

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND
MONO COUNTY**

This Memorandum of Understanding (MOU) is entered into, by, and between the California Department of Transportation (Caltrans) and the County of Mono, a political subdivision of the State of California (sometimes referred to herein as "Mono County" or "the County").

RECITALS

Caltrans and Mono County wish to address land management and fish rearing issues at Conway and Mattly Ranches located in the County (and also described as including APNs 019-100-008, 019-100-019, 019-100-020, 019-110-016, 019-110-018, 011-200-010, 011-200-009, 011-280-021 and lots within the Conway Ranch subdivision also known as lots A, B, 5 through 14, inclusive, 17 through 21 inclusive and lots 24 through 108, inclusive, in tract number 34-13, in book 9, pages 53 to 53H, inclusive, of maps in the office of the County of Mono Recorder). Mono County purchased the Conway and Mattly Ranches (sometimes referred to collectively herein as "Conway Ranch" or "the property") in part using grants from Caltrans that identify certain restrictions and allowable uses of the land, some of which are set forth in an *Agreement Declaring Restrictive Covenants* that was recorded against a portion of the Conway Ranch property.

Through discussions with Mono County, it has become apparent that the restrictions imposed by the grants received by Mono County for the purchase of the property do not allow for full realization of the potential and needs of the fish rearing operation.

The current fish rearing facility located on Conway Ranch falls within a 185 acre area that was purchased with Environmental Enhancement and Mitigation Program (EEMP) Cycle 7 funding. The County's acceptance of the grant funds for use in purchase of the ranches came with certain resource protections and restrictions.

To help the County in realizing both the economic and tourist based fish rearing potential the ranches offer and to address land management concerns, Caltrans proposes to allow for repayment of a portion of the EEMP Cycle 7 grant received by Mono County, thereby removing approximately 75 acres of the Conway Ranch from the delineated grant area and freeing current restrictions imposed by the grant (see Exhibit A).

ROLES AND RESPONSIBILITIES

As a condition of approval by Caltrans for the removal of 75 acres from the grant restrictions and as agreed to by both parties, Mono County will grant a conservation easement for the remaining portions of both the Conway and Mattly Ranches to the Eastern Sierra Land Trust (see Exhibit A). For purposes of satisfying this condition, Mono County is only required to include in the *Conservation Easement* provisions reiterating and potentially clarifying the existing restrictions and requirements of the Caltrans-administered grants that will still be applicable to various

portions of the property (outside of the 75 acres) and the Eastern Sierra Land Trust will only be responsible for ensuring that future uses and management of the property are consistent with those existing restrictions and requirements.

The County will retain all of its current authority and control over the property (including its water rights). It is understood that the *Conservation Easement* will not confer on the Eastern Sierra Land Trust any authority to manage any portion of the Conway Ranch property nor to direct or compel the County or any third party to engage in any activity on the property (except to remedy violations of easement restrictions and requirements), nor to permit any third party to enter or occupy the property or to perform any activity there without County consent, in accordance with the *Conservation Easement*.

Caltrans understands that Mono County will be required to provide notice and/or seek approval of the *Conservation Easement* from one or more of the other agencies or entities who provided grant funding for the County's purchase of Conway Ranch property portions (e.g., the California Department of Parks and Recreation and the National Fish & Wildlife Foundation). If any such agency or entity objects to the *Conservation Easement*, then the parties shall meet and confer in an effort to resolve the situation, and neither party shall be deemed in breach of this MOU. If the parties are unable to satisfactorily resolve the situation, then either party may rescind this MOU. Caltrans also understands that one or more of the other agencies or entities who provided grant funding may wish for the County to incorporate into the *Conservation Easement* provisions reiterating and potentially clarifying the restrictions and requirements imposed by their respective grants, and Caltrans hereby consents to the County's inclusion of such provisions.

The cost of repayment for the 75 acres of the Conway Ranch that includes the fish rearing portion is \$95,800. The sum will not be due and payable unless and until Caltrans has approved the terms of the *Conservation Easement* as described below. The County will provide said payment by check payable to "the State of California Department of Transportation" and delivered in person or by mail to:

State of California
Department of Transportation
Cashiering Office - MS 58
P.O. Box 168019
Sacramento, CA 95816-8019

no later than 30 days after Caltrans has notified the County of its approval of the terms of the proposed *Conservation Easement*.

Caltrans will fund half of the cost of the Stewardship Fund to the Eastern Sierra Land Trust, which is not to exceed \$17,500, and will be payable directly to ESLT from Mono County from the \$95,800 due to Caltrans, thereby reducing the amount payable to Caltrans to \$78,300. Mono County is responsible for the remainder (also not to exceed \$17,500). It is understood that the cost of the Stewardship Fund is a one-time expense and that neither Mono County nor Caltrans will be obligated to fund any ongoing or future costs to the Eastern Sierra Land Trust related to the purposes of the Stewardship Fund. Funding of the Stewardship Fund shall occur within 30 days after recording of the *Conservation Easement*.

The existing *Agreement Declaring Restrictive Covenants* will be amended to change the legal description of the real property encumbered by said agreement (in order to exclude the subject 75-acre portion). Said amendment will be recorded against the affected portion of the Property either on the same day or prior to the recording of the *Conservation Easement*.

Caltrans must approve the *Conservation Easement* prior to amending the *Agreement Declaring Restrictive Covenants*. In the event that Caltrans and the County are unable to mutually agree to all of the terms of the *Conservation Easement*, despite their best efforts, then either party may rescind this MOU. In that event, neither party shall have any rights or obligations under this MOU.

Provided the County fulfills its obligations under this MOU, Caltrans agrees to withdraw its notice of noncompliance (and associated letters) and demand for repayment to Mono County for the Conway Ranch. In other words, Caltrans agrees that any issues or allegations that Caltrans actually raised or could have raised regarding the County's compliance with any Caltrans-administered grants applicable to Conway Ranch prior to the parties' entry into this MOU are hereby fully resolved and shall not form the basis of any future allegations or notices of noncompliance by Caltrans nor by any person or entity ostensibly acting on its behalf (e.g., the Eastern Sierra Land Trust).

This MOU becomes effective when fully executed by all parties. The parties have 180 days to implement all provisions of this MOU upon execution. The parties may separately agree to use the services of a third party or escrow to facilitate and coordinate any of the foregoing details of this transaction. This MOU can be terminated, modified, or amended by mutual written consent of all parties. This MOU does not replace or modify any other preexisting MOU between any or all parties. Likewise, future MOUs may be entered into between any or all of the parties notwithstanding this MOU.

EXECUTION

The parties have executed and entered into this MOU through their authorized representatives whose signatures are below.

Mono County


By: Byng Hunt, Chair
Board of Supervisors

Dated: 5-14-13

California Department of Transportation


THOMAS P. HALLENBECK
District 9 Director

Dated: 5/20/13

Approved as to form:


Marshall Rudolph, County Counsel