing costs, such as snowmelt system operation, lighting, restroom maintenance, security, etc. are all cost of the PADMA, which are

1052 Tata Lane • South Lake Tahoe, CA 96150

General Information
(530) 542-6016

Analyst
(530) 542-7403

Manager
(530) 542-6044

CENTRAL RECORDS

FILE # 1250
Fax: 1273
(530) 542-4054

shared on a pro-rata basis among the developers of the project. The pro-rata share of each of the members is as follows:

Marriott Grand Residence Club	15%
Marriott Timber Lodge	10%
Heavenly/Vail	10%
Trans-Sierra Investments	15%
Cecil's Fountain Plaza	15%
City (Transit Center)	0%
Agency (Garage)	0%
Total	00%

DISCUSSION:

The following will first discuss the PADMA budget from calendar year 2003 and the proposed PADMA budget for calendar year 2004. The staff report will then discuss concerns that have been raised with the Agency/Parking Authority's financial involvement with PADMA. Alternatives for City Council/Agency Board will then be given.

2003 PADMA Budget Overview

There were some overruns in the 2003 budget mainly due to PADMA hiring a firm to develop design criteria for the Village and the Consultant who did the PADMA Reserve Account audit. However, the spending amount for the City and Agency was within what was approved by the City Council. The Council approved \$98,424 and the City/Agency has spent \$97,771.

The funding for the PADMA costs has been paid by the Redevelopment Agency. The Staff Report presented to the Council/Agency on March 4, 2003 stated: "It should be noted that the Agency had anticipated it would need to fund the City's portion of this cost during this initial year of the PADMA, and we do have funds available for this purpose. It is hoped that in future years this cost can be funded through transit revenues associated with the CTS system. The garage bond proceeds will fund the Agency's portion of the costs on an ongoing basis". To date, the Redevelopment Agency has spent \$93,448.92 on PADMA fees and Transit Center Enterprise Account has spent 20,396.79. The payments are as follows:

	RDA	Transit Account	Total Spent
November/December 2002	\$16,105.16		\$16,105.16
Calendar Year 2003	\$77,373.76	\$20,396.79	\$97,770.55
Total	\$93,478.92	\$20,396.79	\$113,875.71

2004 PADMA Budget Overview

Attached as Exhibit A is Calendar Year 2004 PADMA budget. This Budget was approved by the PADMA Board on November 21, 2003. Staff informed the Board that prior to a final commitment by the City/Agency the budget would need to be reviewed and approved by the City Council/Agency Board. The PADMA budget was discussed with the City Council appointed Public Parking Garage sub-committee. The committee members decided to attend the PADMA

meetings and discuss future roles of the City/Agency in PADMA. These discussions have taken place with no resolution.

Exhibit A includes the Operating Funds with the Annual Total. Each Operating Fund is broken out on separate sheets showing the Period Funding. Also included is a Comparison with the 2003 budget. The front page of the Exhibit includes this brief summary and a description of each operating fund.

The 2004 budget went up approximately 11%. The 20% PADMA obligation for the City/Agency in the calendar year of 2004 is \$109,834. The largest increase is attributed to the loading dock operation and staffing (the loading dock was not complete last year and only partially in the PADMA budget).

When preparing the budgets for Fiscal Year 2003/2004 Staff included \$50,000 in the Redevelopment Agency Budget and \$45,000 in the Transit Operations Budget for PADMA purposes. At budget adoption staff was under the assumption that PADMA cost would be about the same. Unfortunately, the bulk of the PADMA budget was paid in the fourth quarter of calendar year 2003 that was the beginning of the FY 2003/04 budget. This has impacted the budget projections as adopted. The projections to this year are as follows:

	RDA	Transit Account	Total Spent
Fourth Quarter 2003*	\$20,396.79	\$20,396.79	\$40,793.58
First Quarter 2004*	\$13,069.00	\$13,069.00	\$26,138.00
Second Quarter 2003*	\$13,136.00	\$13,136.00	\$26,272.00
Third Quarter 2004**	\$14,000.00	\$14,000.00	\$28,000.00
Total	\$60,601.79	\$60,601.79	121,203.58

*Actual Invoice. The first and second quarter payments have not been paid.

**Projection based on the PADMA budget of \$109,834

For FY 2003/04 the Agency/City will need to spend \$26,203.00 more than anticipated on PADMA fees. This will pay PADMA fees through the end of the Agency/City fiscal year. Approximately \$30,000 will need to be budgeted for FY 2004-05.

Legal and Policy Concerns with Financial Involvement

The City/Agency/Parking Authority and Transit Center do get some direct benefit from PADMA in maintaining all of the common area that is Agency owned property. This includes the maintenance of the snowmelt system. Other benefits include the use of the trash compactor for the transit center and garage; snow removal for the ingress and egress of the garage and sidewalk along Bellamy Court; snow removal on the benches around the Transit Center.

The Agency/City are in a difficult situation by participating in PADMA and meeting its contractual obligations. Both the Public Garage and Transit Center were mitigation measures required to develop the Village. In addition, they both provide a service to benefit the property owners of the Village. Neither the Public Garage nor the Transit Center has an adequate revenue source to pay for it. PADMA fees are an added burden to their operation. In addition, the City's general fund is not in a position to afford additional costs.

Redevelopment Agency Funding:

Redevelopment agencies are not set up to hold property long term and redevelopment agencies are precluded by law from paying ongoing ordinary maintenance for property.

Note: the property currently held by the Redevelopment Agency will be transferred to the City of South Lake Tahoe in the next few months. The Public Parking Garage will be transferred to the Parking Authority.



Public Parking Garage Funding:

Currently there are limited revenues being generated by the Garage so it is critical to be sure that the Authority is in strict compliance with the Indenture for the Parking Bonds. Specifically, only Maintenance and Operation Expenses as defined in the Indenture may be paid from the Maintenance and Operation Expenses Account

In the Indenture, Maintenance and Operation Expenses are defined as:

“necessary operating expenses, maintenance charges, expenses of reasonable upkeep and repairs, a properly allocated share of charges for insurance, direct or special administrative expenses directly chargeable to the Project and all other expenses incident to the operation of the Project, but shall not include debt service, depreciation or any general administrative expenses of the Authority, the City or the Agency.”

Charges billed by PADMA include charges for many different types of services, but only a very few of these services appear to be Maintenance and Operation Expenses under the Indenture, namely, a properly allocable portion of security costs, refuse disposal, snow removal and landscaping maintenance. Each of these services directly benefit the operation of the Garage, however, other charges from PADMA (or any other entity) that are outside the definition of Maintenance and Operations Expenses must not be paid from revenues of the Garage.

As mentioned there are PADMA fees that do not meet the definition of Maintenance and Operation Expenses. Exhibit A shows the PADMA Budget with operating funds and annual totals. Examples of the fees that do not meet the definition include: The operation of the loading dock; Human Resources; Management Fee; Legal/Consulting etc...

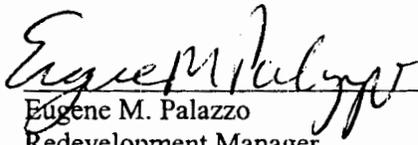
SUMMARY:

- There is approximately \$26,203 that has not been budgeted for fiscal year 2004.
- Redevelopment Agency's are not authorized to pay ongoing ordinary maintenance for property.
- Only Maintenance and Operation Expenses for the Public Parking Garage as defined in the Indenture may be paid from the Public Parking Garage Maintenance and Operation Expenses Account.
- The City's General Fund cannot afford the added burden of PADMA fees.
- Both the Public Garage and Transit Center were mitigation measures required to develop the Village. In addition, they both provide service to benefit the property owners of the

Village. Neither the Public Garage nor the Transit Center has an adequate revenue source to pay for it.

CONCLUSION

Given the budget constraints of the City and Redevelopment Agency, and the legal constraints imposed on the Agency and the parking revenues, continued participation in PADMA by paying 20% of the operation and maintenance cost, that benefit private development put a financial burden on the City/Agency which they cannot afford. Payments to PADMA should continue while working with the PADMA Partners on options for the City/Agency to withdraw from PADMA.


Eugene M. Palazzo
Redevelopment Manager

APPROVED:

David M. Jinkens
City Manager/Executive Director

Attachments

Exhibit A: PADMA Budget Calendar Year 2004

City Manager/Executive Director Comments:

The proposed solution of the Council Subcommittee and City staff ensures that we meet current obligations and sets a timeline for evaluating viable alternatives to the current PADMA relations. It also provides our PADMA partners with time to review and discuss options and adjust to changing circumstances.

David M. Jinkens

Attachment 5

Park Avenue Project

Original Subdivision Map

Approved June, 2000

I-66A

I-66A

PLAT OF PARK AVENUE SUBDIVISION P H A S E 1

A PORTION OF SEC. 27,
T.13N., R.18E., M.D.M.
& LOTS 5-8, CRESCENT "V" SUB.
CITY OF SOUTH LAKE TAHOE
COUNTY OF EL DORADO
STATE OF CALIFORNIA

BASIS OF BEARINGS:

THE MERIDIAN OF THIS SURVEY IS IDENTICAL TO THAT OF CRESCENT "V" SUBDIVISION, FILED IN THE OFFICE OF THE RECORDER OF EL DORADO COUNTY IN BOOK "C" OF MAPS, AT PAGE 89.

LEGEND:

- FOUND AS NOTED
- SET 3/4" IP & PLUG PLS 4029 OR NAIL AND TAG
- ⊙ SET CENTERLINE MONUMENT
- + SET 3/4" IP & PLUG PLS 4029 OR NAIL AND TAG

PUBLIC SERVICES DIRECTOR'S STATEMENT:

I, TERI JAMIN, HEREBY STATE THAT THIS FINAL MAP CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP OF THIS SUBDIVISION APPROVED ON 3/11/00 BY THE CITY OF SOUTH LAKE TAHOE AND THAT ALL CONDITIONS IMPOSED UPON SAID APPROVAL HAVE BEEN SATISFIED.

Teri Jamin 6-21-00
TERI JAMIN
PUBLIC SERVICES DIRECTOR
CITY OF SOUTH LAKE TAHOE
DATE

TAHOE REGIONAL PLANNING AGENCY'S STATEMENT:

THIS FINAL MAP CONFORMS TO THE TAHOE REGIONAL PLANNING AGENCY REQUIREMENTS.

Rich Anderson DATE: 6/21/00
EXECUTIVE OFFICER OR DESIGNEE

CITY CLERK'S STATEMENT:

I, ANGELA PETERSON, HEREBY STATE THAT THE CITY OF SOUTH LAKE TAHOE BY ORDER DATED JUNE 16, 2000 ADOPTED AND APPROVED THIS FINAL MAP OF THIS SUBDIVISION AND ACCEPTED FOR PUBLIC USES THE AREAS NOTED AS SHOWN HEREON.

Angela Peterson 6-13-00
ANGELA PETERSON
CITY CLERK
CITY OF SOUTH LAKE TAHOE
COUNTY OF EL DORADO, CALIFORNIA
DATE

NOTES:

A 3/4" IP AND PLUG, PLS 4029, OR A NAIL AND TAG SET AT ALL LOT CORNERS AND CURVE POINTS.

THE HEAVENLY GRAND SUMMIT RESORT CONDOMINIUM PLANNED FOR LOTS 5, 8, AND 9, IS A "PROJECT" AS THE TERM IS DEFINED IN SECTION 1351 (C) OF THE CIVIL CODE OF THE STATE OF CALIFORNIA AND THE SUBDIVISION DEPICTED HEREON IS SUBJECT TO THE PROVISIONS OF THE CALIFORNIA CONDOMINIUM ACT, TITLE 6, PART 4, DIVISION SECOND OF THE CIVIL CODE.

THE EASEMENTS GRANTED ON LOTS 5, 8, AND 9, SHALL BE SUBJECT TO THE "UNITS" AS SHOWN ON THE "CONDOMINIUM PLAN" AND AS DEFINED IN THE "DECLARATIONS OF COVENANTS, CONDITIONS, AND RESTRICTIONS ESTABLISHING A PLAN FOR THE HEAVENLY GRAND SUMMIT RESORT CONDOMINIUM," SAID DOCUMENTS TO BE RECORDED SUBSEQUENT TO THE FILING OF THIS MAP.

COUNTY TAX COLLECTOR'S CERTIFICATE:

I, C.L. RAFFETY, HEREBY STATE THAT, ACCORDING TO THE RECORDS OF THIS OFFICE, THERE ARE NO LIENS AGAINST THIS SUBDIVISION OR ANY PART THEREOF FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES FOR SPECIAL ASSESSMENTS NOT YET PAYABLE, PROVIDED THAT THE FINAL MAP IS ACCEPTED FOR RECORD AND FILED PRIOR TO THE NEXT SUCCEEDING LIEN DATE.

Sylvia Earl, C.A. T/C 6/27/2000
C.L. RAFFETY
TAX COLLECTOR
COUNTY OF EL DORADO, CALIFORNIA
DATE

BY: Sylvia Earl, C.A. T/C

March 2000

TA TURNER & ASSOCIATES, INC.

LAND SURVEYING
(775) 886-8000

FAX (775) 868-8286
180 PINEHOLE - KINGSBURY GRADE
P.O. BOX 5067 - STATELINE, NEVADA 89448

SHEET 2 OF 4

00012/2of4.dwg
JOB No. 00022

I-66A

I-66A

I-68

I-68

PLAT OF PARK AVENUE SUBDIVISION PHASE 1

A PORTION OF SEC. 27, T.13N., R.18E., M.D.M.
& LOTS 5-8, CRESCENT "V" SUBDIVISION
CITY OF SOUTH LAKE TAHOE, COUNTY OF EL DORADO
STATE OF CALIFORNIA

OWNER'S STATEMENT:

THE UNDERSIGNED, OWNERS OF RECORD TITLE INTEREST, HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS MAP, AND HEREBY CONVEY AND OFFER FOR DEDICATION TO THE CITY OF SOUTH LAKE TAHOE, PARK AVENUE AND VAN SICKLE ROAD SHOWN HEREON, INCLUDING THE UNDERLYING FEE THERETO, FOR ANY AND ALL PUBLIC PURPOSES.

THE UNDERSIGNED ALSO OFFERS TO THOSE CERTAIN COMPANIES AND PUBLIC ENTITIES WHICH WILL PROVIDE SERVICES THE EASEMENTS AND RIGHTS OF WAY FOR WATER, SEWER, GAS AND DRAINAGE PIPES AND DITCHES, AND FOR POLES, GUY WIRES, ANCHORS, TRANSFORMERS, VAULTS, BOXES, OVERHEAD AND UNDERGROUND WIRES AND CONDUITS FOR ELECTRICAL AND TELEPHONE SERVICES WITH THE RIGHT TO TRIM AND REMOVE TREES, TREE LIMBS AND BRUSH TOGETHER WITH ANY AND ALL APPURTENANCES APPERTAINING THERETO, OVER THE DELINEATED EASEMENTS SHOWN HEREON.

SOUTH LAKE REDEVELOPMENT AGENCY
W. Cole
CHAIRMAN

CITY OF SOUTH LAKE TAHOE
[Signature]
MAYOR

NOTARY'S ACKNOWLEDGEMENT

STATE OF California S.S.
COUNTY OF El Dorado

ON June 13, 2000 BEFORE ME Susan A. Alessi, A NOTARY PUBLIC, PERSONALLY APPEARED Tom Davis, PERSONALLY KNOWN TO ME (OR APPROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT THE PERSONS OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL:

SIGNATURE: [Signature] NOTARY SEAL
Susan A. Alessi, Notary Public
El Dorado County
Commission # 1184502
Expiration: April 25, 2001

NOTARY'S ACKNOWLEDGEMENT

STATE OF California S.S.
COUNTY OF El Dorado

ON June 20, 2000 BEFORE ME Susan A. Alessi, A NOTARY PUBLIC, PERSONALLY APPEARED W. Cole, PERSONALLY KNOWN TO ME (OR APPROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT THE PERSONS OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL:

SIGNATURE: [Signature] NOTARY SEAL
Susan A. Alessi, Notary Public
El Dorado County
Commission # 1184502
Expiration: April 25, 2001

SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF THE CITY OF SOUTH LAKE TAHOE ON 6-20-00. I HEREBY STATE THAT THIS FINAL MAP CONFORMS TO THE APPROVED TENTATIVE MAP, IF ANY. ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITION INDICATED AND ARE SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED.

Ronald W. Turner
RONALD W. TURNER, LS 4029



CITY ENGINEER'S STATEMENT:

I HAVE EXAMINED THIS MAP, THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THEREOF. ALL PROVISIONS OF CHAPTER 2 OF THE SUBDIVISION MAP ACT AND ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, AS REQUIRED, HAVE BEEN COMPLIED WITH. I AM SATISFIED THIS MAP IS TECHNICALLY CORRECT.

Carol A. Drawbaugh
CAROL DRAWBAUGH RCE 27823
CITY ENGINEER
CITY OF SOUTH LAKE TAHOE
LICENSE EXPIRATION DATE: 3-31-02

DATE: 6-20-00



COUNTY RECORDER'S CERTIFICATE:

I, WILLIAM E. SCHULTZ, HEREBY CERTIFY THAT PARK AVENUE SUBDIVISION MAP GUARANTEE WAS FILED WITH THIS OFFICE AND THAT THIS SUBDIVISION MAP WAS ACCEPTED FOR RECORD AND FILED THIS 27th DAY OF June, 2000, AT 15:15:50, IN BOOK I OF SUBDIVISION MAPS AT PAGE 68, AT THE REQUEST OF City of South Lake Tahoe

DOCUMENT NO. 2000-0231858 William E. Schultz
WILLIAM E. SCHULTZ
COUNTY RECORDER/CLERK
COUNTY OF EL DORADO

BY: Jane Kallatist
DEPUTY

Existing Parcels: APN 29-190-06 through 08; 29-200-03 through 06; 29-200-10 through 12; and 24;
29-441-08 and 09; and Portions of APNs 29-260-10 and 29-200-22 and 29-200-23 and 29-442-04 and 29-441-16

I-68

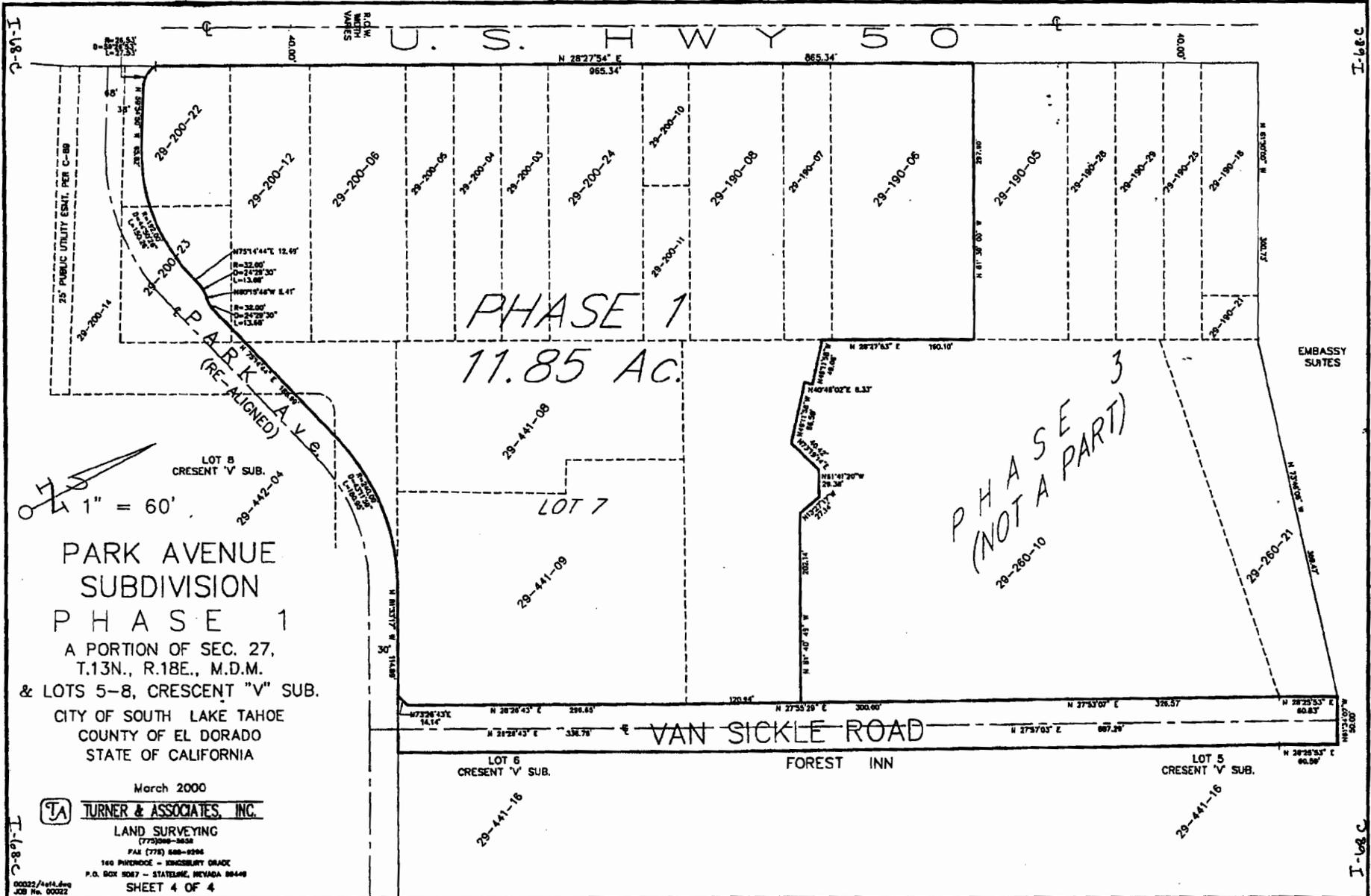
March 2000

TURNER & ASSOCIATES, INC.

LAND SURVEYING
(775) 286-3630
FAX (775) 286-2200

180 PINEIDGE - KINGSBURY CIRCLE
P.O. BOX 5047 - STATELINE, NEVADA 89449
SHEET 1 OF 4

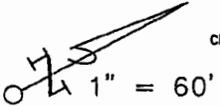
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JOB No. 00022



U. S. H W Y 5 0

PHASE 1
11.85 AC.

PHASE 3
(NOT A PART)



PARK AVENUE
SUBDIVISION
PHASE 1
A PORTION OF SEC. 27,
T.13N., R.18E., M.D.M.
& LOTS 5-8, CRESCENT "V" SUB.
CITY OF SOUTH LAKE TAHOE
COUNTY OF EL DORADO
STATE OF CALIFORNIA

March 2000

TA TURNER & ASSOCIATES, INC.

LAND SURVEYING
(775) 936-3434
FAX (775) 888-9996
100 PIONEER - EDGEMOUNT GRACE
P.O. BOX 8087 - STATELINE, NEVADA 89448

SHEET 4 OF 4

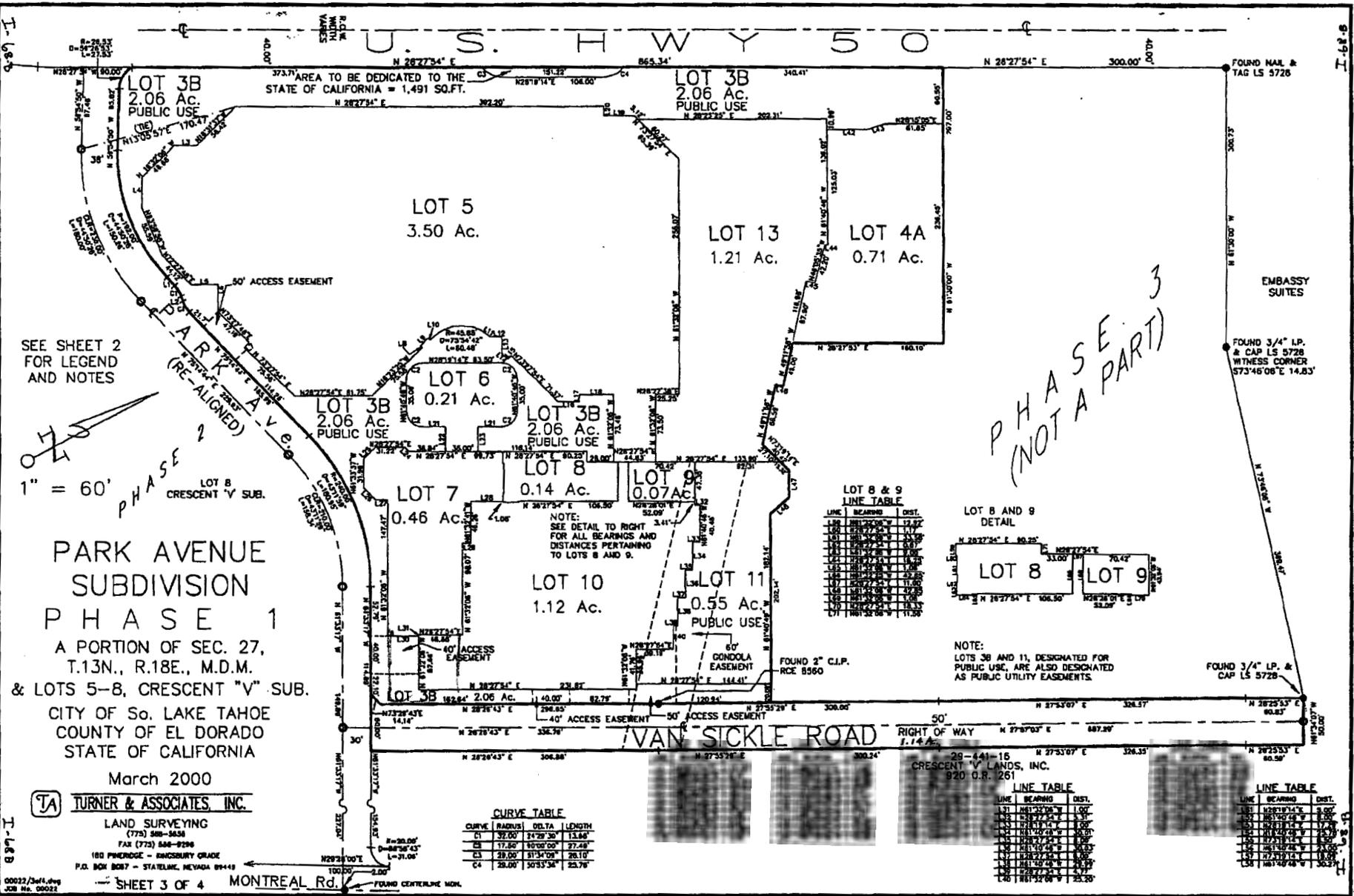
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T-168-C

T-168-C

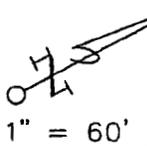
T-168-C

U.S. HWY 50



AREA TO BE DEDICATED TO THE STATE OF CALIFORNIA = 1,491 SQ.FT.

SEE SHEET 2 FOR LEGEND AND NOTES



1" = 60'

PARK AVENUE SUBDIVISION PHASE 1

A PORTION OF SEC. 27, T.13N., R.18E., M.D.M. & LOTS 5-8, CRESCENT "V" SUB. CITY OF So. LAKE TAHOE COUNTY OF EL DORADO STATE OF CALIFORNIA

March 2000

JA TURNER & ASSOCIATES, INC.

LAND SURVEYING
(775) 888-8638
FAX (775) 888-9296
180 PINEHEDGE - RANCSBURY GRADE
P.O. BOX 8087 - STATERLING, NEVADA 89448

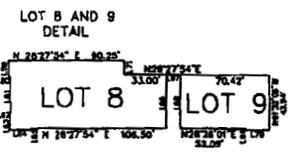
SHEET 3 OF 4

CURVE TABLE

CURVE	RADIUS	DELTA	LENGTH
C1	32.00'	24.28°	13.86'
C2	17.50'	60.00°	27.48'
C3	29.00'	31.34°	26.10'
C4	29.00'	30.33°	23.79'

LOT 8 & 9 LINE TABLE

LINE	BEARING	DIST.
L1	N 28°27'34" E	106.30
L2	N 28°27'34" E	106.30
L3	N 28°27'34" E	106.30
L4	N 28°27'34" E	106.30
L5	N 28°27'34" E	106.30
L6	N 28°27'34" E	106.30
L7	N 28°27'34" E	106.30
L8	N 28°27'34" E	106.30
L9	N 28°27'34" E	106.30
L10	N 28°27'34" E	106.30



NOTE: LOTS 3B AND 11, DESIGNATED FOR PUBLIC USE, ARE ALSO DESIGNATED AS PUBLIC UTILITY EASEMENTS.

PHASE 3 (NOT A PART)

LINE TABLE

LINE	BEARING	DIST.
L1	N 28°27'34" E	106.30
L2	N 28°27'34" E	106.30
L3	N 28°27'34" E	106.30
L4	N 28°27'34" E	106.30
L5	N 28°27'34" E	106.30
L6	N 28°27'34" E	106.30
L7	N 28°27'34" E	106.30
L8	N 28°27'34" E	106.30
L9	N 28°27'34" E	106.30
L10	N 28°27'34" E	106.30

LINE TABLE

LINE	BEARING	DIST.
L1	N 28°27'34" E	106.30
L2	N 28°27'34" E	106.30
L3	N 28°27'34" E	106.30
L4	N 28°27'34" E	106.30
L5	N 28°27'34" E	106.30
L6	N 28°27'34" E	106.30
L7	N 28°27'34" E	106.30
L8	N 28°27'34" E	106.30
L9	N 28°27'34" E	106.30
L10	N 28°27'34" E	106.30

099-I
L-68-8

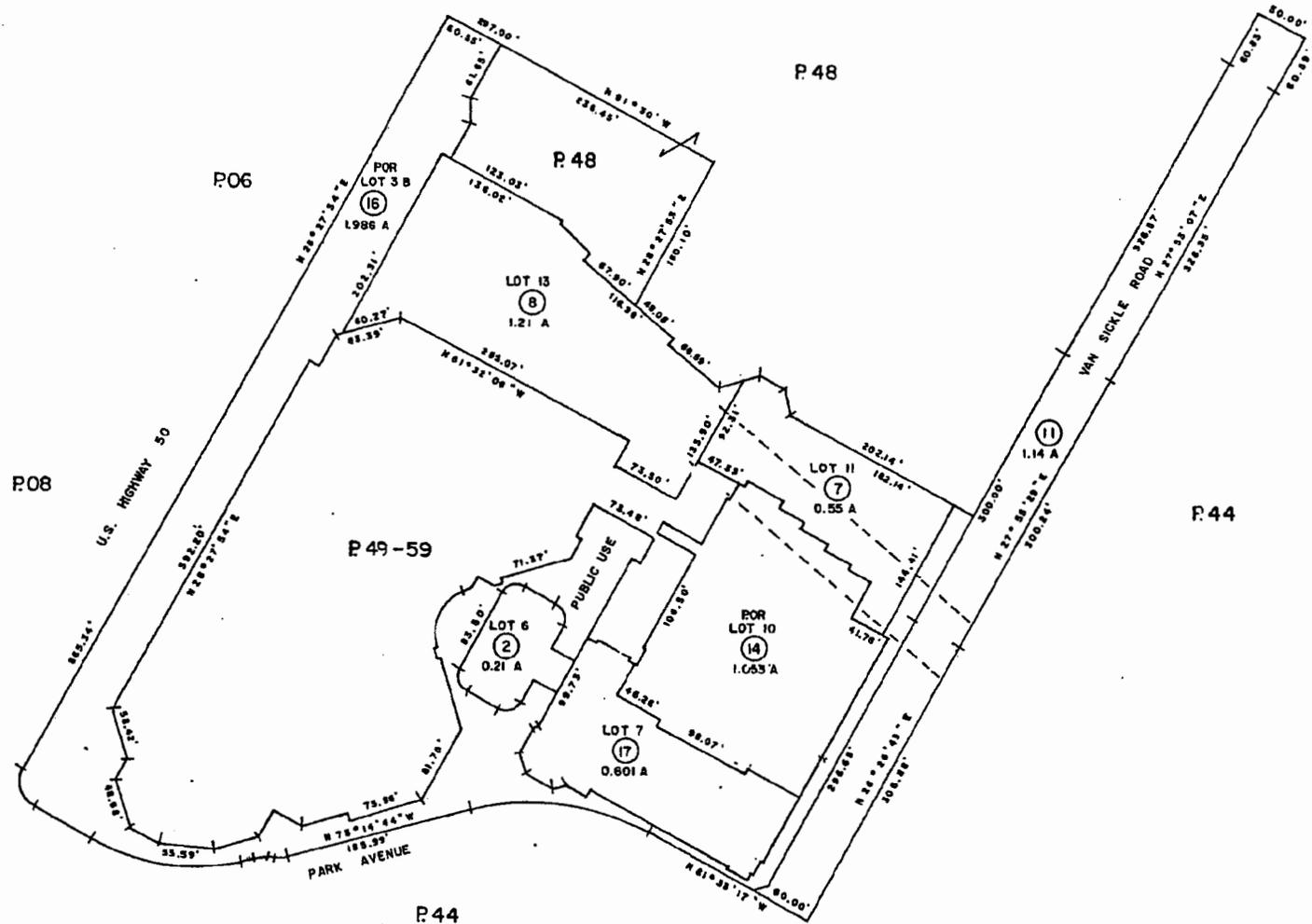
00022/3of4.dwg
JOB No. 00022

MONTREAL Rd. FOUND CENTERLINE MON.

POR. SEC. 27, T.13N., R.18E., M.D.M.
 PARK AVENUE SUBDIVISION
 1-68

Tax Area Code

29:47



THIS MAP IS NOT A SURVEY, It is prepared by the El Dorado Co. Assessor's office for assessment purposes only.

NOTE - Assessor's Block Numbers Shown in Ellipses Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk. 29 - Pg. 47
 County of El Dorado, California

JUN 07 2005

Attachment 6

Park Avenue Project Lot Line Adjustment

*2005 Grant Deed adjusting lot lines
between Lot 10 (Owned by STRDA) and
Lot 7 and Lot 3B owned by Trans-Sierra
Investments, Inc.*



El Dorado, County Recorder
 William Schultz Co Recorder Office
DOC- 2005-0012521-00

Tuesday, FEB 15, 2005 08:54:38
 T&I Pd \$0.00 Nbr-0000689760
 CLC/C1/1-7

Recording Requested By
 And When Recorded Mail To:

SOUTH TAHOE REDEVELOPMENT AGENCY
 1901 Airport Road, Suite 108
 South Lake Tahoe, CA 96150
 Attn: Executive Director

GRANT DEED

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged,

THE SOUTH TAHOE REDEVELOPMENT AGENCY, a public body corporate and politic, of the State of California ("Grantor"), acting to carry out redevelopment purposes pursuant to the Community Redevelopment Law of the State of California, hereby grants and conveys to Trans-Sierra Investments, Inc., a Nevada corporation ("Grantee"), the real property (the "Property") described in Exhibit A attached hereto and incorporated in this grant deed ("Grant Deed") by this reference.

1. The Property is conveyed subject to the Disposition and Development Agreement (the "DDA") entered into by and between Grantor, the City of South Lake Tahoe, American Skiing Company Resort Properties, Inc., Heavenly Resort Properties, LLP, Heavenly Valley LP, Trans-Sierra Investments and John and Camilla Jovicich and dated October 5, 1999 as amended, the terms of which are hereby incorporated herein. The Property is further conveyed subject to Approved Title Conditions.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Grantee and such successors and assigns shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the improvements required to be constructed pursuant to the DDA (the "Improvements"), and that such construction shall be commenced and completed within the times provided in the DDA.

3. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall devote the Property and Improvements only to the uses specified in the DDA.

4. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall operate and maintain the Property and Improvements in compliance with all requirements for operation and maintenance set forth in the DDA.

Revenue & Taxation Code
 11911

Grant Deed - TSI
 111902206044.1_12.30.2004

The undersigned grantor(s) declare(s):
 Documentary transfer tax is \$

- computed on full value of property conveyed, or
- computed on full value less value of liens and encumbrances remaining at time of sale

5. The Grantee covenants and agrees, for itself and its successors and assigns that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property and the Improvements, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property and the Improvements.

All deeds, leases or contracts made relative to the Property and, Improvements or any part thereof, shall contain or be subject to substantially the following non-discrimination clauses:

a. In deeds: "The grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through the Grantee, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee, or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee, or any person claiming under or through the transferee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants or vendees in the land."

6. The covenants contained in Sections 2, 3, and 4 regarding construction, use, and operation and maintenance shall remain in effect for the life of the South Lake Tahoe Redevelopment Project No. 1 Redevelopment Plan. The covenants against discrimination contained in Section 5 shall remain in perpetuity.

7. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the DDA; provided, however, that any successor of Grantee to the Property and Improvements shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

8. The covenants contained in Sections 2, 3, 4, 5 and 6 of this Grant Deed shall, without regard to technical classification or designation, legal or otherwise specifically provided in this Grant Deed, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the Grantor, its successor and assigns, and any successor in interest to the Property and Improvements or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate.

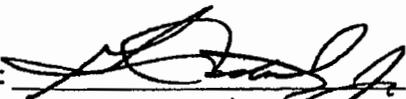
9. Capitalized terms used in this Grant Deed, if not otherwise defined, shall have the meaning given to such terms in the DDA.

In the event there is a conflict between the provisions of this Grant Deed and the DDA, it is the intent of the parties hereto and their successors in interest that the DDA shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed this 6th day of January, 2005.

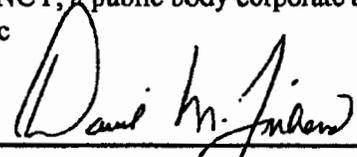
GRANTEE:

Trans-Sierra Investments,
A Nevada corporation

By: 
Gary Casteel, Sr.
Its: General Manager

GRANTOR:

SOUTH TAHOE REDEVELOPMENT
AGENCY, a public body corporate and
politic

By: 
David M. Jinkens
Its: City Manager/Executive Director

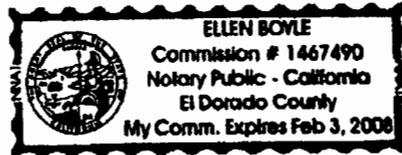
012521

STATE OF CALIFORNIA)
) SS
COUNTY OF El Dorado)

On January 10, 2005, before me, Ellen Boyle, personally appeared Gary Casteel, Jr., personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names ^{is} subscribed to the within instrument and acknowledged to me that ^{he} ~~they~~ executed the same in ^{his} ~~their~~ authorized capacities, and that by ~~their~~ ^{his} signatures on the instrument the persons or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Ellen Boyle



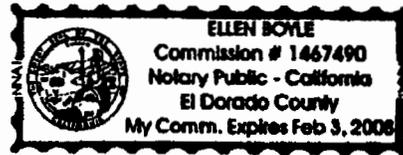
012521

STATE OF CALIFORNIA)
) SS
COUNTY OF El Dorado)

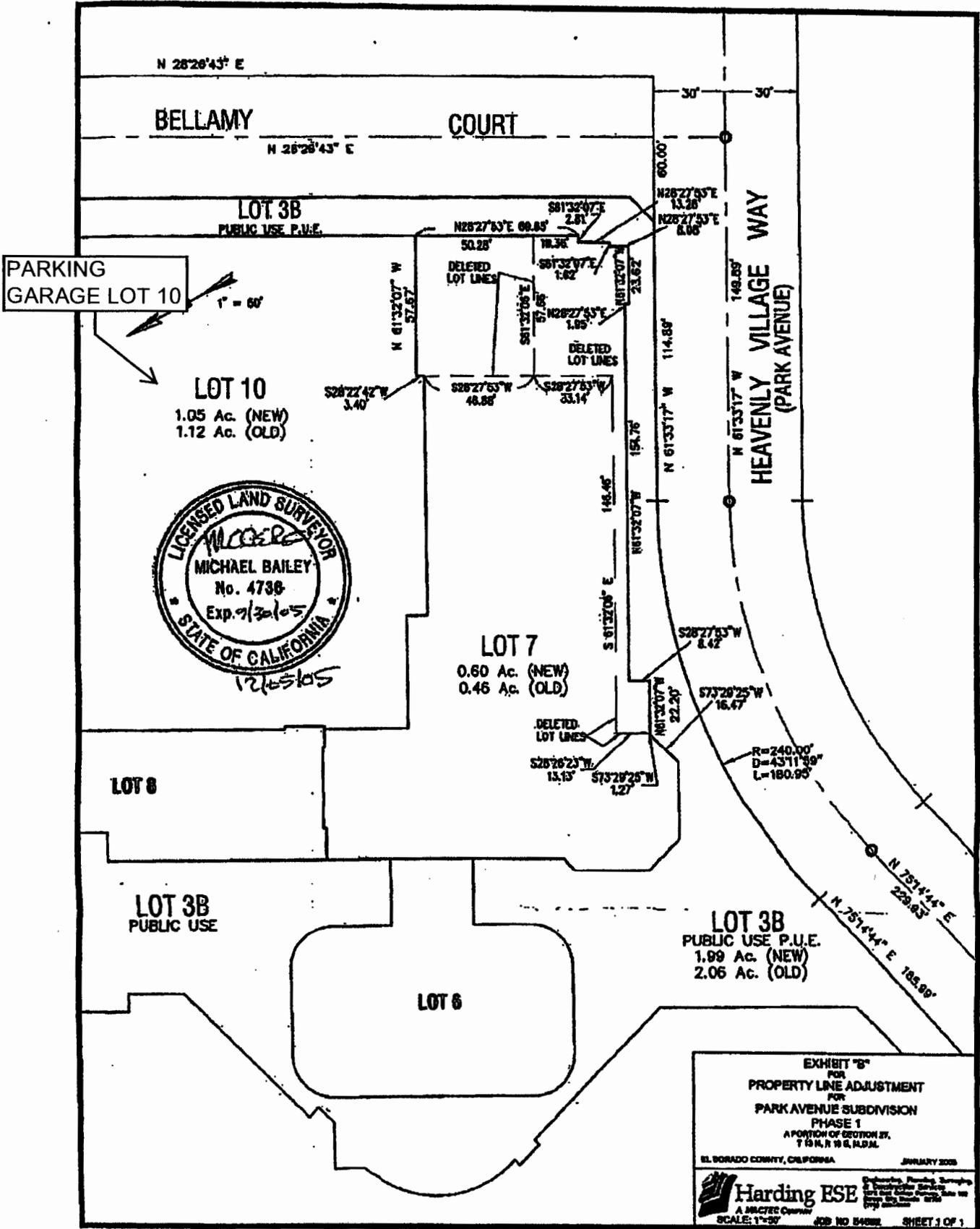
On January 11, 2005, before me, Ellen Boyle, personally appeared David A. Jenkins, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that ~~they~~^{he} executed the same in their ~~authorized capacities~~^{capacity}, and that by their ~~his~~ signatures on the instrument the persons or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Ellen Boyle



012521



02/15/2005, 20050012521

012521

Project No. 54692
December 23, 2004
MEB

City of South Lake Tahoe to Trans-Sierra Investments

Lot 10 (Parking Garage) to Lot 7 (Trans-Sierra)

All that portion of Lot 10 of Park Avenue Subdivision Phase 1 as shown on the map filed in Book I of Subdivision Maps at Page 68, El Dorado County Records, being a portion of Section 27, Township 13 East, Range 18 East, M.D.M, in the County of El Dorado, State of California described as follows:

BEGINNING at the most southerly corner of said Lot 10; thence, along easterly line of said lot 10, North 28°27'53" East 50.28 feet; thence, North 61°32'07" West 57.66 feet; thence, South 28°27'53" West, 50.28'; thence, South 61°32'07" East 57.67 feet, to the point of beginning.

Containing 2,900 square feet, more or less.

Lot 3B (Public Use) to Lot 7 (Trans-Sierra)

All that portion of Lot 3B of Park Avenue Subdivision Phase 1 as shown on the map filed in Book I of Subdivision Maps at Page 68, El Dorado County Records, being a portion of Section 27, Township 13 East, Range 18 East, M.D.M, in the County of El Dorado, State of California described as follows:

BEGINNING at the most southerly corner of said Lot 10 as shown on said map; thence, along the most southerly line of said Lot 10 and common to the line of said Lot 3B, North 61°32'06" West 57.66 feet to the most easterly line of Lot 7 as shown on said map; thence, along the line common to said lots 7 and 3B, South 28°27'53" West 33.14 feet; thence, continuing along the lines common to Lots 7 and 3B the following three courses, North 61°32'06" West 146.46 feet; thence, South 28°26'23" West 13.13'; thence, South 73°29'25" West 1.27 feet; thence, leaving said common lines, South 61°32'07" East 22.20 feet; thence, North 28°27'53" East 8.42 feet; thence, South 61°32'07" East 154.76 feet; thence, South 28°27'53" West 1.95 feet; thence, South 61°32'07" East 23.62 feet; thence, North 28°27'53" East 8.08 feet; thence, South 61°32'07" East 1.62 feet; thence, North 28°27'53" East 13.26 feet; thence, South 61°32'07" East 2.81 feet; thence, North 28°27'53" East 19.36 feet, to the point of beginning.

Containing 3,217 square feet, more or less.

