

EXHIBIT "A"

Amended and Restated Snowcreek Development Agreement

This document is recorded for the benefit of the Town of Mammoth Lakes and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Town of Mammoth Lakes
Attn: Town Clerk
P.O. Box 1609
437 Old Mammoth Road, Suite R
Mammoth Lakes, CA 93546

(Space Above For Recorder' Use)

**AMENDED AND RESTATED
DEVELOPMENT AGREEMENT**

by and among

TOWN OF MAMMOTH LAKES, a municipal corporation,

**SNOWCREEK HILLTOP DEVELOPMENT CO, LLC,
a Delaware limited liability company; and**

**SNOWCREEK INVESTMENT COMPANY II, LLC,
a Delaware limited liability company**

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[Will be Added for Final SDA Consideration]

**AMENDED AND RESTATED DEVELOPMENT AGREEMENT
BY AND AMONG
TOWN OF MAMMOTH LAKES, SNOWCREEK HILLTOP DEVELOPMENT CO, LLC
and SNOWCREEK INVESTMENT COMPANY II, LLC**

This AMENDED AND RESTATED DEVELOPMENT AGREEMENT (“Agreement”), effective as of [date], 2025 (“Effective Date”), is entered into by and among the TOWN OF MAMMOTH LAKES, a municipal corporation (the “Town”), and SNOWCREEK HILLTOP DEVELOPMENT CO, LLC, a Delaware limited liability company (“SHDC LLC”) and SNOWCREEK INVESTMENT COMPANY II, LLC, a Delaware limited liability company (“SIC II”) (collectively SHDC LLC and SIC II are sometimes referred to as “Developer” or “Snowcreek”) with reference to the following facts and intentions:

R E C I T A L S :

A. In order to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs and risk of development, the Legislature of the State of California enacted Government Code Section 65864-65869.5, *et seq.* (“Development Agreement Statute”). The Development Agreement Statute authorizes the Town to enter into a binding development agreement with a developer having a legal or equitable interest in real property, establishing certain development rights in such property.

B. Pursuant to the Development Agreement Statute, the Town has adopted the Development Agreement Ordinance (defined below), which sets forth rules and regulations establishing procedures and requirements for processing and approval of development agreements, including a requirement for such agreements to provide greater community benefit to the community than under present zoning, such as needed facilities, improvements or services. This Agreement has been processed and approved in accordance with the Development Agreement Statute and the Development Agreement Ordinance.

C. SHDC LLC owns the following development project, which is affected by the terms of this Agreement: “Snowcreek VII;” and SIC II owns the following development project which is affected by the terms of this Agreement: “Snowcreek VIII” (collectively, sometimes referred to herein as the Snowcreek Projects).

The real property owned by SHDC LLC that is subject to this Agreement is legally described on Exhibit A-1 attached hereto and referred to herein as the “Snowcreek VII Property;” and the real property owned by SIC II that is subject to this Agreement is legally described on Exhibit A-2 attached hereto and referred to herein as the “Snowcreek VIII Property” (collectively, sometimes referred to herein as the “Snowcreek Properties”).

D. Since the adoption of the original Master Plan by Mono County in 1974 and the amendment/update thereto by the County in 1981, as the property has been developed by Developer’s predecessor-in-interest, many substantial community benefits have been provided to

the community both by Developer's predecessor-in-interest and by Developer. The most significant of those are:

1. Water Rights from Arcularius Land, totaling over 4,500,000 gallons per day. The majority of these rights were conveyed in trust to the Mammoth Community Water District ("MCWD").
2. Mammoth High School land. Approximately twenty-two (22) acres were acquired from United States Forest Service ("USFS") and donated to the Mammoth Unified School District ("MUSD") on November 30, 1983.
3. The Crowley Lake School Site, APN 60-110-14. Twenty (20) acres were acquired from USFS and donated to MUSD.
4. An Elementary School Site. Ten (10) acres were acquired from USFS and donated to MUSD.
5. A Water Treatment Plant site. The Water Treatment Plant site property was sold to MCWD.
6. Fire Station Site. The Fire Station site property was donated to MLFPD.
7. Snowcreek Athletic Club. The Snowcreek Athletic Club was developed as an amenity for residents of the area and the Town as a whole.
8. Golf Course. A 9-hole golf course was built and open to the public.
9. Granted easements to MCWD for Well #4 and Well #6, wells located on private land along with numerous pipeline easements to connect these wells and Well #10. Also granted an easement to the MCWD for Monitoring Well #28M on property acquired in a land exchange with the USFS.
10. As a completely voluntary act of Developer's predecessor-in-interest and without any express or implied encouragement of the Town, two acres of land was provided for the Catholic Church.
11. Road improvements. Constructed Minaret Road offsite (no Snowcreek frontage) between the "bell" parcel and Starwood subdivision. Full road section with drainage improvements constructed for 1,200 feet north of Snowcreek ownership. Constructed additional 1,200 feet of full width improvements between Snowcreek Crest subdivision and Starwood subdivision.
12. Less than maximum density on the site. Snowcreek VI has been designed to have less density in the Project than allowable under the current zoning regulations and Master Plan.
13. Significant landscaping and water features complete with two ponds and a waterfall.

14. Fees, Taxes and Other Positive Fiscal Impact. Snowcreek VI and every prior phase of Snowcreek have generated significant revenues (taxes, including transient occupancy tax, and fees, including development and art fees) for the Town and other taxing agencies.

15. SIC also has provided funds to subsidize The Snowcreek Athletic Club so that it will remain an amenity for Snowcreek residents and the Town as a whole.

E. Benefits associated with the development of the remaining portion of Snowcreek VII include:

1. Bike path/recreational trail public easement. A bike path has been completed and connects a section of trail linking the Old Mammoth area from the Snowcreek Athletic Club to the intersection of Old Mammoth Road and Minaret Road. A 12' wide public easement has been recorded for recreational trail purposes. Trail maintenance will be paid for through a benefit assessment district. The entire bike path/recreational trail was constructed in connection with the first phase of Snowcreek VII.

2. Public access easement for fishing and hiking along Mammoth Creek. A 40' wide public access and drainage easement has been recorded along Mammoth Creek from the Athletic Club to Minaret Road.

3. The historic Wildasinn Cabin and Pelton Wheel (Knight Wheel) will remain on site and the Cabin has been restored. The Pelton wheel was originally used for mining operations in the area. It was salvaged by Charles F. Wildasinn to supply power to the Wildasinn Hotel, Mammoth's first resort.

4. Open space areas. The Project has open space areas throughout for the enjoyment of owners and visitors to the area.

5. Recycling stations. The Project has recycling stations throughout the site that are serviced on a weekly, or as needed basis, by a recycling service.

6. Fees, Taxes and Other Positive Fiscal Impacts. Snowcreek VII has provided and will continue to provide significant revenues (taxes, including property taxes, sales and use taxes and transit occupancy taxes, and fees, including development impact fees) for the Town and other taxing agencies.

F. Benefits associated with the development of Snowcreek VIII include:

1. Increased Town revenues.

a. Transient Occupancy Tax (TOT). It is estimated that Snowcreek VIII will generate approximately \$5.3 Million annually in TOT revenue to the Town.

- b. Sales Tax. It is estimated that Snowcreek VIII's residents and visitors will make approximately \$45.4 Million in taxable purchases per year in the Town for entertainment, food and retail. The total combined estimated sales tax revenue generated by the Snowcreek VIII Project is \$477,000 per year.
 - c. Property Tax. At the Town's current property tax rate, it is anticipated that the Snowcreek VIII Project will generate \$733,000 in annual property tax revenue. An additional approximate \$9.2 million in total annual property tax revenue will be divided among the Mammoth Lakes Fire Protection District, MUSD, County Library, MCWD and MCWD 2, Southern Mono Hospital and the Mono County general fund.
 - d. Utility User Tax and Franchise Fees. Estimated added utility tax revenue is \$66,000. Estimated annual franchise fee revenue is \$33,000.
 - e. Business License Tax. Total business license tax generated by the project is estimated at \$9,000.
 - f. Intragovernmental revenues and administrative service fees. Approximately \$2,000 per year will be generated in each category.
2. A world class destination resort hotel complements the Mammoth Mountain Ski Area experience and provides a year-round tourist draw to the Town.
 3. A championship level 18-hole golf course (expanding the existing 9-hole golf course) and a practice facility.
 4. A Golf Clubhouse.
 5. Restaurant(s), bar(s) and lounge(s).
 6. Retail opportunities at the Resort Hotel.
 7. Conference facilities.
 8. A spa/wellness center.
 9. A Commercial/Retail Facility in the Project Entry/Gateway area.
 10. An Outfitters Cabin located in or near the Resort Hotel for use by residents and visitors alike, that can act as a rental facility and staging area for year-round outdoor activities.

11. Cooperation in the MCWD expansion and possible improvement and distribution of MCWD tertiary water treatment to the extent available, legally permissible and on a schedule and in volumes agreed to by MCWD and Developer.

12. In accordance with Town regulations and the private land use covenant between the Town and Developer, provision of land for ancillary utility use (propane tank storage) to assist in meeting the Town's predicted future energy needs in the event the site currently under consideration by the Town, Turner Gas and the USFS is determined to be unacceptable by those parties.

13. Well planned multi-use paths to facilitate the use of non-automobile forms of transportation and recreation. Careful placement of multi-use paths, sidewalks, and public plazas are included in the Project. These paths are designed to connect the Resort Hotel with the Town, the Outfitters Cabin, Commercial/Retail Facility, the existing Snowcreek Athletic Club, and Equestrian Center.

14. An internal open space corridor.

15. Transit enhancements, including:

a. A shuttle service for hotel guests to Eagle Lodge and the Village/Gondola areas.

b. Shuttle vans for residents to use, provided by the Snowcreek VIII Homeowners Association, going to major visitor stops.

16. Art Fees. The Project will provide public art on-site pursuant to the Snowcreek Master Plan Update and Section 5.5.3 herein.

17. A snow play area.

18. A mini-park.

19. A Great Lawn at the Resort Hotel, providing a large outdoor entertainment area.

20. Winter cross-country Trails on the Golf Course, for cross-country skiing and snow shoeing.

21. Convenient egress for backcountry skiers and snowshoers. The Golf Course and its cross-country trails will act as a legal, convenient portal from the Sherwins for backcountry skiers and snowshoers.

22. A secondary access road serving both Snowcreek V and Snowcreek VIII and solving a longstanding problem affecting both Snowcreek V residents and the Town.

23. An Emergency Vehicle Access road.

G. The Town acknowledges a number of project features in both Snowcreek Projects as conditioned and approved by Town Council go beyond what may legally be imposed on development projects through an entitlement process. Those greater community benefits include but are not limited to:

1. The Additional Financial Contribution.
2. Fiscal benefits that will accrue to the Town and community through the implementation of the Project as intended that would not occur without this Agreement, including transient occupancy taxes.
3. 8.9 acres of park area provided in excess of that required in conjunction with the buildout of Snowcreek VIII.
4. Preservation of Mammoth Creek open space corridor. This was completed on July 19, 2018 upon Developer recording a conservation easement over and donating to the Town the Mammoth Creek Open Space Corridor to permanently protect it, the legal description of which is attached hereto as Exhibit K and incorporated herein by this reference.
5. Championship 18-hole golf course will be designed by a top course architect.
6. Practice facility to be designed by a top course architect.
7. Secondary access for both Snowcreek V and VIII and the Emergency Vehicle Access Road connecting the Snowcreek VIII Project to Sherwin Creek Road is in addition to Mammoth Lakes Fire Protection District (“MLFPD”) requirements.
8. Allowing egress of backcountry skiers, snowboarders, snowshoers from the Sherwin Range immediately upon approval of the Project prior to its construction and completion.
9. Programming of public spaces, including but not limited to the Great Lawn and Outfitters' Cabin, to increase visitation to the project and Town.
10. Establishment of public access across certain points of the project to allow public egress to surrounding public lands prior to Project construction and after completion and which would also provide access to an enhanced network of publicly accessible multi-use paths that is connected to the Town's trail system.
11. If needed by the Town, the Developer will provide the property described on Exhibit F attached hereto and incorporated herein by this reference for propane storage tanks.

H. As a result of the complexity, magnitude, and multi-use nature of the Snowcreek Projects, and the substantial financial investment by both parties associated with development of the Snowcreek Projects and the investment both parties plan for the Snowcreek Projects and

surrounding geographic areas, the Town and the predecessors to the Developer, Snowcreek Hilltop Development Company, L.P., a California Limited partnership (“SHDC”) and Snowcreek Investment Company L.P., a California limited partnership (“SIC”) entered into a Development Agreement for the Snowcreek Projects, dated July 23, 2010 (“2010 Development Agreement”). The Town Council adopted Ordinance No. 10-08 authorizing the execution of and approving the 2010 Development Agreement on June 23, 2010 (“Approving Ordinance – 2010”).

Under the 2010 Development Agreement, the Town provided assurances to the predecessors of the Developer that it will have the right to develop, use and operate the Snowcreek Projects during the term of the 2010 Development Agreement, subject to all the terms and conditions set forth therein, and it was determined that by entering into the 2010 Development Agreement, the community will receive greater benefit from the Snowcreek Projects than would have been provided under present zoning, as set forth in Exhibit B to the 2010 Development Agreement. In addition, it was determined that the 2010 Development Agreement will facilitate orderly growth and quality development of the Snowcreek Projects in conformance with the goals and policies of the Town’s General Plan and the Snowcreek Master Plan Update.

I. In 2016, the Town approved the assignment of the 2010 Development Agreement to the Snowcreek VII Developer, SHDC LLC, an affiliate of SHDC, and the Snowcreek VIII Developer, SIC II, an affiliate of SIC.

J. Unless otherwise amended, the 2010 Development Agreement will expire on July 23, 2025, since construction of the Resort Hotel and the 18-hole championship golf course has not commenced as required by Section 2.2.1(c)(2) of the 2010 Development Agreement.

K. Since 2010, the Snowcreek VII project has been completed; however, the development of the Snowcreek VIII project was delayed for a variety of reasons. The Parties wish to ensure that certain development regulations contained in the 2010 Development Agreement that are in effect through July 23, 2025, continue to govern the Property. Therefore, the Parties wish to (1) extend the term of the 2010 Development Agreement by an additional 20 years beyond the current date of expiration to July 23, 2045, and (2) modify certain limited terms of the 2010 Development Agreement (“Amended and Restated Development Agreement”).

L. Exhibit B of the 2010 Development Agreement sets forth certain public benefits to be provided by the Developer. The Parties desire to ensure the continuation of certain of those public benefits and to add certain additional requirements. Exhibit B of the 2010 Development Agreement remains unchanged and is attached hereto and incorporated herein by this reference

M. This Amended and Restated Development Agreement is intended to be an amendment pursuant to Government Code Section 65868. This Amended and Restated Development Agreement has been considered and approved in the same manner as the 2010 Development Agreement with public hearings pursuant to Government Code Section 65867.

N. The Town Council has evaluated the potential environmental impacts of this Amended and Restated Development Agreement and has determined that any potential impacts have been adequately analyzed in the Final Environmental Impact Report (EIR) for the

Snowcreek Master Plan Update 2007, certified by the Town Council on July 8, 2009 by Town Council Resolution No. 09-45, in accordance with the California Environmental Quality Act (“CEQA”). There are no circumstances present that would require a new, subsequent or supplemental environmental impact report for this Amended and Restated Development Agreement, under the provisions of CEQA.

O. On [date], 2025, the Town’s Planning and Economic Development Commission (“PEDC”) held a duly noticed public hearing on this Amended and Restated Development Agreement, made findings and determinations with respect to this Amended and Restated Development Agreement, and recommended to the Town Council that the Town Council approve this Amended and Restated Development Agreement.

P. On [date], 2025, the Town Council held a duly noticed public hearing on this Amended and Restated Development Agreement and considered the PEDC’s recommendations and the testimony and information submitted by Town staff, the Developer, and members of the public. On [date], 2025, pursuant to Government Code Section 65864 et seq. and the procedures set forth in the Development Agreement Ordinance, the Town Council adopted Ordinance No. 25-__ (“Approving Ordinance – Amendment”) approving this Amended and Restated Development Agreement, authorizing its execution, and making the following specific findings pursuant to Section 17.104.040 of the Development Agreement Ordinance:

1. This Amended and Restated Development Agreement is consistent with the goals, policies, general land uses and programs specified in the Town’s General Plan.
2. This Amended and Restated Development Agreement and the development plans for the Property are compatible with the uses authorized in, and the performance and development standards prescribed in the Snowcreek Master Plan Update.
3. This Amended and Restated Development Agreement is in conformity with and will promote public convenience, the general welfare and good land use and development practices.
4. This Amended and Restated Development Agreement provides greater benefit to the community than under present zoning, including the Snowcreek Master Plan Update such as needed facilities, improvements or services.
5. The term of this Amended and Restated Development Agreement has a commensurate relationship to the benefits provided.

Q. This Amended and Restated Development Agreement shall be referred to hereinafter as the “Agreement”.

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants set forth herein, the Town and Developer agree as follows:

**ARTICLE 1
DEFINITIONS**

For purposes of this Agreement, unless defined in this Article 1, capitalized terms shall have the meanings set forth in the Snowcreek Master Plan Update.

1.1 **“Additional Financial Contribution”** means up to the \$10 Million amount Developer has agreed to pay to the Town for purposes beneficial to the community, depending on the number of residential units and Resort Hotel Rooms/Suites actually constructed.

1.2 **“Affordable Housing Mitigation Financial Framework”** means the financial parameters that establish the limit for Developer's affordable housing mitigation obligations.

1.3 **“Amended and Restated Development Agreement”** means that certain development agreement amending and restating the 2010 Development Agreement for the Snowcreek Projects, dated [date], 2025, approved by Approving Ordinance – Amendment, and recorded in the Official Records of Mono County on [date], 2025 as Document No. _____.

1.4 **“Approving Ordinance - 2010”** means Ordinance No. 10-08 of the Town Council, adopted on June 23, 2010, approving execution of the 2010 Development Agreement.

1.5 **“Approving Ordinance - Amendment”** means Ordinance No. 25-__ of the Town Council, adopted on [date], 2025, approving execution of this Agreement.

1.6 **“Area of Geographic Nexus”** means the area described as the “Snowcreek District Sphere of Influence” and the “Sherwin Area Recreation Plan” as described in Exhibit J.

1.7 **“Assignment Agreement”** is defined in Section 8.1 and a form is attached as Exhibit G.

1.8 **“Building Permit”** means any building permit including but not limited to permits for grading, excavation, demolition, site preparation, building, superstructure, or any permits required for earth disturbing activities.

1.9 **“Code”** means the Town of Mammoth Lakes Municipal Code, as amended as of the Effective Date.

1.10 **“COLA”** means the cost of living adjustment codified in section 15.16.090 of the Code.

1.11 **“Community Development Director”** means the person so designated by the Town Manager or his designee.

1.12 **“County”** means Mono County, California.

1.13 **“Developer”** means the Party or Parties who sign this Agreement as Developer, and, subject to the restrictions on assignment set forth herein, successor Owners.

1.14 “**2010 Development Agreement**” means that certain Development Agreement for the Snowcreek Projects, dated July 23, 2010, approved by Approving Ordinance – 2010 and recorded in the Official Records of Mono County on July 13, 2010 as Document No. 2010003240.

1.15 “**Development Agreement Ordinance**” means Chapter 17.104 of the Code.

1.16 “**Development Agreement Statute**” means Government Code Section 65864, *et seq.*

1.17 “**Development Impact Fees**” means Development Impact Mitigation Fees as defined in the DIF Resolution, but as applied to the Snowcreek Projects in accordance with this Agreement.

1.18 “**DIF Resolution**” means Resolution 24-41 approved by the Town Council on June 19, 2024.

1.19 “**Effective Date**” means the effective date of the Approving Ordinance – Amendment, which shall mean the thirty-first (31st) day following the adoption of the Approving Ordinance – Amendment by the Town Council.

1.20 “**Existing 9-hole Golf Course**” means a 9-hole golf course located on Lot 16 of TM 09-002, the operation and maintenance of which will be subject to the Golf Course Operations and Maintenance Plan.

1.21 “**Fiscal Year**” means each fiscal year of the Town (July 1 through June 30), beginning with the fiscal year in which the Effective Date of this Agreement occurs.

1.22 “**General Plan**” means the Town of Mammoth Lakes General Plan, approved in 2007, as amended by GPA 2009-01.

1.23 “**Litigation Challenge**” means any court action or proceeding instituted by a third-party or other governmental entity or official challenging the validity of any of the Project Approvals.

1.24 “**Lot**” shall mean any legally subdivided lot or parcel within the Property, from time to time.

1.25 “**Master Developer**” means SNOWCREEK HILLTOP DEVELOPMENT CO, LLC., a Delaware limited liability company, and SNOWCREEK INVESTMENT COMPANY II, LLC, a Delaware limited liability company.

1.26 “**Master Plan**” means the approved development plan pertaining to Snowcreek, approved April 1981, that regulates uses and development standards on all portions of Snowcreek other than Snowcreek VIII.

1.27 “**Mortgagee**” means a mortgagee under any mortgage or a beneficiary under a deed of trust affecting any portion of the Property.

1.28 “**Official Records**” means the official records maintained in the Recorder’s Office of Mono County, California.

1.29 “**Operating Memorandum**” is defined in Section 7.1.

1.30 “**Owner**” means each owner of record fee title to all or any portion of the Snowcreek Project, during the time such party holds the requisite ownership interest. As of the Effective Date, each Developer (including Master Developer) is an Owner.

1.31 “**Party**” means, individually, and “**Parties**” means, collectively, the parties to this Agreement, consisting of the Town (and its successors and assigns hereunder) and Developer (including, subject to the restrictions on assignment set forth herein, successor Owners).

1.32 “**PEDC**” means the Planning and Economic Development Commission of the Town of Mammoth Lakes

1.33 “**Person**” means any individual or legal entity.

1.34 “**Project Approvals**” is defined in Section 3.2.

1.35 “**Property**” means the property legally described in Exhibits A-1 and A-2.

1.36 “**Public Improvements**” means the public facilities, infrastructure and improvements constructed by Developer in connection with the Snowcreek Projects.

1.37 “**SNOWCREEK HILLTOP DEVELOPMENT CO, LLC Affiliate**” means an entity controlled by, controlling, or under common control with SHDC LLC, Developer herein. For purposes of this definition, “control” means the possession, directly or indirectly, of (a) an ownership in the applicable entity and (b) power to direct or cause the direction of the management and policies of such entity.

1.38 “**SNOWCREEK INVESTMENT COMPANY II, LLC Affiliate**” means an entity controlled by, controlling, or under common control with SIC II, Developer defined herein. For purposes of this definition, “control” means the possession, directly or indirectly, of (a) an ownership in the applicable entity and (b) power to direct or cause the direction of the management and policies of such entity.

1.39 “**Snowcreek Master Plan Update**” or “Master Plan Update” means the Town approved development plan, including Appendix B, Design Guidelines and Appendix C, Landscape Master Plan, governing Snowcreek VIII, submitted in 2007 and approved by the Town Council on August 5, 2009, by Ordinance No. 2009-05, and as may be modified from time to time by Developer in accordance with Town requirements.

1.40 “**Snowcreek Project**” means, individually, and “Snowcreek Projects” means, collectively, the development projects identified in Recital D, which are being developed or are to be developed, on the Snowcreek VII Property or Snowcreek VIII Property as anticipated by the Project Approvals.

1.41 “**Subordination Agreement**” is defined in Section 8.2.1 and a form is attached as Exhibit H.

1.42 “**Subsequent Permits**” is defined in Section 5.1.1.

1.43 “**Term**” means the term of this Agreement, as defined in Section 2.2.

1.44 “**This Agreement**” means this Amended and Restated Development Agreement, which amends and restates the 2010 Development Agreement.

1.45 “**Town Council**” means the Town Council of the Town of Mammoth Lakes, its governing body.

1.46 “**Town Manager**” means the person so designated by the Town pursuant to the Code or his/her designee.

1.47 “**Town Parties**” means the Town and its elected officials, officers, contractors serving as Town officials, agents, and employees.

1.48 “**Unavoidable Delays or Events**” as defined in Section 11.15.

1.49 “**Vested Rules**” are defined in Section 3.1.

ARTICLE 2 GENERAL PROVISIONS

2.1 Property Subject to This Development Agreement. This Agreement shall benefit and encumber the Property to be developed as the Snowcreek Projects (collectively the “Properties”).

2.2 Term of Agreement. The Term of this Agreement shall continue in full force and effect until July 23, 2045 with one automatic five (5) year extension provided the Existing 9-hole Golf Course is operated and maintained in accordance with Section 2.2.1.1 and Section 2.2.1.2 for the entirety of the Term, unless (i) earlier terminated as provided herein, or (ii) extended as provided in Section 11.15. The Term has been established by the Parties as a reasonable estimate of the time required to develop the Snowcreek Projects and obtain the public benefit of the Snowcreek Projects.

2.2.1 Subject to section 11.15, Developer shall satisfactorily satisfy and complete the following milestones and obligations:

2.2.1.1 Existing 9-Hole Golf Course Operations. As a specific inducement to entering into this Agreement and conferring Developer the Term, the Town wishes to ensure the consistent operation and maintenance of the Existing 9-hole Golf Course for the duration of this Agreement. To that end, Developer will operate and maintain for the duration of the Term of the Agreement, the Existing 9-hole Golf Course subject to the following requirements:

- (i) Operating Season. Developer shall operate and ensure that the Existing 9-hole Golf Course remains open and accessible to the public every year from Memorial Day through the final day of September (hereinafter the “Operating Season”). The Operating Season may be reduced and/or changed under the following circumstances:
 - (A) Developer may, at their election, reduce the Operating Season by opening the Existing 9-hole Golf Course up to three weeks following Memorial Day and closing the Existing 9-hole Golf Course up to three weeks prior to the final day of September.
 - (B) The Operating Season may be reduced due to floods, snow or ice on the golf course, earthquakes, fires, acts of God, or governmental restrictions imposed or mandated by governmental entities (but only as to closure of businesses such as the Existing 9-hole Golf Course) (“Unexpected Events”). Upon the occurrence of any Unexpected Event, the Operating Season may be reduced for the duration of the Unexpected Event. Additionally, if upon July 1 of any given year, any Unexpected Event, in Developer’s judgment, has resulted in the Existing 9-hole Golf Course being in a condition that is unusable for its intended purpose thereby resulting in Developer not being able to open the Existing 9-hole Golf Course until on or after July 1 of any given year, the Developer shall be relieved of its obligation to open the Existing 9-hole Golf Course in said given year.

2.2.1.2 Operations and Maintenance of Existing 9-Hole Golf Course.

Within 180 days of the recordation of this Development Agreement, Developer and Town shall enter into and record an Operations and Maintenance Agreement for the Existing 9-hole Golf Course (hereinafter the “9-hole Golf Course Operations and Maintenance Plan”), which provides the following minimum provisions and standards: (1) maintenance standards to ensure the safety of the public and the community with regards to wildfire risk, nuisance prevention, and infrastructure improvements; and (2) a commitment to maintaining and operating the Existing 9-hole Golf Course in a comparable manner to the Sierra Star Golf Course located at 2001 Sierra Star Parkway, Mammoth Lakes, CA 93546, including but not limited to the golf course conditions and golf course equipment.

2.2.1.3 9-Hole Golf Covenant. Within 180 days of recordation of this Agreement, Developer shall record a covenant that permanently protects the Existing 9-hole Golf Course area (“9-Hole Golf Covenant”), less the area identified in the Master Plan Update that is intended for residential purposes on Lot(s) 3 and 4 of TM 09-002 and the area intended for road

purposes on Lot G in TM 09-002, for recreation and open space purposes. The covenant shall be in a form that is acceptable to the Town.

2.2.1.4 Backcountry Skier Egress. Developer has already allowed egress of backcountry skiers, snowboarders and snowshoers from the Sherwin Range prior to the Effective Date of this Agreement and shall continue to allow that egress during the pendency of construction of that portion of the Projects so long as Developer, at its sole election, determines that such egress shall not negatively affect public safety.

2.2.1.5 Phasing and Performance. The Vested Rules contemplate the Snowcreek Projects shall be developed in phases. Actual construction, however, will occur in phases and subphases based on what the market will absorb at any given point in time. It is the intention of the parties for each phase or subphase of the Projects to provide all of the facilities, programs (including affordable housing), features, amenities, access and easements described in the Vested Rules as well as payment of all fees at the time set forth in the Vested Rules, related to that phase or subphase. The parties agree to discuss the actual phasing of development and the associated timing for completion of the facilities, programs (including affordable housing), features, amenities, access and easements in connection with the application for each use permit or Subsequent Permit.

2.2.1.6 Use of Golf Course Expansion Area. Should Developer wish to allow interim recreation uses by others within the 94-acre golf course expansion area, Parties shall negotiate an agreement in good faith regarding a lease or other property interest from Developer to Town of all, or a portion of, the 94-acre golf course expansion area for recreational uses. Such interim uses shall not prevent or preclude the Expanded Golf Course from being developed.

2.2.1.7 Wildfire Mitigation. Within 180 days of the Effective Date of this Agreement, Developer and Mammoth Lakes Fire Protection District (“MLFPD”) shall enter into an agreement allowing for development of a fire break through the Snowcreek VIII property that incorporates existing roads and trails into the design. Developer shall have the final approval of the alignment and said fire break shall not prohibit or prevent future development of the site in accordance with the Master Plan.

Developer is encouraged to work with the MLFPD and the Town on the future site design of the Snowcreek VIII project to address wildfire risk to the Snowcreek Projects and the community as a whole and incorporate wildfire mitigation features into the site design.

2.2.2 The Additional Financial Contribution (AFC) shall be calculated and paid in accordance with the following:

- a. The AFC shall be divided by the number of residential units and Resort Hotel Rooms/Suites approved by the Town Council to determine a pro rata amount per unit. Assuming all entitled units are constructed, this results in a pro rata contribution of approximately \$10,101 per residential unit and \$5,050 per ½ hotel unit.

- b. For the residential units, the pro rata contribution shall be paid at the time of the issuance of the first Building Permit for each unit. For Resort Hotel Rooms/Suites (which constitute ½ unit as explained in the Snowcreek Master Plan Update), the pro rata contribution shall be paid prior to the issuance of a Certificate of Occupancy for each unit, room or suite.
- c. It is intended the AFC will be utilized for public facilities within the Area of Geographic Nexus.
- d. The AFC and the off-site affordable housing in-lieu fee shall be subject to the following:
 - 1. When the average retail sale price of market rate residential and private residence club (PRC) units is greater than \$800.00 and less than \$1,000.00 per square foot, the AFC and off-site affordable housing in-lieu fee shall be indexed at 50% of the U.S. National CPI.
 - 2. When the average retail sale price of market rate residential and private residence club units is \$1,000.00 or greater per square foot, the AFC and off-site affordable housing in-lieu fee shall be indexed at 100% of the U.S. National CPI.
 - 3. Publicly available Project sales price activity shall be reviewed during the Annual Review, pursuant to Section 7.2.

2.2.3 The Affordable Housing Mitigation Financial Framework shall be comprised of the following elements:

2.2.3.1 *Project Summary (excluding commercial)*. The Snowcreek Master Plan Update contemplates 790 residential units (“Residential Units”) and 400 Resort Hotel Rooms/Suites and Private Residence Club units (“Hotel Units”), each of which constitute ½ unit as set forth in the Snowcreek Master Plan Update, for a total of 990 units. 990 units (assuming full buildout) less the number of on-site deed restricted units (i.e., 47 units) are the “Market Rate Units” (i.e., 943 units total, 743 of which are Residential Units and 400 of which are 1/2 Hotel Units). Affordable housing mitigation shall not be required for any non-residential or commercial land use on the site including ancillary commercial uses within the Resort Hotel.

2.2.3.2 *Ratio of On-Site to Off-Site Mitigation*. The affordable housing requirement for Snowcreek VIII shall be ten percent (10%) of the total number of Market Rate Units built, which would result in 94 affordable housing units if all entitled units are built (“Affordable Housing Requirement”). Of the 94 affordable housing units under a full buildout scenario, 74 units are required for the full buildout of the Residential Units and 20 units are required for the full buildout of the Hotel Units. Developer shall meet the Affordable Housing Requirement as follows:

- (i) At least fifty percent (50%) of the Affordable Housing Requirement (i.e., 47 units) will be met through the provision of on-site deed-restricted affordable housing units as described herein (“Required Affordable Units”).
- (ii) The remaining Affordable Housing Requirement (i.e., 47 units) shall be met through a combination of payment of Affordable Housing In-Lieu Fees (“In-Lieu Fee”) to be used for off-site affordable housing and use of the Developer-owned Full Time Equivalent Employee credits (“FTEE Credits”) as described herein.
- (iii) Assuming full buildout, the value of the Affordable Housing Requirement shall mean the value of the 47 units of Required Affordable Units and the combined value of the In-Lieu Fee and the Developer-owned FTEE Credits , which combined are equal to 47 units (“Total Affordable Housing Cost”).

2.2.3.3 Features of the Required Affordable Units.

- (i) The Required Affordable Units shall be deed restricted for fifty-five (55) years to households earning up to 175-200% of Mono County Area Median Income (AMI). Fifty percent (50%) of the Required Affordable Units shall be sold to families whose income is no greater than 175% of AMI for Mono County and fifty percent (50%) of the Required Affordable Units shall be sold to families whose income is no greater than 200% of AMI for Mono County.
- (ii) The Affordable Housing Requirement for the Hotel Units may be satisfied solely through the provision of In-Lieu Fees and use of FTEE credits.
- (iii) The Required Affordable Units shall be dispersed throughout the Project in the Residential Planning Area within each phase of residential development and the conditions of approval for each phase of residential development that requires the provision of Required Affordable Units shall specify the number of Required Affordable Units that will be built within said phase.
- (iv) Prior to or concurrently with the issuance of building permits for Market Rate Residential Units, Developer shall obtain building permits for a proportionate number of the Required Affordable Units in accordance with Section 4.1.1 and 4.1.2.1. The Town shall not issue certificates of

occupancy for the next phase of Market Rate Residential Units until a proportionate number of Required Affordable Units for the prior phase are under construction. For purposes of this section, “under construction” shall mean Developer has obtained Town Building Inspector sign-off of rough framing.

- (v) Prior to the issuance of the first Building Permit for any Required Affordable Unit, Developer shall record a site-specific affordable housing covenant (“Affordable Housing Covenant”) affirming the affordability requirements of each Unit. The covenant shall be in a form acceptable to the Town.
- (vi) One, two, three and four bedroom affordable units may be built. The average number of bedrooms per Required Affordable Unit shall be equal to two bedrooms.
- (vii) Required Affordable Units cannot be rented/leased as a transient rental (as defined in the Mammoth Lakes Municipal Code). Required Affordable Units may be leased long term to income qualifying households in accordance with the terms of each Affordable Housing Covenant.

2.2.3.4 Features of the In-Lieu Fee Program

- (i) The In-Lieu Fee shall be \$85,000 per unit.
- (ii) Developer owns 16.5 FTEE Credits. Any In-Lieu Fee shall be reduced by the number of FTEE Credits prior to Developer’s obligation to provide any In-Lieu Fees. FTEE Credits shall not be used to reduce the number of Required Affordable Units.
- (iii) Developer may elect to provide additional on-site affordable units instead of paying In-Lieu Fees. Should Developer elect to do so, the provision of said units shall be subject to the same conditions and process for Required Affordable Units detailed in sections 2.2.3.3 and 4.1.
- (iv) The conditions of approval for each phase of Market Rate Unit development shall specify the amount of In-Lieu Fees and/or FTEE Credits that will be paid, or used, for said phase. Payment of In-Lieu Fees will become due at time of issuance of the first Building Permit for said phase of development. Use of the FTEE Credits shall be documented in an Assignment of Credits executed by the

Town and Developer prior to the issuance of the first Building Permit for said phase of development.

ARTICLE 3 APPLICABLE RULES, REGULATIONS AND POLICIES

3.1 Vested Rules. “Vested Rules” mean, collectively, the ordinances, resolutions (including, but not limited to, the DIF Resolution), rules, regulations, requirements, Master Plan at Mammoth (with respect to Snowcreek VII approved in 1981), Snowcreek Master Plan Update 2007 (with respect to Snowcreek VIII approved in 2009), and official policies of the Town in effect as of the Effective Date, whether set forth in the General Plan, the Code or otherwise, which govern the following, to the extent applicable to the Snowcreek Properties and Snowcreek Projects: development agreements; permitted uses; density and building intensity; growth control; zoning designations and regulations; subdivision, improvement, grading, landscaping and signage; design, development, improvement and construction standards and specifications; standards and requirements for public reservations and dedications, public improvements and facilities, transit, parking, open space, employee housing and affordable housing; standards and requirements for processing of Subsequent Permits (as defined in Section 5.1.1); and the Project Approvals described in Section 3.2. The Vested Rules do not include (i) uniform building codes or standards, or changes thereto from time to time or (ii) subject to the proviso clause of section 3.8, any other rule, law or policy adopted by the Town Council, after review at one or more public meetings, that applies generally throughout the Town’s jurisdiction, but only if, based on substantial evidence, the Town Council finds failure to apply such rule, law or policy would place the residents of the Town in a condition dangerous to their health and safety. A list of the Vested Rules as of the Effective Date is attached hereto as Exhibit C. A compilation of complete copies of the Vested Rules as of the Effective Date has been prepared by the Town and Developer, and they are contained in a binder with the title “Snowcreek VII & VIII Development Agreement—Vested Rules” on file in the offices of the Town Clerk of the Town and in the Master Developer’s office in Mammoth Lakes, California. Various Subsequent Permits, such as tentative subdivision maps, grading permits and use permits, are required in order to implement the development of the Snowcreek Projects under the terms of the Vested Rules. In addition, Subsequent Permits, such as a change in zoning standards, may be desirable due to changes in development products or standards or for other reasons during the Term of this Agreement. This Agreement and the vested right to develop are not intended to preclude changes or additions to the Vested Rules which (i) Town reasonably imposes as a result of Developer’s request to make a change or addition to one or more of the Vested Rules or (ii) are mutually acceptable. All Subsequent Permits shall be processed in accordance with the procedures, standards and requirements set forth in the Vested Rules, except to the extent changes to the Vested Rules are proposed by the Subsequent Permit, and the Subsequent Permits shall be incorporated into (and amend or supplement, as appropriate) the Vested Rules upon adoption by the Town and approval by the affected Developer(s). If Developer proposes any amendment or addition to the Vested Rules, then the application therefore shall clearly indicate such request, and, if the application is reasonably approved by the Town, then the Town’s action shall clearly state that the Vested Rules have been amended or supplemented. If an amendment or supplement to the Vested Rules is adopted by the Town other than pursuant to an application by a Developer, then it shall amend or supplement the Vested Rules only if the affected Developer(s) approved the same in writing.

Nothing contained herein expressly or impliedly requires the Town to approve or conditionally approve any amendment or addition to the Vested Rules.

3.2 Project Approvals. “Project Approvals” means: (a) the existing Town permits, approvals and entitlements for the Projects set forth below in this Section 3.2; plus (b) any amendments or additions to the Project Approvals and any Subsequent Permits (as defined in Section 5.1.1) which are subsequently issued by the Town and approved by Developer, in accordance with the procedures described in Section 3.1. The Project Approvals are included in the Vested Rules.

3.2.1 Snowcreek VII. The existing Project Approvals approved by the Town for the Snowcreek VII Project, are the following:

- 3.2.1.1 Master Plan at Mammoth, approved by Mono County.
- 3.2.1.2 Final Tract Map 36-236A for Phase 1 recorded 7/10/07, Book 10, Page 105.
- 3.2.1.3 Final Tract Map 36-236B for Phase 2 recorded 10/9/2019, Book 11, Page 15.
- 3.2.1.4 Final Tract Map 36-236C for Phase 3 recorded 4/8/2021, Book 12, Page 17.
- 3.2.1.5 Tentative Tract Map 36-236 for Phases 2 and 3 as modified by Resolution PC2009-01 and as further modified by this Agreement with respect to Special Planning Condition of Approval No. 11 in Resolution 2006-15, which shall read as originally approved (new italicized language is hereby deleted).
- 3.2.1.6 Use Permit 2005-11 approved by Resolution 2006-15, dated 5/24/06, as modified by Resolution PC 2009-01.
- 3.2.1.7 Grading Permits: Restricted Permit 2006-15 dated 4/24/07, Full Phase I Permit 2006-15 dated (in error) 4/24/07 (signed May 3, 2007); Amendment 01 to Grading Permit 2006-15 allowing dirt stockpiling on Snowcreek VIII property, dated 8/2/07.
- 3.2.1.8 Building Permits for Buildings 1 - 39.
- 3.2.1.9 Encroachment Permit 2006-10 dated 9/21/06 for sewer line and water line work.
- 3.2.1.10 Improvement Permit 2006-20 dated 6/18/06 for water line work.
- 3.2.1.11 Permit 2007-164041 dated 4/28/08 allowing Rec Building Remodel.
- 3.2.1.12 Certificates of Occupancy for Buildings 1 – 39.

The permitted uses, the density or intensity of use, the zoning, the maximum height and size of buildings, the provisions for reservation and dedication of land, and the subdivision or use permit improvement requirements for Snowcreek VII are set forth in the existing Project Approvals, as supplemented by Subsequent Permits issued in conformance with the Vested Rules.

3.2.2 Snowcreek VIII. The existing Project Approvals approved by the Town for the Snowcreek VIII Project, are the following:

3.2.2.1 General Plan Amendment to the Urban Growth Boundary.

3.2.2.2 Zone Code Amendment to effectuate the Snowcreek VIII Master Plan Update 2007, approved on August 5, 2009 (“Snowcreek Master Plan Update 2007”). Permitted uses for the Snowcreek VIII portion of the Snowcreek Projects are set forth in the Snowcreek Master Plan Update 2007.

3.2.2.3 Snowcreek VIII Master Plan Update 2007, approved on July 8, 2009 (“Snowcreek Master Plan Update 2007”). Permitted uses for the Snowcreek VIII portion of the Snowcreek Projects are set forth in the Snowcreek Master Plan Update 2007.

3.2.2.4 Conditional Use Permit # 88-19 approved 4/12/1989 for the current 9-hole golf course existing on the Snowcreek VIII Property.

3.2.2.5 Tentative Tract Map 09-002 to allow parcelization of approximately 222 acres within the Snowcreek Master Plan Update Area approved by Resolution on December 9, 2009, and recorded on January 14, 2010.

3.2.2.6 Final Tract Map 09-002 for the parcelization of the approximately 222 acres within the Snowcreek Master Plan Update Area, recorded 8/31/2023, Book 12, Page 22A.

3.2.2.7 CDDD 2009-25 for AP 09-004 dated 1/12/10 approving the temporary restaurant at the Golf Course and extending the use permit on the existing temporary clubhouse.

3.2.2.8 Resolution No. PEDC 2024-11 for Tentative Tract Map 23-002 and Use Permit 23-003 approving the Phase I subdivision for Snowcreek VIII, dated 9/11/2024.

The permitted uses, the density or intensity of use, the zoning, the maximum height and size of buildings, the provisions for reservation and dedication of land, and the subdivision or use permit improvement requirements for the Snowcreek Projects are set forth in the existing Project Approvals, as supplemented by Subsequent Permits issued in conformance with the Vested Rules.

3.3 Vested Right to Develop. During the Term of this Agreement, with regard to the Snowcreek Projects listed in Recital D and the Property legally defined in Exhibit A, Developer is assured, and the Town agrees, the development rights, obligations, terms and conditions specified in the Project Approvals, the other Vested Rules and this Agreement are fully vested in

Developer and may not be changed or modified by the Town, whether by administrative action or legislative action, except as may be expressly permitted by and in accordance with the terms and conditions of this Agreement, or as may be expressly consented to by Developer. Developer shall have the vested right to develop and construct the Snowcreek Projects on the Snowcreek Properties and each portion thereof, in accordance with the Project Approvals, the other Vested Rules and this Agreement.

3.4 No Conflicting Enactments. Except as provided in Section 3.3 of this Agreement, during the Term of this Agreement, the Town shall not, without the prior written consent of Developer, do any of the following:

3.4.1 Apply to the Snowcreek Projects or the Snowcreek Properties, or any portion thereof, any change in the Vested Rules or any new or amended rule, ordinance, resolution, regulation, requirement or official policy which conflicts with or is inconsistent with this Agreement, or which reduces the development rights provided by this Agreement, or which limits or reduces the permitted uses allowed under the Vested Rules, or which prevents, impedes or materially adversely affects development, construction or operation of the Snowcreek Projects or any portion thereof in accordance with the Vested Rules, or which discriminates against Developer or the Snowcreek Projects or any portion thereof, or which applies only to the 2009 Projects or a portion thereof.

3.4.2 Apply to the Snowcreek Projects or the Snowcreek Properties any new rule, ordinance, resolution, regulation, requirement or official policy that requires any additional discretionary review or approval.

3.4.3 Apply to the Snowcreek Projects or the Snowcreek Properties any new or amended rule, ordinance, resolution, regulation, requirement or official policy that materially, adversely affects the timing or phasing of construction or development or that limits the availability of utilities, infrastructure or public services for the Snowcreek Projects or the Snowcreek Properties.

3.5 Term of Project Approvals. To the extent allowed by the Subdivision Map Act, the term of any tentative map approved for any portion of the Property, whether as stated in the existing Project Approvals, or as stated in any subsequent amendment or addition to the Project Approvals, including, but not limited to, any tentative parcel map, tentative tract map, vesting tentative tract map or vesting tentative parcel map, any amendment of any such map, and any subdivision improvement agreement entered into in connection with any of the aforementioned maps, shall be automatically extended for the Term of this Agreement. Similarly, the term of any Project Approvals approved for any portion of the Property, whether now existing or subsequently approved, shall be automatically extended for the Term of this Agreement. In addition, in accordance with Government Code sections 66452.6(b)(1), (2) and (3), the term of any map or other Project Approval shall be extended for a period equal to any period of time during which: (a) a development moratorium exists, including, but not limited to, a water or sewer moratorium or the actions of public agencies (other than the Town) that regulate land use, development or the provision of services to the Property, that prevents, prohibits or delays the construction of the Projects; or (b) a lawsuit involving any development approvals or permits for

the Project is pending. A development moratorium adopted or implemented by the Town shall not apply to the Property, as further described in Section 3.7.

3.6 Initiatives/Referendum. Any law enacted or imposed after the Effective Date by initiative or referendum, or by the Town Council, directly or indirectly, in connection with any proposed initiative or referendum, which law would conflict with the vested rights to develop granted to Developer under this Agreement shall, to the maximum extent permitted by law, not apply to the Snowcreek Projects.

3.7 Moratoria; Growth Control Measures. Developers' rights to develop the Snowcreek Projects on the Snowcreek Properties in conformance with the Vested Rules under this Agreement shall prevail over any growth control measure or development moratorium adopted or implemented by the Town after the Effective Date, whether adopted specifically to prohibit construction of the Snowcreek Projects or any portion thereof, or as an interim measure during the processing of contemplated General Plan, Specific Plan or zoning changes, or as a general growth control management measure.

3.8 Effect of Inconsistent State or Federal Laws. This Agreement may be modified or suspended as may be necessary to comply with State of California or Federal legislation, case law, codes or regulations enacted/issued after the Effective Date, which preempt local jurisdiction and which prevent or preclude compliance with one or more provisions of this Agreement; provided, however, that such modification or suspension shall be made to the minimum extent necessary and only after the Parties have met and conferred in good faith to determine the feasibility of such modification or suspension and to minimize its effect on the rights of the Parties and fulfillment of the purposes and intent of this Agreement. The Parties shall cooperate to process applications for any Town or governmental approvals which may be required as a result of any such modification or suspension of this Agreement.

ARTICLE 4 PROJECT PROCESSING AGREEMENTS

4.1 Affordable Housing Requirements.

4.1.1 Developer and Town agree the affordable housing requirements shall not exceed the parameters set forth in Section 2.2.3 of this Agreement. The affordable housing requirements for each phase of development shall be in accordance with this Section and Section 2.2.3 of this Agreement. Developer and Town agree the Total Affordable Housing Cost reasonably implements Town's affordable housing requirements.

4.1.2 The Affordable Housing Requirements for the Residential and Hotel components of the Project shall be provided in the following manner until the Affordable Housing Requirement is satisfied. Affordable Housing Requirement shall only be provided based on the number of units actually built.

4.1.2.1 Residential Component. The Affordable Housing Requirement for development of the Market Rate Residential Units shall be ten percent (10%) of the number of Market Rate Residential Units proposed within each phase. The ten percent (10%) requirement shall be allocated as follows:

- (i) The number of Required Affordable Units required within each phase shall be calculated at the rate of 6.33% of the number of Market Rate Residential Units proposed. If the number of Required Affordable Units would result in a fractional number and the fraction or decimal is equal to or greater than 50 percent of a unit, it shall be rounded up to the nearest whole number and when the fraction or decimal is less than 50 percent of a unit, it shall be rounded down to the nearest whole number, provided that in no case shall Developer be required to obtain Building Permits for more than the 47 Required Affordable Units. The Town, in its sole discretion may require Developer to provide more than 6.33% Required Affordable Units in any given phase of development where Developer's overall Required Affordable Unit contribution has dropped below 6.33% due to the rounding down of fractional Required Affordable Units.
- (ii) The number of units subject to the provision of In-Lieu Fees within each phase shall be calculated at the rate of 3.67% of the number of Market Rate Residential units proposed. Pursuant to Section 2.2.3.4(ii) of this Agreement, Developer shall not be required to provide payment of In-Lieu Fees until the usage of the FTEE Credits has been exhausted.

4.1.2.2 Hotel Component. The Affordable Housing Requirement for development of the Hotel Units shall be ten percent (10%) of the number of Hotel Units proposed within each phase. The ten percent (10%) requirement shall be allocated as follows:

- (i) The number of units subject to the provision of In-Lieu Fees shall be calculated at the rate of 5% of the number of Hotel Units proposed since each hotel unit constitutes $\frac{1}{2}$ unit as set forth in the Snowcreek Master Plan Update. Pursuant to Section 2.2.3.4(ii) of this Agreement, Developer shall not be required to provide payment of In-Lieu Fees until the usage of the FTEE Credits has been exhausted.

4.2 Development Schedule; Phasing. The Master Plan Update includes a general phasing plan, a copy of which is attached hereto as Exhibit D. This phasing plan anticipates buildout of the Snowcreek Projects will continue over a substantial period and the timing and phasing of development will be affected by numerous factors, which are not all within the control of Developer, such as market demand, economic conditions, competition and the like. The Parties acknowledge Developer cannot predict with specificity when or at what rate or in what order the future phases of the Snowcreek Projects shown on Exhibit D will be developed on the Property. Because the California Supreme Court held in *Pardee Construction Co. v. City of*

Camarillo (1984) 37 Cal.3d 465, the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties agreement, it is the parties' intent to cure that deficiency by acknowledging Developer shall have the right to develop the Property at such rate and at such times as Developer deems appropriate within the exercise of its subjective business judgment. This Section 4.2 does not apply to the milestones set forth in Section 2.2.1.

4.3 Snowcreek VII Master Plan. Permitted uses and densities for Snowcreek VII are incorporated in the Master Plan approved in 1981. The General Plan and the Master Plan provide for clustering of densities within the area of the Master Plan, as long as the overall Snowcreek Project density, as approved by the Master Plan, is not exceeded. The Master Plan at Mammoth is part of the Vested Rules.

4.4 Snowcreek VIII Master Plan Update 2007. Permitted uses, densities and development standards, among other things, for the Snowcreek VIII Project are incorporated in the Snowcreek VIII Master Plan Update 2007, as it may be modified from time to time, governing Snowcreek VIII.

ARTICLE 5 PROCESSING OF SUBSEQUENT PERMITS AND APPROVALS

5.1 Subsequent Permits.

5.1.1 Defined. "Subsequent Permits" means the land use, development and building approvals that are to be processed for approval by the Town and that are necessary or appropriate in order to develop the Snowcreek Projects in accordance with the Vested Rules, the Project Approvals and this Agreement, including, but not limited to, zone changes, master plans or amendments thereto, any and all permits and/or approvals that are part of development "phases," variances, use permits, development plans, parcel maps, tentative and final subdivision maps, subdivision improvement plans and agreements, design review, site plans, landscape plans, preliminary grading plans, grading plans and permits, building plans and permits, and environmental determinations; provided, that if a Subsequent Permit requires changes to the Snowcreek Master Plan Update, such modification shall be treated as a discretionary permit and Town's review and approval, conditional approval or denial is not restricted by this Agreement. The Subsequent Permits shall include any permits and approvals required to complete the infrastructure and improvements necessary to develop the Property (collectively, the "Improvements"), in accordance with this Agreement and the Vested Rules, including, without limitation, those related to: (a) clearing the Property; (b) preliminary grading or grading of the Property; (c) construction of roads and storm drainage facilities; (d) construction of the golf course, snow play area, trails and bicycle paths, great lawn, open space corridor; (e) importing and stockpiling dirt on the property; and, (f) construction of all commercial and residential structures and all structures and facilities accessory thereto, subject to the limitations set forth in this Agreement. Subsequent Permits may also include, without limitation, the following: grading permits, building permits, sewer and water connection permits, certificates of occupancy, lot line adjustments, site plans, development plans, land use plans, building plans and specifications, final maps, parcel maps and/or subdivision maps, conditional use permits, variances, architectural control plans, demolition permits, improvement agreements, encroachment permits,

tree removal permits and any modifications or amendments to any of the foregoing or any Project Approvals.

5.1.2 The grant of vested rights to Developer pursuant to this Agreement does not waive or remove any requirement to process and obtain Subsequent Permits for the Snowcreek Projects, to the extent required under the Vested Rules and the Project Approvals.

5.1.3 Standard of Review. The Town agrees applications for Subsequent Permits shall be processed in good faith and with reasonable diligence and granted on reasonable terms and conditions, in conformance with this Agreement, the Project Approvals and the Vested Rules. The Town shall have the right to withhold any Subsequent Permit or to conditionally approve the same in order to ensure conformance with the Project Approvals and the Vested Rules set forth in Section 3.1, the vested right to develop set forth in Section 3.3, the requirements of this Agreement, and applicable laws. Except to the extent a conflict is the result of the Town's denial or conditional approval of a Subsequent Permit to ensure conformance with the Project Approvals and the Vested Rules set forth in Section 3.1, in the event any conflict arises between the terms and conditions of a Subsequent Permit and this Agreement, the provisions of this Agreement shall control unless otherwise agreed to in writing by the Town and Developer.

5.2 Timely Processing.

5.2.1 General. Subject to compliance with the Vested Rules and other applicable laws, the Subsequent Permits shall be reviewed, processed and acted upon by the Town in a timely manner, provided that: (a) applications for such approvals are submitted to the Town during the Term of this Agreement; and (b) there is no uncured Event of Default under the terms and conditions of this Agreement with respect to the portion of the Property for which such approval is sought.

5.2.2 Plans and Permits. The Town shall review the application and schedule the application for review by the appropriate authority within the time periods set forth in this Section 5.2.2. The Town shall exercise good faith efforts to process and check all building plans, grading and improvement plans, and other plan submittals and to issue applicable permits and approvals with reasonable diligence, within the time periods set forth on Exhibit I attached to this Agreement and incorporated herein by this reference.

5.3 Term of Approvals. All Subsequent Permits, once granted or issued, shall, like the Project Approvals, continue in full force and effect during the Term, in order to facilitate implementation of Developer's development rights under this Agreement.

5.4 Vesting of Approvals. All Subsequent Permits, once granted or issued, shall become automatically vested under this Agreement, as if granted or issued prior to the adoption of this Agreement, for the duration of the Term of this Agreement.

5.5 Development Fees. Due to the consideration and benefits as described in Exhibit B, the following shall apply to the development fees described below:

5.5.1 Applicable Fees. If a Subsequent Permit requires any significant change to the Snowcreek Master Plan Update, then any additional fees shall be reasonable and meet all applicable nexus and rough proportionality requirements. Notwithstanding Section 3.1 or any other provision of this Agreement and subject to section 5.5.4, all increases in the amount of fees adopted by the Town on a Town-wide basis during the Term shall not apply to Developer and the Snowcreek Projects, with the exception of any automatic fee escalators as of the Effective Date. Fees shall be payable when due; provided, however, that the Town shall reasonably determine, at the time building permits are issued, whether fees then due will be offset by credits that will be available to Developer as a result of subsequent construction; payment of fees that are anticipated to be so offset by credits shall be deferred and a reconciliation of those fees and credits shall be made prior to issuance of such certificates of occupancy. Additionally, if either California State law or the municipal code is modified to defer payment of fees to a time later in the development process than that required on the Effective Date, then Owner or Developer shall be subject to such deferment. In addition, credits to which any portion of the Snowcreek Projects is entitled as a result of construction shall be transferable to any other portion of the Snowcreek Projects and applied to reduce fees payable and not yet paid by Developer in connection with any portion of the Snowcreek Projects. Additionally, if the amount of credits is increased, Owner or Developer shall be subject to the increased credit amount.

5.5.2 DIF Resolution. Developer shall pay Development Impact Fees at the time of building permit issuance in accordance with, and at the rate specified in, the DIF Resolution in effect on the Effective Date. Applicable impact fees include but are not limited to: Police, Vehicle Circulation, Multi-modal Circulation, Storm Drain, General Facilities and Equipment, Parkland and Recreation. The amount of Development Impact Fees shall not be increased as applied to the Snowcreek Projects during the Term, with the exception of any automatic fee escalators, such as Cost of Living Allowance and the periodic Town-wide escalators codified in the Municipal Code as of the Effective Date. The DIF Resolution as applied to the Projects as set forth in this Agreement is included in the Vested Rules; provided, however, if Development Impact Fees applied to all or any other developer or builder of any uses similar to the Project are reduced during the Term, then any future not yet due Development Impact Fees will be at the lower rate. The vesting of the provisions of the DIF Resolution as to the availability and calculation of credits, in particular, is a material inducement to Developer in agreeing to provide the significant community benefits that are a part of these Projects. Development Impact Fees collected by the Town on behalf of another entity shall not be vested.

5.5.3 Public Arts Fund and Fee Program. Public Art meeting the Town's Public Arts Fund and Fee Program will be provided throughout the Snowcreek Projects in accordance with the Snowcreek Master Plan Update. As stated in Section 8.1 of the Snowcreek Master Plan Update, the Town's Municipal Code only applies to the Snowcreek VIII Project where the Master Plan Update is silent. Section 8.1.5 of the Snowcreek Master Plan Update describes the Public Art Program for Snowcreek VIII. Therefore, no fee for participation in the Town's Public Arts Fund and Fee Program shall be due to, required by or paid to the Town. Developer and Town agree to implement Chapter 15.18 of the Municipal Code according to 15.18.070.F and that this Agreement constitutes the alternate provisions of that Chapter. Developer agrees to

implement the goals and intent of Chapter 15.18 through the subsequent review and approvals required by this Agreement. In order to maintain the integrity of the Master Plan and Snowcreek Master Plan Update, and implement the timely Phasing and Performance described in Section 2.2.1 of this Agreement, Public Art will be subject to review and approval by the PEDC in conjunction with each applicable and necessary use permit.

5.5.4 Building Permit and Application Processing Fees. Developer shall pay the Building Permit and Application Processing Fees (“Building Fees”) in effect on the Effective Date. The Building Fees shall be subject to the COLA. In the event the Building Fees are reduced during the Term and the reduced fee amount is lower than the vested amount, or in the event that the Building Fees with the inclusion of the COLA increase is higher than the Building Fee amount in effect at that time, then any future not yet due Building Fees will be at the lower rate. Building Fees collected by the Town on behalf of the State or other entity shall not be vested by the DA.

5.6 Other Local, State, Federal Approvals.

5.6.1 General. The Parties contemplate development of the Snowcreek Projects pursuant to this Agreement may be subject to the approval of other governmental agencies. The Parties shall act in good faith and use reasonable effort and diligence to process and obtain such approvals in a manner and on terms and conditions that are consistent with, and implement, the Project Approvals, the Vested Rules and this Agreement. If any revisions or corrections of plans for Project Approvals approved by the Town shall be required by any other governmental agency, then the Parties shall cooperate reasonably and in good faith to develop a mutually acceptable solution.

5.6.2 Waste Discharge Requirements permit, issued by the California Regional Water Quality Control Board, Lahontan Region, may be required for Snowcreek VIII. Developer is currently pursuing this issue and to the extent required shall obtain all the necessary permits. If significant modifications in the Snowcreek Projects are needed to obtain any of those permits, then such modifications shall be processed as a Subsequent Permit in accordance with subsection 5.1.1.

ARTICLE 6 PUBLIC IMPROVEMENTS AND SERVICES

6.1 Community Benefits. In return for the vesting of rights granted by this Agreement, the Town Council has required that the community receive certain special benefits. Those benefits are set forth in Exhibit B to this Agreement. The rights and obligations of Developer and the Town under the terms of Exhibit B are incorporated herein as provisions of this Agreement.

6.2 Applicable Requirements. Development of the Snowcreek Projects is subject to payment of Development Impact Fees pursuant to the DIF Resolution in effect as of the Effective Date. Development of the Snowcreek Projects is also subject to payment of the Community & Economic Development Processing Fees (“Planning Fees”) in effect on the Effective Date, shown in Exhibit E to this Agreement which is attached hereto and incorporated

herein by this reference. The Planning Fees shall be subject to the COLA. In the event the Planning Fees are reduced during the Term and the reduced fee amount is lower than the vested amount, or in the event that the Planning Fees with the inclusion of the COLA increase is higher than the Planning Fees in effect at that time, then any future not yet due Planning Fees will be at the lower rate.

6.3 Land for Propane Storage Tank Area. The Town has indicated a need and desire for additional propane storage tank areas in the community. This ancillary utility use is permitted by both Town regulations and the private land use covenant between the Town and Developer. At the time of the execution of this Agreement, the Town and Turner Gas were working to find a suitable location for storage of the propane tanks and have tentatively located an appropriate site. In the event such site is not acceptable or available to the Town, then Developer agrees to allow the use of 16,875 square feet of its property as a Propane Storage Tank area, so long as such determination is made before the issuance of a use permit for the Golf Course. The legal description is attached as Exhibit F.

6.4 Bike Trail North of Old Mammoth Road & Recreational Trail Public Easement. During the construction of the first phase of Snowcreek VII, a bike path was completed connecting a section of trail linking the Old Mammoth area from the Athletic Club to the intersection of Old Mammoth Road and Minaret Road. A 12' wide public easement has been issued for recreational trail purposes along the length of the bike path. A Benefit Assessment district shall be created, largely at the expense of the Snowcreek VII homeowners, to maintain this trail both in the winter and the summer.

6.5 Public Access Easement for Fishing and Hiking Along Mammoth Creek. As part of Snowcreek VII, a 40' wide public access and drainage easement was recorded along Mammoth Creek from the Athletic Club to Minaret Road. This easement grants access to the public for fishing and hiking along the Creek.

6.6 Fairway Drive Realignment. Fairway Drive is currently the only non-exclusive public access to Snowcreek V. During construction of Snowcreek VIII, Developer will realign and improve Fairway Drive.

6.7 Secondary Access Road. Developer will create a secondary access to Old Mammoth Road from the Snowcreek Projects that will benefit Snowcreek V and Snowcreek VIII visitors and residents.

6.8 Emergency Vehicle Access Road. Developer will create an Emergency Vehicle Access Road, crossing the golf course that will connect an internal Snowcreek Projects road to Sherwin Creek Road.

6.9 Expanded Golf Course. Potential expanded 18-hole publicly accessible golf course and practice facility. A nine-hole golf course designed by Ted Robinson exists on the north and west portions of the property. An additional nine holes may be constructed on the north, eastern and southern edges of the Snowcreek VIII site, creating a championship 18-hole golf course and encompassing an estimated 155 acres. If constructed, the course will be designed to conserve water and utilize natural vegetation. Re-grading and contouring of the new

portion of the golf course, and possibly portions of the existing course, will create topographic undulations in character with the surrounding landforms fronting the main range.

6.10 Cooperation with MCWD Expansion. The Master Developer is cooperating with MCWD's expansion, and possible improvement and distribution of MCWD's tertiary water treatment to the extent available, legally permissible and on a schedule and in volumes agreed to by MCWD and the Master Developer. MCWD is in the process of establishing a Recycled Water Project that could provide irrigation for portions of the existing Snowcreek nine-hole golf course as well as the expanded additional nine-hole course. If and when this Recycled Water Project becomes active, it could free up a significant amount of potable water currently being used on the golf course, for other Town uses. Snowcreek VIII is working on an agreement with MCWD related to participating in the Recycled Water Project.

6.11 Other Public Dedications and Improvements. The Town shall not require the grant, reservation, or dedication by Developer of any additional land or easements for open space, park and recreational uses or for public rights-of-way or other public purposes, or require the construction or funding of public improvements or facilities, as a condition to development of the Projects, except as permitted under the Vested Rules, the Project Approvals, and this Agreement.

6.12 Local Economic Opportunity. The Developer and the Town acknowledge that it is in the best interest of both parties that the construction and operation of the Snowcreek Projects create economic and job opportunities for local residents and the Town. In order to meet the objectives of this section in a manner consistent with state and federal laws, Developer agrees to use commercially reasonable efforts to take the following steps to encourage economic and job opportunities for qualified local residents:

6.12.1 Bid Process. Developer will ask its general contractors and major subcontractors to solicit local contractors and subcontractors to participate in the bid process. For example, to further the objectives of this Section as stated above, Developer will ask its general contractors and major subcontractors to coordinate with any local or regional contractors association to solicit bids from qualified local contractors and subcontractors consistent with this subsection. It is the intent of the parties to include qualified local contractors and subcontractors in the bid process but not to limit participation in the process solely to them nor to prohibit others from participating.

6.12.2 Local Labor. Developer will ask its general contractors and major subcontractors to attempt to identify and hire qualified local labor. Local labor shall include, but is not limited to, in the following order of preference, to the maximum extent legally permissible, persons living in Mammoth Lakes, Mono County, and the northern portion of Inyo County. For example, Developer will ask its general contractors and major subcontractors to attempt to coordinate with any local or regional contractors association to utilize qualified local labor consistent with this subsection. It is the intent of the parties to include qualified local labor in the hiring process but not to limit participation solely to them nor to prohibit others from participating.

6.12.3 Local Employment Opportunity. Developer will take steps to inform qualified local contractors, laborers and residents of potential job opportunities with the Project.

6.12.4 Purchase of Equipment and Materials. It has been the practice of Developer to purchase materials and equipment locally when such materials and equipment have been competitively priced and it makes economic sense to do so. Developer and Town acknowledge that it would be desirable to strive to purchase equipment and materials locally again when such materials and equipment are competitively priced. Therefore, it is the intent of the parties that, all other factors being equal, such factors including price, availability and other factors to be determined in the sole business judgment of Developer, that Developer will strive to purchase equipment and material locally; provided, however, that this provision shall not be interpreted as a restriction on Developer nor shall it be used to prohibit Developer from constructing and operating the Snowcreek Projects as Developer sees fit in its sole discretion.

ARTICLE 7 IMPLEMENTATION

7.1 Operating Memorandum. The Town and Developer may implement or clarify provisions of this Agreement through the execution of one or more operating memorandum approved by the Town and Developer, from time to time during the Term (each, an “Operating Memorandum”). An Operating Memorandum shall be automatically deemed a part of this Agreement, but approval, implementation and/or amendment thereof shall not constitute or require an amendment to this Agreement or require public notice or hearing. In the event a provision in an Operating Memorandum conflicts with this Agreement, this Agreement shall control. The Town Manager or his or her designee, after consultation with the Town Attorney to determine whether an Operating Memorandum is appropriate, is authorized to approve an Operating Memorandum, or amendment thereto, on behalf of the Town, but may request Town Council review and approval of any proposed Operating Memorandum, if he or she deems it necessary or desirable.

7.2 Annual Review.

7.2.1 General. The annual review required by Development Agreement Statute Section 65865.1 shall be conducted as provided in this Section 7.2. As part of that review, each Party shall have a reasonable opportunity to assert matters which such Party believes have not been undertaken or performed in conformance with this Agreement, to explain the basis for such assertion, and to receive from the other Party or Parties a justification for such other Party’s or Parties’ position with respect to such matter.

7.2.2 Commencement of Review. Prior to October 31, of each full calendar year after the effective date of this Agreement, Developer will initiate the annual review by submitting a written statement to the Town Manager describing, Developer’s good faith substantial compliance with the terms and conditions of this Agreement for the prior calendar year. Such periodic review shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code Section 65865.1.

7.2.3 Determination of Substantial Compliance. Within thirty (30) days after the Town Manager's receipt of Developer's complete submittal [or thirty (30) days after the deadline for such submittal if none is submitted], unless said period is extended by mutual consent of the Town Manager and Developer or as the result of circumstances beyond the reasonable control of the Town, the Town Manager shall: (a) determine whether, for the year under review, Developer is in good faith substantial compliance with the terms and conditions of this Agreement; (b) confirm its determination in writing; (c) deliver a copy to Developer and (d) deliver a written report to the Town Council, which the Town Council, at a regular public meeting within thirty (30) days after delivery, shall receive and file that report and may comment on or request further information or public discussion at a future regular public meeting or closed session, as legally permitted. If the Town Manager's report to the Town Council determines, based upon substantial evidence, Developer is not in good faith substantial compliance with the terms of the Agreement, the Town Manager's written determination shall specify the grounds for such determination in reasonable detail, and Developer shall have thirty (30) days from receipt of such determination of non-compliance to respond in writing. After receipt of Developer's response (or expiration of such 30 day period if no response is delivered), the Town Manager shall determine whether Developer is in good faith substantial compliance and deliver a copy of such determination to Developer and the Town Council. If Developer is determined not to be in good faith substantial compliance, the Town Manager may deliver a Notice of Default to Developer pursuant to Section 9.2. A finding by the Town Manager of good faith substantial compliance with the terms of this Agreement shall conclusively determine said issue up to and including the date of said review, and shall complete the annual review. If the annual review is completed pursuant to the procedures set forth above, the Town Manager shall promptly deliver a report to the Town Council confirming the completion of the annual review.

7.2.4 Appeal to Town Council. If Developer disputes the allegation Developer is not in good-faith substantial compliance and believes the Notice of Default has been issued erroneously, then Developer shall have the right to appeal the determination to the Town Council, and the Town Council shall make such determination after Developer has been permitted an opportunity to be heard orally and in writing at a noticed public hearing before the Town Council. Any appeal must be filed with the Town Manager in writing within fourteen (14) days Developer's receipt of the Notice of Default. The Town shall deliver to Developer a copy of any staff reports that are not exempt from the California Public Records Act and any other related information submitted to the Town Council concerning Developer's performance at least seven (7) calendar days prior to the date of the noticed public meeting. If the Town Council, at that noticed public meeting, or any continued public meeting related to the appeal, determines, based upon substantial evidence, Developer is not in good faith substantial compliance with the terms and conditions of the Agreement, the Town Council may terminate or modify the Agreement, subject to compliance with the provisions in Section 9.3.

7.3 Statement of Compliance. Within thirty (30) days after receipt of a written request from a Party ("requesting Party"), a Party shall execute and deliver to the requesting Party a statement certifying: (a) the Agreement is unmodified and in full force and effect (or identifying any modifications); (b) there are no uncured defaults under the Agreement by the certifying Party or, to the certifying Party's knowledge, by any other Party (or specifying any such defaults); and (c) any other information reasonably requested regarding the status of the Agreement and performance by the Parties. The failure by a Party ("non-responding Party") to

deliver such statement within such 30 day period shall be conclusively deemed to constitute a certification by the non responding Party: (a) this Agreement is in full force and effect; and (b) to the knowledge of the non responding Party, there are no uncured defaults on the part of the requesting Party. Such statement or certification may be relied upon by any purchaser, transferee, lender, title company, governmental agency or other person reasonably requesting such statement.

ARTICLE 8 ASSIGNMENTS; MORTGAGEE PROTECTION

8.1 Right to Assign.

8.1.1 Right to Assign. Developer shall have the right to assign or transfer any portion of its interests, rights or obligations (“Rights”) under this Agreement and under the Project Approvals and Subsequent Permits to third parties acquiring successor interests in the Snowcreek Projects or Project Site, or any portion thereof, including without limitation purchasers or long-term ground lessees of individual lots, parcels, or facilities located on or within the Project Site. Town cannot unreasonably disapprove of the transfer or assignment, provided that transferee has the experience in the real estate industry and financial capacity that is comparable to or better than transferor to fulfill Developer’s obligations under this Agreement.

8.1.2 Assumption of Assigned Obligations and Rights. As a condition to any Assignment under this Agreement, any person or entity accepting such Assignment (“Assignee”) shall assume all of the obligations and rights of this Agreement as they pertain to the portion of the Property being transferred to the Assignee. An Assignment and Assumption Agreement, attached as Exhibit F shall be signed by the Assignor and the Assignee.

8.1.3 Release of Developer. Upon the effectiveness of any Assignment and Assumption of Developer’s obligations by any Assignee, Developer shall be fully relieved and released of each of its duties and obligations with respect to the portion of the Property transferred to the transferee from and after the date of such transfer, except as to those obligations of Developer under this Agreement that affect more than the portion of the Property being transferred.

8.1.4 Successive Assignment. In the event of any Assignment under the provisions of Article 8, the provisions of this Article 8 shall apply to each successive Assignment and Assignee. Developer’s obligations under this Agreement with respect to the portion of the Property transferred which are to be assumed by the Assignee shall be set out in substantially the form of the Assignment and Assumption Agreement, at Exhibit G.

8.1.5 Default. If all or any portion of the Project Site is transferred by Developer (“Transferred Property”) to any person or entity (a “Transferee”) the Transferee shall succeed to all of Developer’s Rights under this Agreement regarding the Transferred Property. Thereafter, a default under this Agreement by Developer regarding that portion of the Project Site other than the Transferred Property (the “Remaining Property”) shall not be considered or acted upon by Town as a default by the Transferee regarding the Transferred Property and shall not affect the Transferee’s Rights regarding the Transferred Property. Likewise, a default by a

Transferee relating to the Transferred Property shall not be considered or acted upon by Town as a default by Developer regarding the Remaining Property and shall not affect Developer's Rights regarding the Remaining Property.

8.2 Mortgagee Protection.

8.2.1 Right to Mortgage. Developer or Owner may assign, pledge or otherwise encumber its rights and interests under this Agreement for security purposes to a Mortgagee of any Lot(s) without the consent of the Town. Nothing contained in this Agreement shall restrict Developer from encumbering all or any portion of the Property with a Mortgage, deed of trust or other security device (collectively, "Mortgage"); provided, however, that this Agreement shall be superior and senior to the lien of any Mortgage placed upon the Property or any portion thereof after the Effective Date. Prior to recordation of this Agreement, Developer shall obtain a Subordination Agreement in the form of Exhibit H attached hereto, from the holder of any Mortgage in effect as of the Effective Date subordinating the lien of such Mortgage to this Agreement. Notwithstanding the foregoing, no breach of this Agreement shall default, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions of this Agreement shall be binding upon and effective against any Person, including any deed of trust beneficiary or mortgagee, who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise; provided, however, that such transferee shall not be liable for defaults or monetary obligations arising prior to its acquisition of title to the Property or portion thereof.

8.2.2 Notice of Default. If the Town receives written notice from a Mortgagee requesting a copy of any notice of default given to Developer and specifying the address for service thereof, then the Town shall deliver to such Mortgagee, concurrently with the delivery to Developer, any notice given to Developer with respect to any claim by the Town Developer is in default hereunder. If the Town makes a determination of noncompliance hereunder, the Town shall likewise serve notice of such noncompliance on such Mortgagee concurrently with service on Developer. Each Mortgagee shall have the right, but not the obligation, during the same period available to Developer hereunder, to cure or remedy, or to commence to cure or remedy, the event of default claimed or the areas of noncompliance set forth in the Town's notice.

ARTICLE 9 DEFAULT; REMEDIES

9.1 Events of Default. Subject to the provisions of Section 11.15 regarding Unavoidable Delays, Section 8.1 regarding assignment and assumption, and Section 8.2 regarding Mortgagee Protection, the failure by any Party to pay any sum or to perform any obligation required under this Agreement, including, but not limited to, the Town's failure to issue Subsequent Permits for the Snowcreek Projects in conformance with this Agreement, and such Party's failure to cure such default within the specified cure period after receipt of a Notice of Default pursuant to Section 9.2 below, shall constitute an "Event of Default" under this Agreement. Failure by Developer to construct or delay in constructing the 2009 Projects or any portion thereof shall not be a default or Event of Default under this Agreement, and Developer shall not be liable to the Town for damages for failure to construct any portion of the Snowcreek Projects, unless such failure or delay constitutes a default under the terms of any Final Map,

building permit or similar approval, in which event the Town may exercise any of its normal remedies for default under such permit or approval.

9.2 Notice of Default and Cure. Any Party claiming a default under this Agreement shall deliver to the defaulting Party a written notice of default (“Notice of Default”). The Notice of Default shall specify the reasons for the allegation of default with reasonable particularity and the manner in which the default can be cured. The defaulting Party shall have the right to cure the default within thirty (30) days after receipt of the Notice of Default; provided, however, that if the nature of the alleged default is such that it cannot be reasonably cured within such thirty-day (30-day) period, the thirty-day (30-day) period shall be extended for the time reasonably required to complete the cure, so long as the defaulting Party commences the cure within the thirty-day period and diligently prosecutes the cure to completion thereafter and such cure is complete within one hundred twenty (120) after the cure is commenced; provided, that if a Party has timely commenced and diligently prosecutes the cure to completion thereafter, then the other party shall reasonably provide one or more extensions up to a total of one hundred twenty (120) days.

9.3 Procedure Upon an Event of Default. After the occurrence of an Event of Default, the other Party may give notice of its intent to terminate this Agreement. Following notice of intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review at a public meeting of the Town Council within thirty (30) days after that notice. Following consideration of the evidence presented in the review before the Town, the Party alleging the default by the other Party may institute legal proceedings or may give written notice of termination of this Agreement to the other Party; provided, however, Developer may only terminate this Agreement with respect to such portion of the Property then owned by Developer, and the Town may only terminate this Agreement with respect to the portion of the Property then owned by the defaulting Developer. Evidence of default may also arise in the course of an annual review of this Agreement pursuant to Section 7.2. If Developer is determined by the Town to be in default pursuant to the procedures for annual review, and after giving effect to Developer’s right of appeal of such determination to the Town Council as provided in Section 7.2.4, the Town may give a written Notice of Default pursuant to Section 9.2. If the alleged default is not cured within the cure period set forth in Section 9.2 or within such longer period specified in the Town’s Notice of Default, or if Developer waives its right to cure such alleged default in writing, then this Agreement may be terminated by the Town with respect to the portion of the Property then owned by the defaulting Developer.

9.4 Remedies for Non-Defaulting Party.

9.4.1 In the event either Party is in default under the terms of this Agreement, subject to any applicable requirements under Section 9.5 of this Agreement, the other Party may elect to pursue any of the following courses of action: (i) waive such default; (ii) pursue administrative remedies as provided in this Agreement; (iii) pursue any judicial remedies available under the law; or (iv) terminate this Agreement.

9.4.2 Unless otherwise provided in this Agreement and subject to applicable requirements under Section 9.5 of this Agreement, either Party, in addition to any other rights or

remedies, may institute legal action to cure, correct, or remedy any default by the other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder or to seek specific performance. However, each Party hereby waives any right to sue or recover monetary damages for any default hereunder, other than the recovery of monetary amounts to which such Party is entitled under express provisions of this Agreement. All remedies available to a Party under this section shall be cumulative and not exclusive of the other, and the exercise of one or more of these remedies shall not constitute a waiver or election with respect to any other available remedy.

9.5 Dispute Resolution; Legal Action.

9.5.1 Mediation. Before pursuing any administrative or judicial remedies to resolve any dispute or claim under this Agreement, the Parties hereto shall attempt in good faith to resolve any such dispute through mediation conducted by a mediator, or a panel of mediators of a size appropriate to the scope of the dispute (but not exceeding three (3) in any event), in accordance with the Commercial Mediation Rules of the American Arbitration Association.

9.5.2 Judicial Reference. If mediation is not required under the provisions of this Agreement or mediation has not resolved the dispute and any Party to this Agreement commences a lawsuit relating to a dispute arising under this Agreement, all the issues in such action, whether of fact or law, shall be resolved by judicial reference pursuant to the provisions of California Code of Civil Procedure Sections 638.1 and 641 through 645.1. The Parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. Developer shall not be required to participate in the judicial reference proceeding unless it is satisfied that all necessary and appropriate parties will participate.

9.5.2.1 The proceeding shall be brought and held in Mono County, unless Parties agree to an alternative venue.

9.5.2.2 The Parties shall use the procedures adopted by JAMS/ENDISPUTE (“JAMS”) for judicial reference and selection of a referee (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the Parties).

9.5.2.3 The referee must be a retired judge or a licensed attorney with substantial experience in relevant real estate matters.

9.5.2.4 The Parties to the litigation shall agree upon a single referee who shall have the power to try any and all of the issues raised, whether of fact or of law, which may be pertinent to the matters in dispute, and to issue a statement of decision thereon. Any dispute regarding the selection of the referee shall be resolved by JAMS or the entity providing the reference services, or if no entity is involved, by the court in accordance with California Code of Civil Procedure Sections 638 and 640.

9.5.2.5 The referee shall be authorized to provide all remedies available in law or equity appropriate under the circumstances of the controversy, other than punitive damages.

9.5.2.6 The referee may require one or more pre-hearing conferences.

9.5.2.7 The Parties shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

9.5.2.8 A stenographic record of the trial shall be made.

9.5.2.9 The referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable.

9.5.2.10 The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

9.5.2.11 The Parties shall promptly and diligently cooperate with each other and the referee and perform such acts, as may be necessary for an expeditious resolution of the dispute.

9.5.2.12 The costs of such proceeding, including the fees of a referee, shall be borne equally by the Parties to the dispute.

9.5.2.13 The statement of decision of the referee upon all of the issues considered by the referee shall be binding upon the Parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the Parties. Except for actions for indemnification, the Parties acknowledge and accept that they are waiving their right to a jury trial.

9.6 Extension of Agreement Term. The Term of this Agreement as set forth in Section 2.2 shall automatically be extended for the period of time in which the Parties are engaged in dispute resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed prior to the expiration of the Term are delayed beyond the scheduled expiration of the Term as a direct result of such dispute resolution.

9.7 No Cross-Defaults. The rights and obligations of Developer and any successor Owner are separate from the rights and obligations of all other Developers and Owners and may be assigned separately as provided in Section 8.1 and enforced separately. A default by any one or more Developer or successor Owners under this Agreement shall not constitute a default by any other Developer or successor Owner or result in the termination of this Agreement or the vested development rights provided herein as to any other Developer or successor Owner. Master Developer shall have obligations hereunder only to the extent of its obligations as a Developer and Owner.

**ARTICLE 10
AMENDMENTS; TERMINATION**

10.1 Amendments. Except as set forth in Section 3.1, this Agreement may be modified, amended and/or extended only by mutual written consent of the Parties and shall be approved in the same manner as adoption of this Agreement, by ordinance as set forth in the Development Agreement Statute.

10.2 Release. Following the transfer or conveyance of any residential Lot on which is located a Residential Unit for which the Town has issued a final certificate of occupancy, this Agreement shall automatically terminate and cease to be an exception to title with respect to such residential Lot, stacked flat, or condominium unit ownership. Notwithstanding the automatic nature of such termination, within thirty (30) days after receipt of a written request from a developer or the residential owner, the Town shall execute and deliver any recordable documents necessary to evidence such termination. Upon the completion of the obligations set forth in this Agreement related to a residential Lot, stacked flat, or condominium unit ownership, upon the Town's receipt of written request, the Town shall execute and deliver any recordable documents necessary to release such residential Lot, stacked flat, or condominium unit ownership from this Agreement. The foregoing only applies if all conditions of the Project Approvals and requirements of this Agreement applicable to the subject residential Lot, stacked flat, or condominium unit ownership have been satisfactorily completed by Developer.

10.3 Effect of Expiration/Termination. Upon expiration or termination of this Agreement: (a) no Party shall have any further rights or obligation hereunder except for matters which accrued prior to such expiration or termination and matters which specifically survive expiration or termination under the express terms of this Agreement; and (b) the underlying Project Approvals shall remain in full force and effect.

**ARTICLE 11
MISCELLANEOUS**

11.1 Attorney's Fees. If any legal action or mediation or arbitration proceeding is brought by any Party because of a breach of this Agreement or to enforce any provision hereof and against the other party, then the prevailing Party shall be entitled to recover from the losing Party its reasonable attorneys' fees and costs. The "prevailing party" shall be that Party receiving substantially the relief sought in the action or proceeding.

11.2 Construction, Interpretation. This Agreement has been reviewed and revised by legal counsel for Developer and the Town, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

11.3 Cooperation; Further Assurances. Each Party: (a) shall deal fairly and in good faith with the other Parties; (b) shall not impede the other Parties' right to receive the benefits of this Agreement; (c) shall cooperate with and provide reasonable assistance to the other Parties in the performance of this Agreement; and (d) shall execute such documents or take such further

actions as may be reasonably necessary to consummate the performance or to carry out the purpose and intent of this Agreement.

11.4 Counterparts. This Agreement, and any documents implementing this Agreement, may be executed in multiple counterpart originals, each of which is deemed to be an original and all of which when taken together shall constitute one and the same instrument.

11.5 Entire Agreement. The Recitals set forth above in this Agreement and the Exhibits attached hereto are incorporated by references into this Agreement as an integrated portion hereof. This Agreement, including all such Recitals and Exhibits, constitutes the entire agreement of the parties regarding the subject matter hereof, and all prior or contemporaneous agreements and understandings, whether written or oral, are superseded.

11.6 Governing Law/Jurisdiction. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California, and the state courts of Mono County shall have jurisdiction.

11.7 Legal Challenges—Defense and Indemnification.

11.7.1 Cooperation in the Event of Legal Challenge. In the event of litigation , the Parties hereby agree to affirmatively cooperate and join in defending against any and all actions brought by any third party or parties in such litigation; provided, however, that both the Town and Developer shall retain their respective rights to control their own defense of the litigation. Except as provided herein, the Town and Developer shall each bear their own respective costs, if any, arising from such defense of litigation.

11.7.2 Defense and Indemnification. Developer shall indemnify, defend, and hold harmless Town Parties from and against any third party claims, demands,, actions, lawsuits or proceedings (collectively the “Claims”), and any related losses, liabilities, damages, liens, obligations, interest, injuries, penalties, fines, judgements, awards, costs and expenses, and attorneys’ fee awards, including attorneys’ fees awarded under Code of Civil Procedure section 1021.5 assessed or awarded against the Town, arising as a result of the Town’s approval of this Agreement or any entitlements or permits pertaining to the Snowcreek Projects, or challenging the validity, applicability, or interpretation of any provision of this Agreement or any entitlements or permits pertaining to the Snowcreek Projects or arising directly as a result of Developer’s (or Developer’s contractors, subcontractors, agents, or employees) work performed in connection with the development of the Property or the Snowcreek Projects, including without limitation, Claims involving bodily injury, death or property damage. Upon request by Developer, Town shall enter into a joint defense agreement in a form reasonably acceptable to the Town Attorney and Developer to facilitate the sharing of materials and strategies related to the defense of such Litigation Challenge without waiver of attorney client privilege. Any proposed settlement of a Litigation Challenge by a Party shall be subject to the approval of the other Party, such approval not to be unreasonably withheld, conditioned or delayed; provided, however, that Developer may settle litigation without consent of the Town if the settlement does not require any changes to any project approvals or action by the Town.

11.7.3 Joint Defense and Costs. In the event any litigation is filed pertaining to the matters contemplated by Section 11.7.2 above, Developer shall select and retain legal counsel (“Counsel”) to represent both the Town and Developer with respect to the litigation, and Counsel shall cooperate with Developer and the Town in the course of defending the litigation. Town may, in its sole discretion, elect to be separately represented by the legal counsel of its choice and reasonable costs of such representation shall be paid by Developer. Developer shall reimburse Town, within 45 days following Town’s written demand therefor, which may be made from time to time during the course of any litigation, all reasonable costs incurred by Town in connection with the litigation, including Town’s reasonable administrative, legal and court costs, and Town Attorney oversight expenses. Developer anticipates choosing as Counsel to provide the Town’s and Developer’s legal defense in any litigation the law firm of Allen Matkins Leck Gamble Mallory & Natsis LLP, subject to either party’s right to change counsel if Counsel does not provide adequate and timely professional services. Developer shall also pay all filing fees, court costs and similar out-of-pocket expenses required for the Town and Developer to defend the litigation. The Town shall cooperate with Counsel’s defense of the litigation, and shall make its records (other than documents privileged from disclosure) and personnel available to Counsel as may be reasonably requested by Counsel in connection with the litigation.

11.7.4 Effect on Term. The Term of this Agreement shall be tolled until final court action is taken in any litigation.

11.8 Notices. All notices, demands, correspondence and communications (“Notice”) shall be in writing and shall be either personally delivered or sent by certified mail, postage prepaid, return receipt requested, or delivered by a nationally recognized overnight courier service (which provides a delivery receipt), at the addresses set forth below. Any such Notice shall be deemed received on the date of personal delivery or on the date of receipt (or refusal to accept delivery) set forth in the certified mail receipt if sent by U.S. mail or in the receipt provided by the overnight courier service if sent by such service.

Town: Town of Mammoth Lakes
P.O. Box 1609
Mammoth Lakes, CA 93546
Attn: Rob Patterson, Town Manager

with a copy to: Andrew Morris, Town Attorney
P.O. Box 1609
Mammoth Lakes, CA 93546

Developer: Snowcreek Hilltop Development Co, LLC,
a Delaware limited liability company;
Snowcreek Investment Company II, LLC,
a Delaware limited liability company
11100 Santa Monica Blvd., Suite 775
Los Angeles, CA 90025
Attn: Charles R. Lande

with a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, CA 90067
Attn: Spencer B. Kallick, Esq.

11.9 Private Undertaking. It is expressly understood and agreed by the Parties the development contemplated by this Agreement is a private development, no Party is acting as the agent of any other Party in any respect hereunder, and Developer shall have full power and exclusive control over its properties subject only to the limitations and obligations of Developer under the Vested Rules and this Agreement. Nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making the Town and Developer joint venturers or partners.

11.10 Recordation. The Town shall record a Memorandum of this Agreement with the Mono County Recorder within ten (10) days after the Effective Date, pursuant to Development Agreement Statute Section 65868.5. Thereafter, if this Agreement is terminated, modified or amended as provided herein, the Town shall record notice of such action with the Mono County Recorder.

11.11 Section Headings. Article and Section headings in this Agreement are inserted for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions of this Agreement.

11.12 Severability. If any provision or term of this Agreement, or the application of any provision or term of this Agreement to any particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the Agreement shall be unaffected and shall remain in full force and effect unless enforcement of the Agreement, with such invalidation, would be unreasonable or inequitable under the circumstances or would frustrate the purposes of the Agreement or the rights and obligations of the Parties there under.

11.13 Successors and Assigns; Covenants Running with the Land. Subject to the provisions of Section 8.1 governing assignment and the provisions for release set forth in Sections 8.1 and 10.2, the rights and obligations of Developer under this Agreement shall be binding upon and inure to the benefit of successor Owners of all or any portion of the Property and shall be covenants running with the land.

11.14 Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns, including the Owners. No other Person shall have any right of action based upon any provision of this Agreement.

11.15 Unavoidable Delays or Events. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities (but only as to delays or performance by Developer), enactment of conflicting state or federal laws or regulations (but only if the Party claiming delay complies at all times with the provisions of this Agreement pertaining to such conflicting laws), market forces beyond the Parties' control

that result in the decrease of the median home sales value in the Mammoth area by 10 percent or more over one calendar year, as reported through the Mammoth Lakes MLS data, delays caused by the delay or failure by any entity other than the Party claiming such delay to provide financing for or construction of needed public facilities or infrastructure as contemplated or required by this Agreement, delays due to the enforcement of environmental regulations, litigation against this Agreement or any of the Project Approvals, referendum of this Agreement or any of the Project Approvals or similar bases for excused performance (“Unavoidable Delay” or “Unavoidable Event”). Upon the occurrence of an Unavoidable Event, the time for performance shall be extended, for the duration of the Unavoidable Delay.

11.16 Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by a duly authorized representative of the Party against whom enforcement of the waiver is sought. No waiver of any right or remedy shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement to be effective as of the Effective Date first set forth above.

TOWN: THE TOWN OF MAMMOTH LAKES,
a municipal corporation

By: _____
Rob Patterson, Town Manager

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____
Andrew Morris, Town Attorney

Date: _____

[Signature Page to Development Agreement]

DEVELOPER:

SNOWCREEK HILLTOP DEVELOPMENT CO, LLC, a Delaware limited liability company

By: LLJ Mammoth Ventures, LLC, its Sole Member

By: Snowcreek Manager, LLC, its Manager

By: _____

Name:

Title:

By: Chadmar Mammoth Venture LLC, its Manager

By: _____

Name: Charles R. Lande, President

SNOWCREEK INVESTMENT COMPANY II, LLC, a Delaware limited liability company

By: LLJ Mammoth Ventures, LLC, its Sole Member

By: Snowcreek Manager, LLC, its Manager

By: _____

Name:

Title:

By: Chadmar Mammoth Venture LLC, its Manager

By: _____

Name: Charles R. Lande, President

State of California)
County of Mono)

On _____, before me, _____,
(insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of California)
County of Mono)

On _____, before me, _____,
(insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

LIST OF EXHIBITS

- A-1 Legal Description for Property of Snowcreek VII
- A-2 Legal Description for Property of Snowcreek VIII
- B Snowcreek Greater Community Benefits
- C Vested Rules
- D Phasing Plan
- E Schedule of Town Fees effective as of the Date of this Agreement
- F Legal Description for Propane Tank Farm Easement
- G Form of Assignment Agreement
- H Form of Subordination Agreement
- I Town of Mammoth Lakes Review Times
- J Area of Geographic Nexus
- K Legal Description for Mammoth Creek Open Space Corridor

EXHIBIT A-1

**LEGAL DESCRIPTION
FOR
SNOWCREEK VII**

LOT 4 OF TRACT 36-134 IN THE TOWN OF MAMMOTH LAKES, COUNTY OF MONO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9 PAGES 56-56H OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF PARCEL 1 OF PARCEL MAP 36-133 IN THE TOWN OF MAMMOTH LAKES, COUNTY OF MONO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4 PAGE 7 AND 7A OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT A-2

**LEGAL DESCRIPTION
FOR
SNOWCREEK VIII**

PARCEL A:

LOTS 3, 4, 5, 6 AND THOSE CERTAIN STRIPS OF LAND DESIGNATED AS "FAIRWAY DRIVE" AND "MINARET ROAD" AS SHOWN AND DEFINED UPON THE MAP OF TRACT NO. 36-166, IN THE TOWN OF MAMMOTH LAKES, COUNTY OF MONO, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 10 PAGE 21 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

LOT LINE ADJUSTMENT PARCEL 2 OF LOT LINE ADJUSTMENT 1999-08 PER CERTIFICATE OF COMPLIANCE RECORDED IN BOOK 897 OF OFFICIAL RECORDS AT PAGE 80 IN THE OFFICE OF THE COUNTY RECORDER OF MONO COUNTY, CALIFORNIA.

EXCEPT THEREFROM THAT PORTION OF SAID LOT LINE ADJUSTMENT PARCEL 2 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT LINE ADJUSTMENT PARCEL 2 OF LOT LINE ADJUSTMENT 2001-05 PER CERTIFICATE OF COMPLIANCE RECORDED AS INSTRUMENT NUMBER 2001009429 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE EASTERLY BOUNDARY LINE OF SAID LOT LINE ADJUSTMENT PARCEL 2 SOUTH 13°52'08" WEST 518.96 FEET; THENCE CONTINUING ALONG SAID BOUNDARY LINE SOUTH 02°08'52" WEST 594.15 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE LEAVING SAID BOUNDARY LINE NORTH 03°44'15" EAST 447.64 FEET; THENCE NORTH 12°12'51" EAST 167.91 FEET; THENCE NORTH 09°33'27" EAST 493.62 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM THAT PORTION OF LOT LINE ADJUSTMENT PARCEL 2 OF SAID LOT LINE ADJUSTMENT 1999-08 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT LINE ADJUSTMENT PARCEL 2 OF SAID LOT LINE ADJUSTMENT 2001-05, SAID POINT BEING THE INTERSECTION OF THE SOUTH BOUNDARY LINE OF SAID LOT LINE ADJUSTMENT PARCEL 2 AND THE EAST LINE OF RANCH ROAD AS OFFERED FOR DEDICATION ON TRACT NO. 36-166 PER MAP RECORDED IN BOOK 10 OF TRACT MAPS AT PAGES 21 THROUGH 21D IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 68°34'41" EAST 152.00 FEET ALONG THE EASTERLY BOUNDARY LINE OF SAID LOT LINE ADJUSTMENT PARCEL 2; THENCE CONTINUING ALONG SAID BOUNDARY LINE NORTH 29°56'24" EST 342.65 FEET; THENCE CONTINUING ALONG

SAID BOUNDARY LINE NORTH 50°44'12" EAST 22.49 FEET; THENCE LEAVING SAID BOUNDARY LINE SOUTH 13°40'02" WEST 116.14 FEET; THENCE SOUTH 35°44'51" WEST 272.10 FEE; THENCE SOUTH 77°03'19" WEST 147.27 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS LOT LINE ADJUSTMENT PARCEL 2 OF LINE ADJUSTMENT 2003-06 AS PER CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 22, 2003 AS INSTRUMENT NO. 2003011728 OF OFFICIAL RECORDS.

PARCEL C:

TRACTS 46 & 47, SECTION 2, TOWNSHIP 4 SOUTH, RANGE 27 EAST, M.D.M., IN THE TOWN OF MAMMOTH LAKES, COUNTY OF MONO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXHIBIT B

SNOWCREEK GREATER COMMUNITY BENEFITS

The Town acknowledges a number of project features in both Snowcreek Projects as conditioned and approved by Town Council go beyond what may legally be imposed on development projects through an entitlement process. Those greater community benefits include but are not limited to:

1. The Additional Financial Contribution.
2. Fiscal benefits that will accrue to the Town and community through the implementation of the Project as intended that would not occur without this Agreement, including transient occupancy taxes.
3. 8.9 acres of park area provided in excess of that required in conjunction with the buildout of Snowcreek VIII.
4. Preservation of Mammoth Creek open space corridor.
5. Championship 18-hole golf course will be designed by a top course architect.
6. Practice facility to be designed by a top course architect.
7. Secondary access for both Snowcreek V and VIII and the Emergency Vehicle Access Road connecting the Snowcreek VIII Project to Sherwin Creek Road is in addition to Mammoth Lakes Fire Protection District (“MLFPD”) requirements.
8. Allowing egress of backcountry skiers, snowboarders, snowshoers from the Sherwin Range immediately upon approval of the Project prior to its construction and completion.
9. Programming of public spaces, including but not limited to the Great Lawn and Outfitters' Cabin, to increase visitation to the project and Town.
10. Establishment of public access across certain points of the project to allow public egress to surrounding public lands prior to Project construction and after completion and which would also provide access to an enhanced network of publicly accessible multi-use paths that is connected to the Town's trail system.
11. If needed by the Town, the Developer will provide the property described on Exhibit F attached hereto and incorporated herein by this reference for propane storage tanks.

EXHIBIT C

VESTED RULES

[As of the Effective Date]

Project Approvals. “Project Approvals” means: (a) the existing Town permits, approvals and entitlements for the Projects set forth below and in Section 3.2; plus (b) any amendments or additions to the Project Approvals and any Subsequent Permits (as defined in Section 5.1.1) which are subsequently issued by the Town and approved by Developer, in accordance with the procedures described in Section 3.1. The Project Approvals are included in the Vested Rules.

1. Snowcreek VII. The existing Project Approvals approved by the Town for the Snowcreek VII Project, are the following:

- a. Master Plan at Mammoth, approved by the County of Mammoth Lakes in 1981.
- b. Final Tract Map 36-236A for Phase 1 recorded 7/10/07, Book 10, Page 105.
- c. Final Tract Map 36-236B for Phase 2 recorded 10/9/2019, Book 11, Page 15.
- d. Final Tract Map 36-236C for Phase 3 recorded 4/8/2021, Book 12, Page 17.
- e. Tentative Tract Map 36-236 for Phases 2 and 3 as modified by Resolution PC2009-01 and as further modified by this Agreement with respect to Special Planning Condition of Approval No. 11 in Resolution 2006-15, which shall read as originally approved (new italicized language is hereby deleted).
- f. Use Permit 2005-11 approved by Resolution 2006-15, dated 5/24/06, as modified by Resolution PC 2009-01.
- g. Grading Permits: Restricted Permit 2006-15 dated 4/24/07, Full Phase I Permit 2006-15 dated (in error) 4/24/07 (signed May 3, 2007); Amendment 01 to Grading Permit 2006-15 allowing dirt stockpiling on Snowcreek VIII property, dated 8/2/07.
- h. Building Permits for Building 1-39.
- i. Encroachment Permit 2006-10 dated 9/21/06 for sewer line and water line work.
- j. Improvement Permit 2006-20 dated 6/18/06 for water line work.
- k. Permit 2007-164041 dated 4/28/08 allowing Rec Building Remodel.
- l. Certificates of Occupancy for Building 1 – 39.

m. The permitted uses, the density or intensity of use, the zoning, the maximum height and size of buildings, the provisions for reservation and dedication of land, and the subdivision or use permit improvement requirements for Snowcreek VII are set forth in the existing Project Approvals, as supplemented by Subsequent Permits issued in conformance with the Vested Rules.

2. Snowcreek VIII. The existing Project Approvals approved by the Town for the Snowcreek VIII Project, are the following:

a. General Plan Amendment to the Urban Growth Boundary.

b. Zone Code Amendment to effectuate the Snowcreek VIII Master Plan Update 2007, approved on August 5, 2009 (“Snowcreek Master Plan Update 2007”). Permitted uses for the Snowcreek VIII portion of the Snowcreek Projects are set forth in the Snowcreek Master Plan Update 2007.

c. Snowcreek VIII Master Plan Update 2007, approved on July 8, 2009 (“Snowcreek Master Plan Update 2007”). Permitted uses for the Snowcreek VIII portion of the Snowcreek Projects are set forth in the Snowcreek Master Plan Update 2007.

d. Conditional Use Permit # 88-19 approved 4/12/1989 for the current 9-hole golf course existing on the Snowcreek VIII Property.

e. Tentative Tract Map 09-002 to allow parcelization of approximately 222 acres within the Snowcreek Master Plan Update Area approved by Resolution on December 9, 2009, and recorded on January 14, 2010.

f. Final Tract Map 09-002 for the parcelization of the approximately 222 acres within the Snowcreek Master Plan Update Area, recorded 8/31/2023, Book 12, Page 22A.

g. CDDD 2009-25 for AP 09-004 dated 1/12/10 approving the temporary restaurant at the Golf Course and extending the use permit on the existing temporary clubhouse.

h. Resolution No. PEDC 2024-11 for Tentative Tract Map 23-002 and Use Permit 23-003 approving the Phase I subdivision for Snowcreek VIII, dated 9/11/2024.

3. The permitted uses, the density or intensity of use, the zoning, the maximum height and size of buildings, the provisions for reservation and dedication of land, and the subdivision or use permit improvement requirements for the Snowcreek Projects are set forth in the existing Project Approvals, as supplemented by Subsequent Permits issued in conformance with the Vested Rules.

EXHIBIT D

PHASING PLAN

Figure 5.7 of Master Plan Update

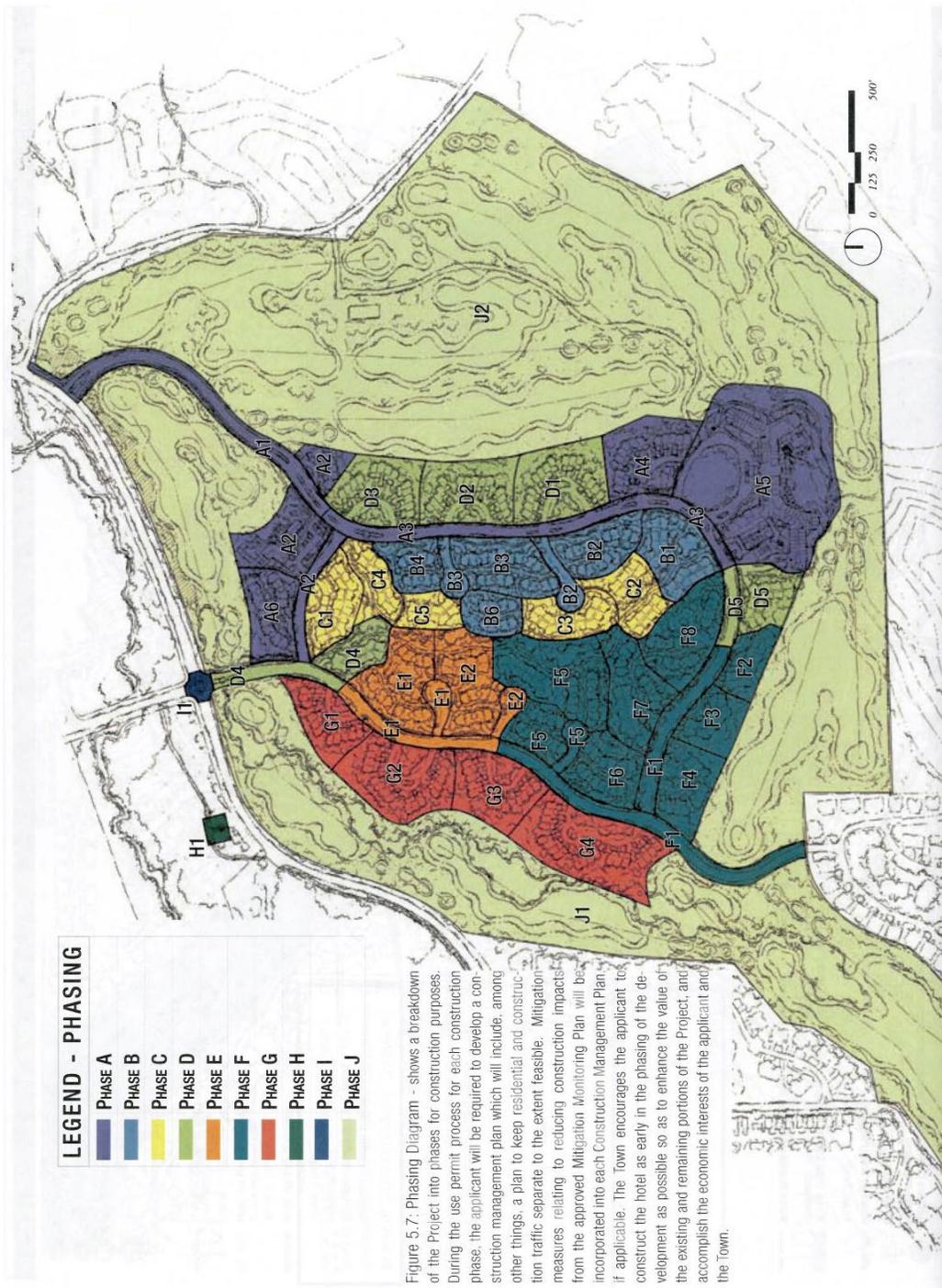


EXHIBIT E

SCHEDULE OF PLANNING FEES in effect on the Effective Date of this Agreement

COMMUNITY & ECONOMIC DEVELOPMENT FEE SCHEDULE FY 24-25

Permit/Service Title	Fee ¹
Adjustment (ADJ)	\$1,058
Administrative Permit (AP)	\$651
Administrative Permit - Mobile Business (AP)	\$476
Administrative Permit - Temporary Outdoor Display and Sales (AP)	\$98
Administrative Permit - Permanent Outdoor Display (AP)	\$150
Administrative Permit - Two-Unit Project	\$1,096
Advisory Design Panel (ADP)	Per Advisory Design Panel Rates
Appeal Planning & Economic Development Commission Decision to Town Council	\$1,942
Appeal Staff Decision to Planning & Economic Development Commission	\$2,310
Certificate of Compliance (COC)	Cost Accounted, \$500 Deposit
CEQA - Environmental Impact Report (EIR)	Per Consultant's Cost
CEQA - Negative Declaration / Initial Study (ND / IS)	Per Consultant's Cost or Cost Accounted, \$10,000 Deposit
Concept Review (CR)	Cost Accounted, \$2,500 Deposit
Design Review - Administrative (New Single Family) (ADR)	\$1,071
Design Review - Administrative (Not New Single Family)	\$582
Design Review - (Repaint Only) (ADR)	\$222
Design Review - Major (DR)	Cost Accounted, \$2,500 Deposit
Design Review - Minor (DR)	\$1,407
Development Agreement (DA)	Cost Accounted, \$10,000 Deposit
District Zoning Amendment - Map Amendment (DZA)	Cost Accounted, \$6,000 Deposit
Film Permit (FP)	\$50
General Plan Amendment (GPA)	Cost Accounted, \$10,000 Deposit
Landscape Document Package (LDP)	\$152
Lot Line Adjustment (LLA)	\$1,096
New Construction Fee (Collected at Building Permit)	\$.20 sq. ft. of Habitable Space
Planning Services Review / Investigation (PSR)	Cost Accounted, \$500 Deposit
Sign Permit - Master Sign Program (New) (SP)	Cost Accounted, \$1,000 Deposit
Sign Permit - Master Sign Program (Amendment) (SP)	Cost Accounted, \$1,000 Deposit
Sign Permit - Permanent Sign (SP)	\$334
Sign Permit - Temporary Sign (SP) ²	\$77
Tentative Parcel Map (Includes TPM amendments) (TPM)	Cost Accounted, \$6,000 Deposit
Tentative Tract Map (Includes TTM amendments) (TTM)	Cost Accounted, \$6,000 Deposit
Parcel Map - Urban Lot Split	\$1,096
Time Extension Request - Major (TER)	\$1,053
Time Extension Request - Minor (TER)	\$200
Tree Removal Permit (TRP)	\$10
Tree Management Plan (TRP)	\$100
Use Permit Application (Includes UPA amendments) (UPA)	Cost Accounted, \$2,500 Deposit
Variance (VAR)	Cost Accounted, \$6,000 Deposit
Zone Code Amendment - Text Amendment (ZCA)	Cost Accounted, \$6,000 Deposit

¹ Flat fees are applicable when a project does not have a cost accounted component. If any portion of a project is cost accounted, the entire project is billed as a cost accounted project. Only the largest deposit is required for a project with multiple cost accounted

² No fees are required for community event signs per Municipal Code §17.48.090.N.2.a.

EXHIBIT F

**LEGAL DESCRIPTION
FOR
PROPANE TANK FARM EASEMENT**

That Portion of Tract 47 of Section 2, Township 4 South, Range 27 East, Mount Diablo Base and Meridian, in the Town of Mammoth Lakes, Mono County, State of California, according to the official government plat thereof, described as follows:

Beginning at that bronze capped monument marking Angle Point 16 of said Tract 47 as set per the Bureau of Land Management dependent resurvey of Tracts 45, 46 and the survey of Tract 47 completed on November 20, 2003; thence along the easterly boundary of said Tract 47 N47°56'38"W 117.00 feet; thence S42°03'22"W 100.00 feet; thence S47°56'38"E 148.94 feet more or less to a point on the easterly boundary of said Tract 47; thence along said boundary N34°42'09"E 14.85 feet to a bronze capped monument marking Angle Point 15 per said survey; thence continuing along said easterly boundary N22°39'06"E 90.41 feet to the point of beginning.

Containing approximately 12,330 square feet, or .283 acres, more or less

EXHIBIT G

ASSIGNMENT AGREEMENT [FORM]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attention: _____

(Space Above For Recorder's Use)

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT ("Assignment"), effective as of _____, 20 __, ("Effective Date"), is executed by _____ ("Assignor"), and _____ ("Assignee"), with reference to the following:

RECITALS:

A. Assignor is a "Developer" or "Owner" under the terms of the Development Agreement by and among The Town of Mammoth Lakes ("Town") and SNOWCREEK HILLTOP DEVELOPMENT CO, LLC, a Delaware limited liability company ("SHDC LLC") and SNOWCREEK INVESTMENT COMPANY II, LLC, a Delaware limited liability company ("SIC II"), effective on _____, 20__ and recorded in the Official Records of Mono County, California, on _____, 20__ as File No. _____.

B. Pursuant to Section 8.1 of the Development Agreement, a Developer or an Owner of property subject to the Development Agreement, has the ability to assign or transfer ("assign") its development rights, duties and obligations under the Development Agreement, with respect to the property conveyed, to the new owner, who shall assume such obligations pursuant to a written assignment agreement and approval by the Town, which approval shall not be unreasonably withheld.

C. Assignor will convey to Assignee, concurrently with the Effective Date of this Assignment, a portion of the real property covered by the Development Agreement, which portion is legally described as:

[insert legal description of property being conveyed]

("Conveyed Property").

D. This Assignment is intended to implement Section 8.1 of the Development Agreement and to evidence the assignment of the rights, duties and obligations of Assignor under the Development Agreement related to the Conveyed Property to Assignee.

E. Pursuant to section 8.1 of the Development Agreement, the Assignor obtained approval of the Town for this Assignment to be effective or such approval was granted and is attached hereto as Exhibit 1.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants set forth herein, Assignee and Assignor agree as follows:

1. Assignment and Assumption. Assignor hereby assigns to Assignee all of the rights, duties and obligations of Assignor as "Developer" or "Owner" under the Development Agreement, with respect to the Conveyed Property. Assignee hereby accepts such assignment and assumes all of the rights, duties and obligations of the Assignor as "Developer" or "Owner" under the Development Agreement with respect to the Conveyed Property.

2. Release. As of the Effective Date, the Assignor will be released from any duties and obligations assigned pursuant to Section 1 arising on or after the Effective Date.

3. Effective Date. This Assignment shall be effective upon the date of recordation of a grant deed conveying the Conveyed Property from Assignor to Assignee.

4. Notices. Within thirty (30) days after the Effective Date, Assignor shall deliver a copy of this fully executed Assignment to the Town. Notices to the Assignee pursuant to the Development Agreement shall be directed to:

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the Effective Date first set forth above.

“ASSIGNOR”

,
a _____

By: _____
Title: _____

By: _____
Title: _____

“ASSIGNEE”

,
a _____

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT H

FORM OF SUBORDINATION AGREEMENT

CONSENT OF LIEN HOLDER AND SUBORDINATION AGREEMENT [FORM]

Tax Assessor's Parcel No. _____

Owner: _____

The undersigned is the beneficiary under that certain deed of trust ("Deed of Trust") recorded on _____, 20__ as File No. _____ of the Official Records of Mono County, California, which affects the real property identified above. Such real property is a portion of the property subject to the Development Agreement by and among The Town of Mammoth Lakes and Snowcreek Hilltop Development Co, LLC, a Delaware limited liability company and Snowcreek Investment Company II, LLC, a Delaware limited liability company, recorded in the Official Records of Mono County on _____, 20__ as File No. _____ ("Development Agreement").

The undersigned hereby acknowledges and agrees that the lien of the Deed of Trust shall be junior and subordinate and subject to the Development Agreement.

DATED: _____, 20__.

By: _____

Title: _____

State of California)

County of _____)

On _____, before me, _____,
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT I

TOWN OF MAMMOTH LAKES REVIEW TIMES

A. Planning Division

1. Completeness Review: 30 calendar days
2. Administrative Permit: 40 working days
3. Use Permit: 50 working days + CEQA
4. Tentative Map: 80 working days (4 months)
5. Lot Line Adjustment: 30 working days
6. Sign Permit: 15 working days
7. Zoning Code/Master Plan Amendment: 100 working days + CEQA

B. CEQA

1. Categorical Exemption: 5 working days
2. Negative Declaration: 30 working days
3. EIR: 180 working days

C. Engineering Division

1. Development Review: 20 working days
2. Grading/Improvement Plan Review
 - i. 1st Submittal: 20 working days
 - ii. 2nd Submittal: 10 working days
 - iii. 3rd Submittal: 5 working days

D. Building Division

1. Plan Check
 - i. 1st Submittal: 20 total working days
 - ii. 2nd Submittal: 10 total working days
2. Inspection: within 24 hours of request (providing all information is given by 7am cut-off time)

EXHIBIT J

AREA OF GEOGRAPHIC NEXUS

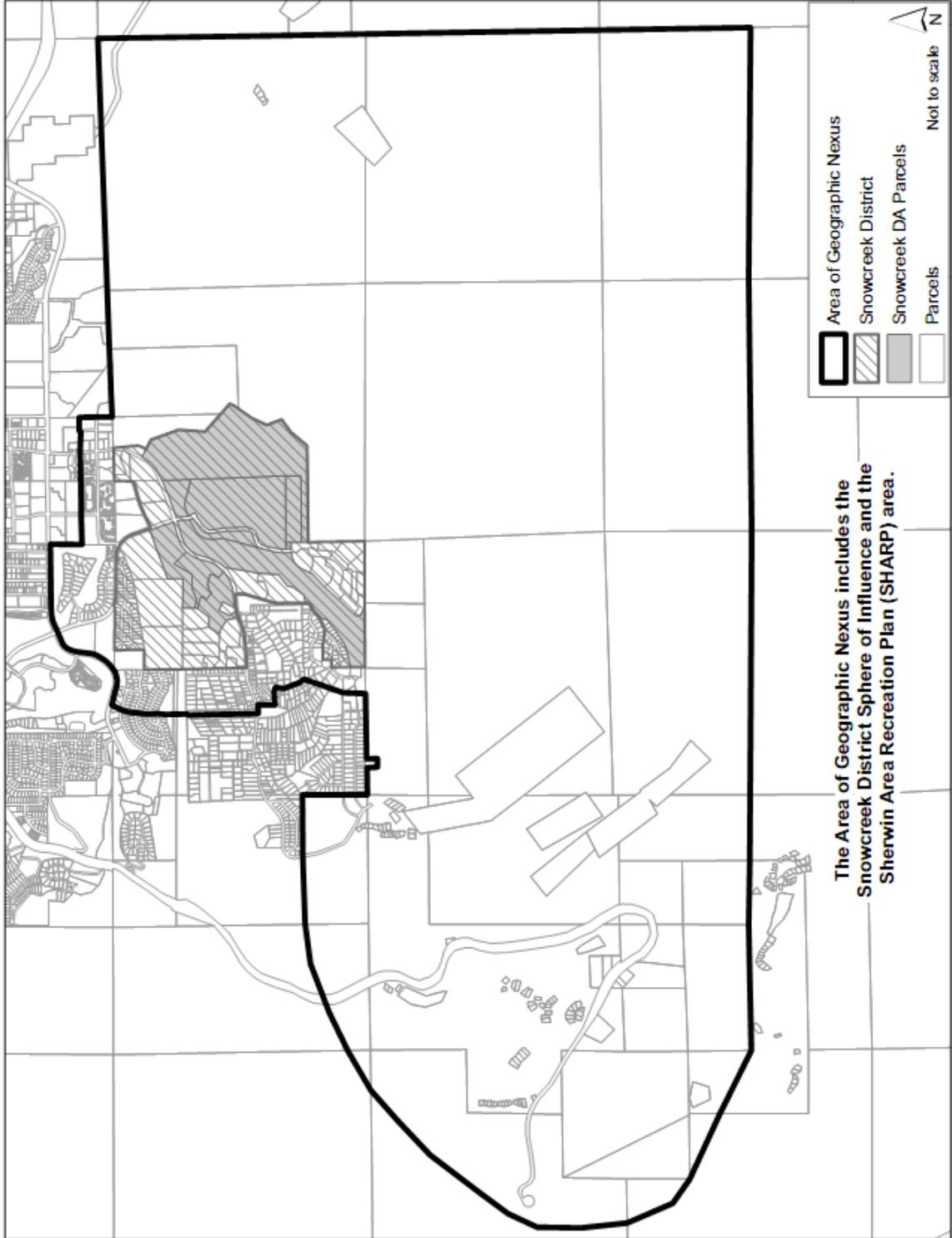


EXHIBIT K

LEGAL DESCRIPTION FOR MAMMOTH CREEK OPEN SPACE CORRIDOR

Lot 2 of Tract No. 36-236A in the Town on Mammoth Lakes, Mono County, State of California per map recorded in Book 10 of Tract Maps at Page 105 through 105F on file in the office of the County Recorder of said County.