

LAND COVERAGE TRANSFER AGREEMENT

Land Coverage Transfer Agreement (Agreement) is entered into by and between the South Tahoe Public Utility District, a California public agency formed in 1950 pursuant to the Public Utility District Act (District) and the County of El Dorado, a political subdivision of the (County), on this 25th day of June, 2024, at Placerville, California, with reference to the following facts and intentions:

- A. The District in cooperation with Blue Dragon Holdings, LLC, is developing certain real property owned by the District to be utilized as a solar array (Project), which is shown in the attached Exhibit A, and incorporated by this reference;
- B. The Project, which will be owned by Blue Dragon Holdings, LLC, will be sited adjacent and as an accessory to the Wastewater Treatment Plant (Plant) with power generated by the Project used to run the Plant, which is owned and operated by the District.
- C. The parcels that make up the Plant (APNs 025-071-22, 025-041-12, 025-051-27, 025-061-32, and 025-061-35) have been deed restricted with a Declaration of Covenants, Conditions and Restrictions Project Area and Coverage Calculation on 6th June, 2004 (Doc-2004-0046641-00);
- D. In accordance with the TRPA Code of Ordinances 30.4.1.C.3, there is insufficient quantity of coverage available from designated capability classes within the Project Area to construct the Project as sited;
- E. The County has established a Land Coverage Bank from restoration of County-owned properties; and
- F. The District and County desire to exchange coverage between the Project Area and the Land Coverage Bank in the quantity necessary to facilitate construction of the Project.

NOW, THEREFORE, the parties agree as follows:

- 1. **Transfer of Class 4 Coverage out of the Project Area.** The District agrees to relinquish at no cost to the County the right to future development of 38,549 sf of Class 4 Coverage within the Project Area. Such quantity will be added by the County to the total Class 4 coverage available in the Land Coverage Bank.
- 2. **Transfer of Class 6 Coverage into the Project Area.** The County agrees to relinquish at no cost to the District the right to future development of 38,549 sf of Class 6 Coverage currently available in the County's Land Coverage Bank. Such quantity will be added by the District to the total Class 6 coverage available in the Project Area.
- 3. The coverage transfer shall be accomplished as follows:

a. The District shall be responsible for processing all applications, obtaining all surveys and documents, paying all expenses, obtaining all approvals and performing all other acts necessary for the transfer of coverage including the preparation and submission of any maps necessary to document the transfer.

b. The District shall upon completion of the transfer, prepare any documents necessary for the parties to formalize the transfer for banking and permitting purposes. The parties agree to execute any and all documents necessary to complete the transfer in a timely manner.

c. The parties agree to cooperate with each other in completing the transfer by performing any and all necessary acts and executing any and all necessary documents to complete the transfer in a timely manner.

4. Compliance with Applicable Laws. The parties performance of their respective obligations pursuant to this Agreement and any and all applications, deeds, leases, agreements or other documents shall comply with any and all applicable federal, state and local laws, ordinances, rules, regulations and orders.

5. General Provisions.

5.1 Good Faith. Wherever in this Agreement a party has the right to approve an act of another party, the former shall exercise such discretion in good faith and according to reasonable commercial standards. Similarly, where a party is required to satisfy a condition or complete an act in a certain fashion or within a specified time period, that party shall pursue such objectives in good faith and make all reasonable efforts to accomplish the same; the other party shall likewise in good faith cooperate and assist the other party in accomplishing this task to cause the consummation of the agreement as intended by the parties and evidenced by this Agreement.

5.2 Construction. The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either party, as each party has participated in the drafting of this Agreement and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

5.3 Severability. If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or against public policy, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby. The term, provision, covenant or condition that is so invalidated, voided or held to be unenforceable shall be modified or changed by the parties to the extent possible to carry out the intentions and directives stated in this Agreement.

5.4 Signatures - Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between each of the parties of at least one set of counterparts. The parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any of such completely executed counterparts shall be sufficient proof of this Agreement.

5.5 Assignment. A party shall not voluntarily or by operation of law assign, hypothecate, give, transfer, mortgage, sublet, license, or otherwise transfer or encumber all or any part of its rights, duties, or other interests in this Agreement or the proceeds thereof (collectively, Assignment), without the other party's prior written consent, which consent shall not be unreasonably withheld or delayed. Any attempt to make an Assignment in violation of this provision shall be a material default under this Agreement and shall be null and void.

Absent an express signed written agreement between the parties to the contrary, no assignment of any of the rights or obligations under this Agreement shall result in a novation or in any other way release the assignor from its obligations under this Agreement.

5.6 Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns, except as restricted by this Agreement.

5.7 Waiver. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver in the future except to the extent specifically stated in writing. Any waiver given by a party shall be null and void if the party requesting such waiver has not provided a full and complete disclosure of all material facts relevant to the waiver requested. No waiver shall be binding unless executed in writing by the party making the waiver.

5.8 Governing Law. The validity and interpretation of this Agreement shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws, with venue for all purposes proper only in the County of El Dorado, City of South Lake Tahoe, State of California.

5.9 Notices. All notices, approvals, acceptances, demands and other communications required or permitted under this Agreement, to be effective shall be in writing and shall be delivered in person or by U.S. mails (postage prepaid, certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

To: District

Paul Hughes, General Manager
South Tahoe Public Utility District
1275 Meadow Crest Drive
South Lake Tahoe, CA 96150

With Copy To: Keith F. Collins
Jones Mayer Law
3777 North Harbor Blvd.
Fullerton, CA 92835

To: County of El Dorado _____

With Copy To: _____

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as provided above.

5.10 Attorneys' Fees. If any legal proceeding (lawsuit, arbitration, etc.), including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover actual attorneys' fees and costs, which may be determined by the court in the same action or in a separate action brought for that purpose. The attorneys' fees award by the court shall be made as to fully reimburse for all attorneys' fees, paralegal fees, costs and expenses actually incurred in good faith, regardless of the size of the judgment, it being the intention of the parties to fully compensate for all attorneys' fees, paralegal fees, costs and expenses paid or incurred in good faith.

5.11 Authorizations. All individuals executing this and other documents on behalf of the respective parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall also indemnify the other parties to this Agreement, and hold them harmless, from any and all damages, costs, attorneys' fees, and other expenses, if the signatory is not so authorized.

5.12 Entire Agreement and Amendment. This Agreement contains the entire understanding and agreement of the parties with respect to the matters considered, and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature binding except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

**SOUTH TAHOE PUBLIC UTILITY
DISTRICT**

COUNTY OF EL DORADO

By: _____
David Peterson, President

By: _____
_____,
(Name) (Title)

ATTEST:

ATTEST:

By: _____
Melonie Guttry, Clerk of the Board

By: _____
_____,
(Name) (Title)

