MONO COUNTY/TOWN OF MAMMOTH LAKES PROPERTY USE AGREEMENT

This Agreement is made this ____th day of _____ 2018, by and between the Town of Mammoth Lakes, a general law city (the "Town"), and the County of Mono, a political subdivision of the State of California (the "County"), and pertains to the use, possession and development of adjoining parcels of real property owned by the Town and by the County within the Town of Mammoth Lakes. The Town and the County may be referred to herein individually as an "Owner" and collectively as the "Owners."

I. RECITALS

A. The Owners have fee title ownership of adjoining parcels of real property, consisting of approximately 6.24 acres in combined size, located adjacent to Mammoth Hospital in Mammoth Lakes (hereinafter the "Property"). The Property was acquired in 2006 for possible development as a civic center, with office space for employees of the Town and the County and related facilities. The legal description of the Property and respective ownership, in the form of a record of survey, is attached hereto as Exhibit "A" and incorporated herein by this reference.

B. In July of 2007, the Town and the County entered into a Memorandum of Understanding (the "2007 MOU") that outlined a process for developing the Property in the future. The 2007 MOU emphasized coordination and collaboration between the Owners and set forth a process for determining the specific location of future development.

C. In accordance with the principles of coordination and collaboration set forth in the 2007 MOU, Town and County staff jointly participated in preliminary site planning discussions facilitated by HMC Architects in the Spring of 2017. Those discussions resulted in the development of a preliminary site plan (the "HMC Plan") that identifies the location of a conceptual civic center on the Property. The HMC Plan is attached hereto as Exhibit "B" and incorporated herein by this reference.

D. The County's current office leases in the Sierra Center and Minaret Malls expire in 2019 and 2021, respectively. The Town's current lease in the Minaret Mall expires in 2021. Accordingly, the Owners are considering options for the future location of their facilities, which could include entering into new leases for the same or different spaces, construction of a civic center or other office facility on the Property, or a combination of these options. E. Because the County's lease at the Sierra Center Mall expires two years before the Town's lease, the County must make a decision regarding its future facilities in Mammoth Lakes before the Town. Accordingly, this Agreement assumes that the County would develop the Property (if at all) prior to the Town.

F. The Owners therefore enter into this Agreement for the purpose of establishing a shared understanding regarding the possible initial development of the Property by the County in a manner that provides for future development, potential connectivity, and design consistency with a Town facility on the Property through amendment to this Agreement or new agreement between the Owners, as necessary.

II. TERMS AND CONDITIONS

1. Preliminary Site Planning

The HMC Plan shall be the basis for determining land ownership and developing detailed site and architectural plans as set forth below.

2. Land Ownership Adjustment

In order to provide unimpeded control of each Owner's facility, access to financing, and future equity, the land underlying any developed facility or portion of a developed facility, and all associated infrastructure, should be owned by the agency developing and owning that facility and infrastructure. Therefore, within thirty (30) calendar days of a decision by the Mono County Board of Supervisors to proceed with development, memorialized in a written correspondence from the County to the Town, the Town and the County will take one of the following actions:

a. Lot-line Adjustment

Jointly process a lot line adjustment establishing County ownership of the land underlying the proposed County facility and infrastructure as approximately shown on Exhibit "C" (the "County Parcel"), and establishing Town ownership of a commensurate area of property along Hwy 203 (the "Town Parcel"), if so desired by the Town. The County will prepare the application for Lot Line Adjustment and assume all processing costs.

b. Lot Creation by Deed

Alternatively, the Town may create the County Parcel by deed reflecting the area required for development of a County facility, including all necessary infrastructure, as approximately shown on Exhibit "C", and transfer that County Parcel to the County. The County will likewise transfer sufficient area to create a Town Parcel of commensurate acreage to the Town by deed, if so requested by the Town.

c. Map Recordation

Regardless of whether ownership is established through lot-line adjustment or grant deed as described above, within two years of entry into this Agreement the Owners shall coordinate to develop and prepare a Parcel Map, Official Map or Record of Survey which memorializes all interests (road and access easements, utility easements, etc), in the Property for approval and recordation.

3. Environmental Review

Unless otherwise agreed in writing by the Owners, the County will act as lead agency under the California Environmental Quality Act (CEQA) with respect to development of a County facility and related County infrastructure on the County Parcel. The County's analysis for CEQA purposes shall include a future Town facility to the extent reasonably known to County. The Town shall reimburse the County for costs, if any, incurred by the County in excess of those it would incur if it were analyzing only the County facility.

The Town will act as lead agency with respect to any development of a Town facility (whether stand-alone or connected to a County facility) and related Town infrastructure on the Town Parcel.

Each Owner, when acting as the lead agency, shall defend, indemnify, and hold harmless the other Owner, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the lead agency's acts or omissions with regard to its compliance with CEQA or other laws, with regard to the preparation and processing of the CEQA reports and documentation and with regard to the decision based thereon concerning the project. Specifically, each lead agency's obligation to defend, indemnify, and hold the other harmless specifically extends to any suit or challenge by any third party against the lead agency's compliance with the requirements of CEQA or other laws.

- 4. Pre-Development of Site and Architectural Plans
 - a. Preparation

The County shall, at its sole cost and expense, prepare or cause to be prepared a detailed site plan depicting the location and footprint of its proposed County facility and any related infrastructure (e.g., parking, access, electrical, sewer, water) and detailed architectural plans for the facility. The detailed site and architectural plans shall be collectively referred to in this agreement as the "County Plans". The County Plans will include a stand-alone structure with adequate access, parking, and landscaping features to serve the County facility. The County will make its best efforts to locate and design the facility and all improvements so as to reflect a logical first phase of development (using the HMC site plans as a basis) to accommodate a second phase of development by the Town. It is anticipated that during this second phase the Owners may wish to establish connectivity between the buildings and/or to share infrastructure such as parking or landscaping, in order to encourage interagency collaboration and economy. In such event, the Owners shall either amend this Agreement to address their respective roles, duties and responsibilities for the second phase of development, or enter into a new agreement governing such matters.

b. Easements and Rights-of-Way

Subject to paragraph c below, in addition to and contemporaneously with the land ownership adjustment described in paragraph 2 of this Agreement, or at such later time as the Owners may mutually agree, each Owner will grant to the other those easements and/or rightsof-way which may be necessary or desirable to the other Owner's development of the Property, as shown on the County Plans or any plans the Town may adopt (the "Town Plans"), provided that such easements or rights-of-way do not unreasonably interfere with the granting Owner's use of the Property. The County Plans and the Town Plans shall be collectively referred to in this Agreement as the "Approved Plans". Currently, water/sewer and electrical infrastructure owned by Mammoth Community Water District (MCWD) and Southern California Edison (SCE), respectively, and located within the proposed development area, transects the area proposed for construction. As part of its initial development of the site, County will work with MCWD and SCE to relocate this infrastructure, as necessary, to a location on the Property that is acceptable to both Owners and shall pay all costs associated with the relocation.

c. Property Access

As of the date of entry into this Agreement, it has not been determined whether access to the County Parcel and County facility would best be accomplished from State Highway 203 via Thompson Way, whether or not combined with employee or other limited access from Sierra Park Road, or through eastward extension of the existing Tavern Road onto the Property, or a combination of those. That determination will be made by the County based on a traffic analysis, as well as information provided by the California Department of Transportation (Caltrans), prior to the County's determination whether to undertake the project. If the County determines that sufficient access capacity is available from Highway 203/Thompson Way, whether or not combined with access from Sierra Park Road, and represents the most costeffective option, then County will incorporate such access into the County Plans. Notwithstanding the above, the Town may request that the County fully develop and utilize Tavern Road as a public road, and, if County agrees, then the access shall be considered shared infrastructure and shall be subject to paragraph 5.c. herein. The Town and the County shall mutually determine whether the Tavern Road extension and Thompson Way shall be constructed as, and meet Town standards for, driveways, easements, or public streets.

If it is determined by County that Hwy. 203/Thompson Way, whether or not combined with limited access from Sierra Park Road, does not have sufficient capacity to accommodate the County's project and/or that it is uneconomical to do so, then additional capacity shall be gained through an extension of Tavern Road, and the County will incorporate the extension of Tavern Road into the County Plans and design and construct the access at its sole cost. If the Town requests changes to County's design or construction of Tavern Road and the County agrees, then the Town shall reimburse County for any costs attributable to the requested changes.

d. Opportunity for Design Consistency

The Town is encouraged to determine its intentions as to any future Town facility prior the development of the County Plans, so that the County Plans best reflect the Town's input and goals. While the County intends to follow the general design concept as drafted by HMC during preliminary site planning, changes may occur during the final design process. Because a joint facility should have similar design features, the Town's early participation in the County's design process will help ensure that the County's ultimate facility design will complement and/or be identical to a facility design the Town would pursue.

In the event the Town requests a design feature or component be included in the County's Plans which would increase the County's costs to develop the Plans or its facility, the Town shall reimburse the County for such additional costs, as determined by the person or entity preparing the Plans and actual costs following construction, provided that no such reimbursement shall be required for design features or components requested or required by Town pursuant to paragraph 4.e. herein.

e. Consistency with Town Requirements

The County Plans shall be consistent with the design guidelines of the Town, notwithstanding that the County is not legally subject to the Town's land use requirements (including its design guidelines). If at any time prior to County approval of the County Plans, the Town's Community and Economic Development Director determines that the County Plans are not in compliance with the Town's design guidelines, she shall provide County with written notification of her determination and of the changes required to bring the Plans into compliance. In the event the County does not agree with the changes then, at the discretion of the Town's Community and Economic Development Director, the matter may be submitted to the Town's Design Review Committee for binding determination. County shall make any changes required for design consistency at its sole expense.

5. Construction

a. Construction of County Facility

The County shall own and shall be solely responsible for construction of the County facility and all related infrastructure on the County Parcel (including any easement granted to the County under paragraph 4.b. herein). This includes, but is not limited to, preparing procurement documents, selecting the person or entity to perform the work, contract preparation and execution, site preparation, construction management, and all costs associated therewith.

The County may utilize all or a portion of the Town Parcel on a temporary basis for construction staging or the installation of temporary structures during construction of the County facility. Notwithstanding the foregoing, no such structures shall be residential in nature or used for habitation, except that the County may have security personnel residing onsite. No temporary structures shall be installed on the Town Parcel prior to the County obtaining a building permit for the County facility, and all such structures shall be removed within 30 days of issuance of a certificate of occupancy for the County facility. In the event that the County makes any such use of the Town Parcel, the County shall secure, and maintain during any period of such occupancy,

the insurance described in paragraph 7 of this Agreement, covering its activities on the Town Parcel.

b. Construction of Town Facility

The Town shall own and shall be solely responsible for construction of the Town facility and all related infrastructure on the Town Parcel (including any easement granted to the Town under paragraph 4.b. herein). This includes, but is not limited to, preparing procurement documents, selecting the person or entity to perform the work, contract preparation and execution, site preparation, construction, construction management, and all costs associated therewith.

For purposes of this paragraph 5, infrastructure includes but is not limited to electrical, sewer, water, internet, phones, technology, landscaping, access and parking.

c. Construction of Shared Infrastructure

If the Owners determine that it is necessary or desirable to construct infrastructure to serve both entities' facilities at the time of initial development ("Enhanced Infrastructure"), then upon written agreement between them or amendment to this Agreement, that Enhanced Infrastructure may be constructed by the first Owner developing its Parcel (presumed to be the County), with costs allocated on a pro-rata basis between the Owners in accordance with their proportional square-footage share of the future facility (currently envisioned as 62% County, 38% Town). These proportions shall be adjusted following Plan approval to be consistent with actual development proportions.

6. **Operation and Maintenance**

a. Operation and Maintenance of County Facility and Infrastructure

The County shall be solely responsible for operation and maintenance of the facility and infrastructure located on the County Parcel, with the exception of Town infrastructure located in an easement created under paragraph 4.b. herein.

b. Operation and Maintenance of Town Facility and Infrastructure

The Town shall be solely responsible for operation and maintenance of the facility and infrastructure located on the Town Parcel, with the exception of County infrastructure located in an easement created under paragraph 4.b. herein.

c. Operation and Maintenance of Shared Infrastructure or Facilities

In the event that the Owners agree to construct Enhanced Infrastructure pursuant to paragraph 5.c herein, or shared interior spaces to be used by both agencies (e.g., a lobby,

chambers or restrooms), then they shall amend this Agreement, or enter into a new agreement, governing the operation and maintenance of such shared infrastructure and/or spaces.

For purposes of this paragraph 6, operation and maintenance means: the provision of janitorial services, utility costs and installation, building maintenance, repair or renovation, the provision of cleaning and sanitary supplies, repair and operation of mechanical systems, paving, repaving, striping, landscaping, snow removal and other similar services or costs.

7. Insurance

Prior to the commencement of any construction activity on the Property, the Owner undertaking such construction shall obtain, and shall maintain throughout the term of this Agreement or as otherwise noted, the following insurance policies, or self-insurance, in the following amounts:

- General Liability (for each occurrence) Insurance (GL) of not less than two million dollars (\$2,000,000) and containing coverage for at least: (i)
 Premises/Operations Liability; (ii) Personal Injury Liability; (iii) Contractual Liability; and (iv) Property Damage. General Liability (aggregate): two million dollars (\$2,000,000).
- Automobile Liability Insurance covering all owned, non-owned, and hired vehicles. Such insurance shall have minimum limits of one million dollars (\$1,000,000) for bodily injury, one million dollars (\$1,000,000) for each accident and one million dollars (\$1,000,000) for property damage.
- Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than one million dollars (\$1,000,000) per accident for bodily injury or disease.
- Property insurance against all risks of loss to any improvements or betterments, at full replacement cost with no coinsurance penalty provision.

Additional requirements for insurance required under this Agreement are set forth in Exhibit "D", which is attached hereto and incorporated by this reference.

8. No Fiduciary Relationship; Status of Owners.

It is expressly acknowledged by the Owners that this Agreement shall not be deemed to have created any fiduciary relationship by and between them. This Agreement shall in no way be construed to create, and shall not be deemed to have created, any relationship of employer/employee, master/servant, principal/agent, partnership, joint venture, joint power, or otherwise. The relationship of the Town and the County is as expressly limited, established, and created pursuant to the terms and provisions of this Agreement.

9. Designation of Personnel.

Each Owner shall designate in writing all persons to act on that Owner's behalf concerning the implementation of this Agreement. No person other than those specifically designated by the Owners shall have any authority, whether express, implied, ostensible, or otherwise. The designated representatives may be amended by written notice to the other Owner. The Town's designated representative is the Town Manager. The County's designated representative is the County Administrative Officer.

10. Notices.

All notices, approvals, consents, or other documents required or permitted under this Agreement shall be in writing and, except as otherwise provided herein, shall be transmitted and effective either by (1) personal delivery, (2) mail, registered or certified, postage prepaid with return receipt requested, (3) by an overnight delivery service (e.g., Federal Express), or (4) by email with a confirmation copy by regular mail, first class postage prepaid. Overnight delivery or mailed notices shall be addressed to the Owners at the addresses listed below. Email notices shall be transmitted to the email addresses listed below. Each Owner may change that address and/or email address by giving written notice to the other Owner. In the event of any mailing, notice shall be deemed given on the 3rd day after deposit. The addresses and email addresses of the Owners are as follows:

Town of Mammoth Lakes

Attn: Daniel C. Holler, Town Manager P.O. Box 1609 Mammoth Lakes, CA 93546 Telephone Number: (760) 934-8989 x228 dholler@townofmammothlakes.ca.gov

County of Mono Attn: Leslie Chapman, County Administrative Officer P.O. Box 696 Bridgeport, CA 93517 Telephone Number: (760) 932-5414 Ichapman@mono.ca.gov

11. Dispute Resolution.

Any dispute, controversy, or claim arising out of, in connection with, or in relation to the interpretation, performance, or breach of this Agreement shall be resolved, at the request of either Owner, as follows:

a. Committee

The Town Manager and the County Administrative Officer shall each appoint three (3) members to a committee which shall attempt to resolve any issues or disputes in a manner that serves the best interests of the citizens of those agencies. Only when such committee members report to their respective council or board that the committee has reached an impasse and a mutually satisfactory agreement cannot be reached after exploring all reasonable options and opportunities, or either Owner's committee members have failed to so report within 30 days, may either Owner institute legal action or request alternative dispute resolution as described in subparagraph b.

b. Alternative Dispute Resolution

The Owners may, by mutual agreement, participate in any method of reputable dispute resolution, including but not limited to mediation or arbitration, upon such terms, formalities and conditions as agreed upon in writing.

12. Termination

It is recognized that the Owners have entered into this Agreement for the purpose of providing certainty to the County in making a decision regarding the future location of its Mammoth Lakes facilities. Accordingly, until such time as the Property is divided as described in paragraph 2 herein, this Agreement may be terminated by the County by providing the Town with thirty (30) calendar days' notice of its intent to terminate. Thereafter, this Agreement may only be terminated by mutual consent of the Owners.

13. Indemnification

To the extent not previously addressed above, and in addition thereto, Owners shall hold harmless, defend at their own expense, and indemnify each other and their officers, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions of Owners or their officers, employees, agents and volunteers, for any and all acts arising out of or in the performance of this Agreement to the fullest extent permitted by law; excluding, however, such liability, claims, losses, damages, or expenses arising from each respective Owner's negligence or willful acts.

14. <u>Counterparts.</u>

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and may be executed by the affixing of the signatures of each of the parties to any one of such counterpart signature pages; all of such counterpart signature pages shall read as though one and they have the same force and effect as though all of the signers had signed a single signature page.

15. <u>Preparation of this Agreement</u>.

This Agreement is the product of negotiation by and between the Owners. Each Owner has had the opportunity to consult with legal counsel as to this Agreement and its terms and has either done so, or has knowingly waived its right to do so. Therefore, the Owners acknowledge and agree that the Agreement shall not be deemed prepared or drafted by one Owner or another and shall be construed accordingly.

16. Entire Agreement.

This Agreement contains the entire understanding of the Owners, and no representation, inducements, promises, or agreements otherwise between the Owners not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term or provision hereof may be changed, waived, discharged, or terminated, unless executed in writing by the Owners.

III. EXECUTION

This Agreement is entered into by and between the Owners as of this _____ day of March, 2018:

TOWN OF MAMMOTH LAKES

By: _____

Mayor, Town of Mammoth Lakes

Date Signed: _____

APPROVED AS TO FORM:

Andrew Morris, Town Attorney

COUNTY OF MONO

By: _____

Stacy Corless Chair, Mono County Board of Supervisors

Date Signed: _____

APPROVED BY COUNTY RISK MANAGEMENT:

APPROVED AS TO FORM:

Stacey Simon, County Counsel

EXHIBIT "A"

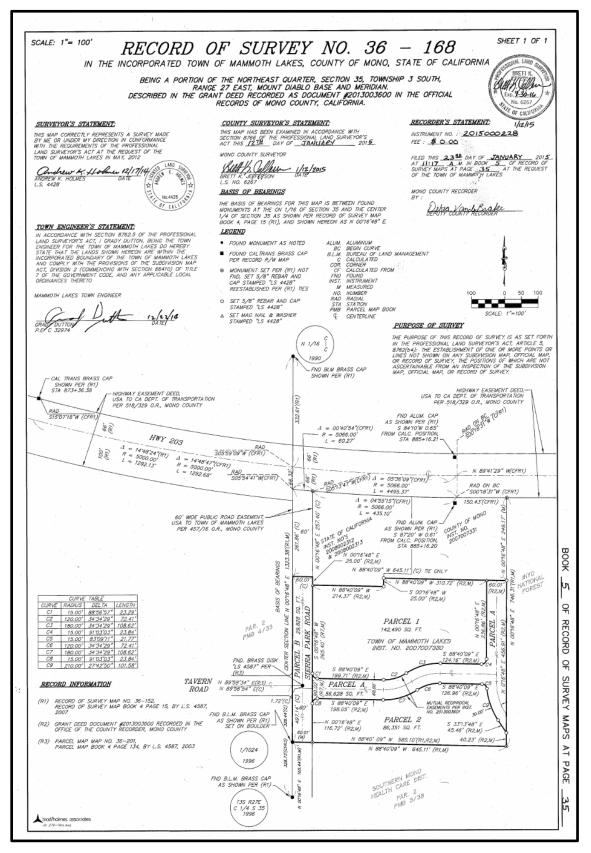
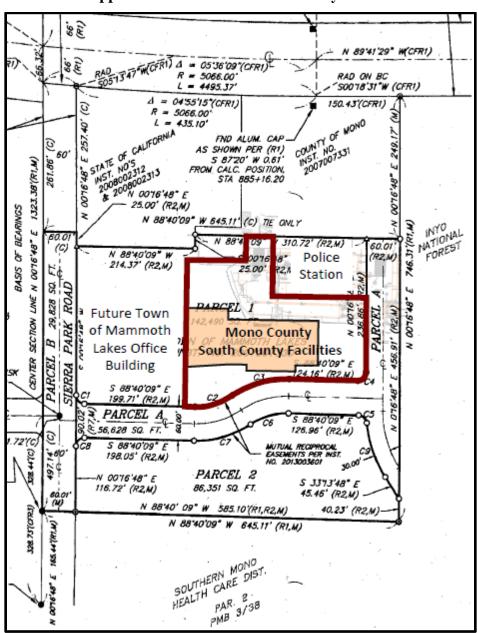


EXHIBIT "B"

HMC Site Plan



EXHIBIT "C"



Approximate boundaries of "County Parcel"

EXHIBIT D

ADDITIONAL INSURANCE PROVISIONS

Any insurance policy, or self-insurance, required under this Agreement shall contain, or shall be endorsed to contain, the following provisions and/or shall conform to the following requirements:

i. Provider Rating

Insurance required under this Agreement shall be maintained with insurers with a rating from A.M. Best Company of A VII or through self-insurance providing equivalent standards, unless otherwise acceptable to the Owners.

ii. Additional Insured Status

The Owners, their officers, officials, employees, agents and volunteers are to be covered as additional insureds on any GL policy with respect to liability arising out of this Agreement, including materials, parts, or equipment furnished in connection with such work or operations.

iii. Primary Coverage

For the County Parcel and all activities of the County, its officers, employees, agents, or volunteers thereon or related thereto, and for Town Parcel when County is acting pursuant to paragraph 5.a. herein, the County's GL and Property insurance coverage shall be primary as respects the Town, its officers, officials, employees, agents and volunteers with the exception of the Town's negligent acts. Any GL, Property or self-insurance maintained by the Town, its officers, officials, employees shall be excess of Mono County's insurance.

For the Town Parcel and all activities of the Town its officers, employees, agents, or volunteers thereon or related thereto, the Town's GL and Property insurance coverage shall be primary as respects the County, its officers, officials, employees, agents and volunteers with the exception of the County's negligent acts. Any GL, Property or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Town's insurance.

iv. Notice of Cancellation

Each insurance policy required under this Agreement shall state that coverage shall not be canceled, except with notice to both Owners.

v. Waiver of Subrogation

The Owners hereby grant to each other a waiver of any right to subrogation which any insurer of Owners may acquire against each other by virtue of the payment of any loss under such insurance. The Owners agree to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Owners have received a waiver of subrogation endorsement from the insurer.

vi. Self-Insured Retentions

Self-insured retentions must be declared by the Owners.

vii. Verification of Coverage

Owners, to the extent required by the other, shall furnish each other with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. Alternatively, proof of coverage and additional insured endorsements may be provided in the form of an evidence of coverage letter from the Owners' self-insurance administrator.