

Mammoth Lakes Town Council Agenda Action Sheet

Council Meeting Date: March 18, 2015

Date Prepared: March 2, 2015

Prepared by: Jen Daugherty, Senior Planner

Title: Receive and file the Intrawest Development Agreement annual review report

Agenda: Consent

Recommended Motion: Receive and file the Intrawest Development Agreement annual review report, finding the Developers in good faith substantial compliance with the terms and conditions of the Development Agreement.

Background Information: The Intrawest Development Agreement (DA) was approved by Town Council and became effective on February 15, 2002. The DA provides a 20-year vesting for the DA properties, which includes properties in the Lodestar Master Plan, the North Village Specific Plan, and others. The DA achieves mutual benefits for both the Town and the Developer.

DAs are subject to annual review to evaluate compliance with required terms and conditions. The 2015 Intrawest DA annual report finds that the Developer is in good faith substantial compliance with the terms and conditions of the DA (see attached Intrawest DA 2015 Annual Report).

The Intrawest DA is available online:
<http://ca-mammothlakes.civicplus.com/index.aspx?nid=139>

Funds Available: N/A

Account #: N/A

Reviewed by:

 Town Manager Town Attorney Planning Manager
 Public Works Director

Town Vision / Priority: The Intrawest DA annual review supports the Council’s priorities for diversifying economic development and enhancing community amenities because the Intrawest DA gives certainty to developers and provides community amenities and infrastructure.

**Intrawest Affiliates Development Agreement – 2015 Annual Review Report
Development Agreement Schedule of Performance Review**

Summary: Intrawest Affiliates Development Agreement

Effective Date: February 15, 2002

Term: 20 years

Expiration Date: February 15, 2022

Affected Projects: (see attached*)

1. Sierra Star
2. The Village at Mammoth
3. The Crest Parcel
4. The Bridges Parcel
5. Canyon Lodge Parcel
6. Twin Lakes Court
7. Previously Developed Projects
 - a. Mammoth Green at Sierra Star
 - b. The Timbers
 - c. Eagle Run
 - d. Sunstone
 - e. Juniper Springs Lodge

**Note: Properties that have been sold to residential owners are no longer subject to Development Agreement (Section 10.2, p.24).*

Town Manager Determination: Developers are in good faith substantial compliance with the terms and conditions of the Development Agreement

Town Manager: Daniel C. Holler

Signature:  _____

Date: March 10, 2015

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Anticipated Phasing of Private Development (Article 4, Section 4.2.1 and 4.2.2; Exhibit N)

Subject/Phase	Development/Milestone	Date Due for Commencement¹	Actual Date of Commencement	Satisfied/Complete	Notes
Annual Review	Developers will initiate the annual review by submitting a written statement to the Town Manager describing, and supporting in reasonable detail, Developers' good faith substantial compliance with the terms and conditions of this Agreement for the prior calendar year (Article 7, Section 7.2.2).	Initiated prior to March 1 st each year	See note	See note	No written statements were provided by Developers
Right to Assign	Any assignment by Developer of their entire right, title and interest hereunder to a party who is not an Intrawest Affiliate shall require prior written consent of the Town...A copy of the fully executed Assignment Agreement (Exhibit L) shall be delivered to the Town within 30 days after the effective date of any such assignment (Article 8, Section 8.1).	Prior to assignment of all of the DA properties to a new owner	N/A	N/A	Not applicable because Intrawest has not assigned its entire right to another party
Phase 1 (Exhibit N-1)	The Village at Mammoth (west Minaret Rd and east Canyon Blvd): Three buildings containing commercial and retail space, residential condominiums, the gondola and gondola/MMSA services buildings, underground parking, and pedestrian plazas.	April 2001	April 2001	Complete	
Phase 2 (Exhibit N-2)	Sierra Star (west of Minaret Road): Single family residential condominiums, support commercial and transient occupancy.	2002	2002	Partially	Lodestar Drive, Woodwinds, Solstice I, Graystone, Area 5 (hotel site)
	The Crest Parcel: Residential condominiums.		2002	Complete	Juniper Crest, Aspen Creek

¹ The timing of construction is designed so that a preceding phase does not have to be complete before the next phase(s) begin. Also, each element within each phase is independent of each other element. Once construction of an element of a phase is commenced, construction of that phase is considered to be commenced. Commencement of each development or phase is contingent on the availability of financing, market conditions, demand, competition, and similar factors which affect high-risk resort development. Changes in the above schedule of development may be made upon notification by the Developer to the Town Manager that general market conditions warrant modifications and a new phasing schedule shall be submitted (Article 4, Section 4.2.1).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Anticipated Phasing of Private Development (Article 4, Section 4.2.1 and 4.2.2; Exhibit N)

Subject/Phase	Development/Milestone	Date Due for Commencement¹	Actual Date of Commencement	Satisfied/Complete	Notes
	The Twin Lakes Court Parcel: Single family development.			Complete	
Phase 3 (Exhibit N-3)	The Village at Mammoth (west of Canyon Boulevard): Residential condominiums or transient occupancy.	2004	2004	Partially	Westin, Ritz Hotel/Hillside site
	The Village at Mammoth (east of Minaret Road): Commercial and residential condominiums.		N/A	Not Complete	North and South Hotel sites
	Sierra Star (east of Minaret Road): Multi-family, resort condominiums and transient occupancy.		2004	Partially	Tallus, Chutes, Tanavista site, Gray Bear
	The Bridges Parcel: Residential.		2008	Partially	Altis townhomes and single family lots
	The Canyon Lodge Parcel: Residential.		N/A	Not Complete	Rainbow Lane site
Other	Affordable housing.	Provided with each development	Provided with each development	Ongoing	See attached Housing Mitigation Status

¹ The timing of construction is designed so that a preceding phase does not have to be complete before the next phase(s) begin. Also, each element within each phase is independent of each other element. Once construction of an element of a phase is commenced, construction of that phase is considered to be commenced. Commencement of each development or phase is contingent on the availability of financing, market conditions, demand, competition, and similar factors which affect high-risk resort development. Changes in the above schedule of development may be made upon notification by the Developer to the Town Manager that general market conditions warrant modifications and a new phasing schedule shall be submitted (Article 4, Section 4.2.1).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Schedule of Public Improvements (Article 4, Section 4.2.3; Exhibit C – CFD Facilities)

Project	Public Improvement	Date Due for Commencement²	Actual Date of Commencement	Satisfied/Complete	Notes
The Village at Mammoth Project (Exhibit C)	Realignment of Canyon Boulevard (Hillside Drive to Lake Mary Road): Rolled curb, gutter and sidewalk, 42 to 48 feet of pavement, snow poles and sleeves, street lights and conduits, earthwork, 48” storm drain and juncture structure, underground overhead utilities, new traffic signal at Lake Mary Road, sewer and water facilities, demolition, earthwork, rock-stack retaining walls, reinforced concrete retaining walls, mobilization, traffic control and erosion/sedimentation control.	July 2001 (realignment); 2002 (final improvements)	July 2001	Complete except as noted	Hillside Parcel dedication for realigned Canyon Boulevard (Ritz property). This will be required with the future final map for the Ritz/Hillside site if not dedicated prior. Final incremental CFD payment of Canyon realignment project will be paid after this dedication/acquisition is completed.
	Storm Drain Realignment: A 72” storm drain line will replace an existing undersized 48”-54” storm drain; proposed line will follow a new alignment. The existing pipe will be removed within the Caltrans right of way and will be abandoned in place along Old Canyon Boulevard and Old Berner Street. Abandonment measures will be to slurry-fill all pipe that will permanently remain underground. Construction of the new line will include inlets along Minaret Road immediately upstream of the crossing of the storm drain across Minaret Road.	July 2001	July 2001	Complete	

² All of the Public Improvements are to be installed in accordance with plans and specifications approved by the Town. The timing of construction of Public Improvements may change, depending upon the timing of construction of the private developments to which they relate; however, construction shall be governed by any timing requirements set forth in the conditions of approval and/or mitigation measures which are adopted for each Project by the Town pursuant to the Vested Rules (Article 4, Section 4.2.3).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Schedule of Public Improvements (Article 4, Section 4.2.3; Exhibit C – CFD Facilities)

Project	Public Improvement	Date Due for Commencement ²	Actual Date of Commencement	Satisfied/ Complete	Notes
	Public Improvements shall include the acquisition of right of way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.				
	Minaret Road: Caltrans standard curb, gutter and sidewalk with pavers, additional pavement where required (may require A.C. cap full width of the street where trenching for utilities occurs), snow poles and sleeves, and street lights and conduits along both sides of the street, upgrade of the traffic signal at Main Street, waterline upgrades, sewer lateral reconnects, street trees, mobilization, traffic control and erosion/ sedimentation control. Interim improvements along the east side of Minaret Road will include A.C. berm and sidewalk until permanent concrete curb, gutter, and sidewalk are constructed in a future phase. Water main upgrades and selected widening areas extend to Main Street.	2002		Partially	West side complete; east side to be completed with future development. Water mains have been upgraded and sewer laterals to Intrawest development were reconnected. The improvements have been accepted by MCWD.
	Lake Mary Road (Minaret Road to Canyon Boulevard): A 24” storm drain line and a 30” storm drain line with inlet and junction structures,	2002		Complete	

² All of the Public Improvements are to be installed in accordance with plans and specifications approved by the Town. The timing of construction of Public Improvements may change, depending upon the timing of construction of the private developments to which they relate; however, construction shall be governed by any timing requirements set forth in the conditions of approval and/or mitigation measures which are adopted for each Project by the Town pursuant to the Vested Rules (Article 4, Section 4.2.3).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Schedule of Public Improvements (Article 4, Section 4.2.3; Exhibit C – CFD Facilities)

Project	Public Improvement	Date Due for Commencement²	Actual Date of Commencement	Satisfied/ Complete	Notes
	mobilization, traffic control and erosion/ sedimentation control.				
	Forest Trail (Hillside Drive to Minaret Road): Rolled curb, gutter, snow poles and sleeves south side of street (except along parcel at the corner of Hillside Drive), 6 foot wide sidewalk, additional half-width pavement where required, street lights and conduits, underground overhead utilities, waterline upgrades, mobilization, traffic control and erosion/sedimentation control.	2002		Complete	
	Ski-Back bridge: Bridge across Forest Trail to The Village at Mammoth. Improvements include an elevator and stairs on the south side of Forest Trail.	2003		Complete	
	Hillside Drive (Canyon Blvd to 417 feet south): Rolled curb, gutter, additional half-width pavement as required, snow poles and sleeves, sidewalk, mobilization, traffic control and erosion/ sedimentation control.	2004		Complete	
	Hillside Drive (Canyon Boulevard to Forest Trail): Water main up-grades.	2004		Complete	
	Forest Trail (Minaret Road to Berner Street): Rolled curb, gutter and sidewalk, snow poles and sleeves south side of street, additional half-width pavement	2004		Not Complete	To be constructed with future development.

² All of the Public Improvements are to be installed in accordance with plans and specifications approved by the Town. The timing of construction of Public Improvements may change, depending upon the timing of construction of the private developments to which they relate; however, construction shall be governed by any timing requirements set forth in the conditions of approval and/or mitigation measures which are adopted for each Project by the Town pursuant to the Vested Rules (Article 4, Section 4.2.3).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Schedule of Public Improvements (Article 4, Section 4.2.3; Exhibit C – CFD Facilities)

Project	Public Improvement	Date Due for Commencement²	Actual Date of Commencement	Satisfied/ Complete	Notes
	where required, street lights and conduits, a 48” storm drain line and junction structures, waterline upgrades, mobilization, traffic control and erosion/sedimentation control.				
	Minaret Road/Forest Trail Roundabout: In lieu of a traffic signal, a modern roundabout is to be constructed at the intersection of Minaret Road with Forest Trail. Improvements include sidewalks, bike lanes, landscaping, storm drains, street lights and conduits, and other improvements as required by Caltrans and the Town. The existing overhead utilities across the intersection will be placed underground.	2004		Not Complete	To be constructed with future development.
	Berner Street (Forest Trail to existing Berner Street): Rolled curb, gutter, snow poles and sleeves both sides of the street, minimum of 32 feet new pavement, sidewalk on the west side of the street only, street lights and conduits at Forest Trail and existing Berner Street intersections, a 48” storm drain and junction structures, sewer and water lines mobilization, traffic control and erosion/sedimentation control.	2004		Complete	
	Berner Street (existing): Rolled curb, gutter and sidewalk, snow poles and sleeves, through the curb return on the north side of the street and to the	2004		Complete	

² All of the Public Improvements are to be installed in accordance with plans and specifications approved by the Town. The timing of construction of Public Improvements may change, depending upon the timing of construction of the private developments to which they relate; however, construction shall be governed by any timing requirements set forth in the conditions of approval and/or mitigation measures which are adopted for each Project by the Town pursuant to the Vested Rules (Article 4, Section 4.2.3).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Schedule of Public Improvements (Article 4, Section 4.2.3; Exhibit C – CFD Facilities)

Project	Public Improvement	Date Due for Commencement²	Actual Date of Commencement	Satisfied/ Complete	Notes
	easterly property line of Intrawest property on the south side of the street, additional half-width pavement where required, mobilization, traffic control and erosion/sedimentation control.				
Sierra Star Project	Required Public Improvements are to be installed at the time of development for each Project (or portion), in accordance with Code requirements and Town public improvement and engineering standards and/or project conditions of approval to be established by the Planning and Economic Development Commission.			Ongoing	
Crest Parcel				Complete except as noted	Provide Town with geotechnical/civil engineer's report and certification for retaining walls that were never inspected.
Twin Lakes Court Parcel				Complete	
Bridges Parcel				Complete	Altis single family lots
Canyon Lodge Parcel				Not Complete	Rainbow Lane site

² All of the Public Improvements are to be installed in accordance with plans and specifications approved by the Town. The timing of construction of Public Improvements may change, depending upon the timing of construction of the private developments to which they relate; however, construction shall be governed by any timing requirements set forth in the conditions of approval and/or mitigation measures which are adopted for each Project by the Town pursuant to the Vested Rules (Article 4, Section 4.2.3).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Community Benefits (Article 6; Exhibit E and J)

Benefit	Description	Date Due for Commencement	Actual Date of Commencement	Satisfied/ Complete	Notes
Canyon Boulevard Site	Irrevocable offer to dedicate a one acre site to the Town, and the Town shall use for any public purpose. This dedication shall satisfy the Developers' duty or obligation to provide commercial parking for any or all commercial uses within The Village at Mammoth.			Complete	
Surface Parking Site	Intrawest may develop the property for temporary public parking in connection with the development of Phase I of The Village at Mammoth.			Complete	
Participation in CFD	The Developer of The Village at Mammoth Project will participate in and construct \$8.2 million in public improvements to be acquired by the Town Community Facilities 2001-01 ("CFD")			Partially	See Schedule of Public Improvements, above.
Public Access	Developer shall grant an easement to the Town for public access across the main plaza areas within The Village at Mammoth Project.			Partially	Village at Mammoth (east side) plaza easement to be realigned and completed with future development.
Events Programming	Programming Plan that will allow the Town to conduct, or otherwise arrange or provide for, a variety of community and civic events.			Ongoing	Specific to the Village; events occur throughout the year at the Village.
Conference Center	Developer shall negotiate reasonably with the Town regarding public participation in a conference center facility proposed within the Sierra Star Project, or elsewhere, and providing			Not Complete	To be completed with development of the Lodestar Master Plan Area 5 (hotel site).

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Community Benefits (Article 6; Exhibit E and J)

Benefit	Description	Date Due for Commencement	Actual Date of Commencement	Satisfied/ Complete	Notes
	for public use of and access to the facility at a level commensurate with the Town’s financial participation in the project.				
Mammoth Community Housing Foundation	Master Developer (Intrawest) agrees to participate in Mammoth Community Housing Foundation (i.e., Mammoth Lakes Housing Inc.), to lend its housing and development expertise and business acumen, to make an initial \$67,500 cash contribution towards its formation, and to an ongoing commitment of financial and/or other resources.			Complete	Master Developer obligation complete. Future Developers work with Mammoth Lakes Housing, Inc. and the Town on Affordable Housing Mitigation Plans.
Transit System	Developers agree to participate in the transit system on a fair share basis when it formed, on the terms approved for Phase I of The Village at Mammoth.			Ongoing	This is the annual transit payment paid by homeowners (CFD 2013-03).
Ambassador Program	The Master Developer (Intrawest) agrees to support and participate in the activities of a Mammoth Lakes Ambassador Program. The program will provide training to full-time and part-time employees of Mammoth businesses and provide incentives to maintain and improve customer service and satisfaction.			Complete	Master Developer obligation complete. The Chamber of Commerce is developing an Ambassador Program.
Open Space, Parks, and Recreation (Exhibit J)	2.18 acres of open space, parks, and recreation in addition to payment of DIF, which may include the bike trail along Meridian (if adopted into Master Trail Plan) (0.28 acres), bike trail between Meridian and Segment 4 (if adopted into Master			Partially Complete	Trails and open space conservation completed.

Intrawest Affiliates Development Agreement – 2015 Annual Review Report

Community Benefits (Article 6; Exhibit E and J)

Benefit	Description	Date Due for Commencement	Actual Date of Commencement	Satisfied/ Complete	Notes
	Trail Plan) (0.4 acres), open space/conservation lands within Mammoth Creek corridor (value of 1 acre), and use agreement for plazas in The Village at Mammoth (east side) (value of 0.5 acres).				Village at Mammoth (east side) plaza use agreement to be completed with future development.

Additional Progress:

- Final maps were recorded and single family homes were being constructed in the Graystone and Gray Bear subdivisions within Lodestar Area 5 and Area 2, respectively.
- Tentative tract map (TTM 15-001) submitted for a 16-unit development at the Rainbow Lane property located east of Canyon Lodge (also referred to as the Canyon Lodge parcel).

Attachments:

- Development Agreement Properties (DA Exhibits A and B)
- Map of “Active” Intrawest Development Agreement Properties
- Settlement Agreement and Mutual General Release (Intrawest Settlement Agreement 2010)
- Accumulated DIF Credit per Public Works Engineering
- Housing Mitigation Status per Community and Economic Development

---End---

EXHIBIT A-2
THE VILLAGE AT MAMMOTH
PLAT MAP

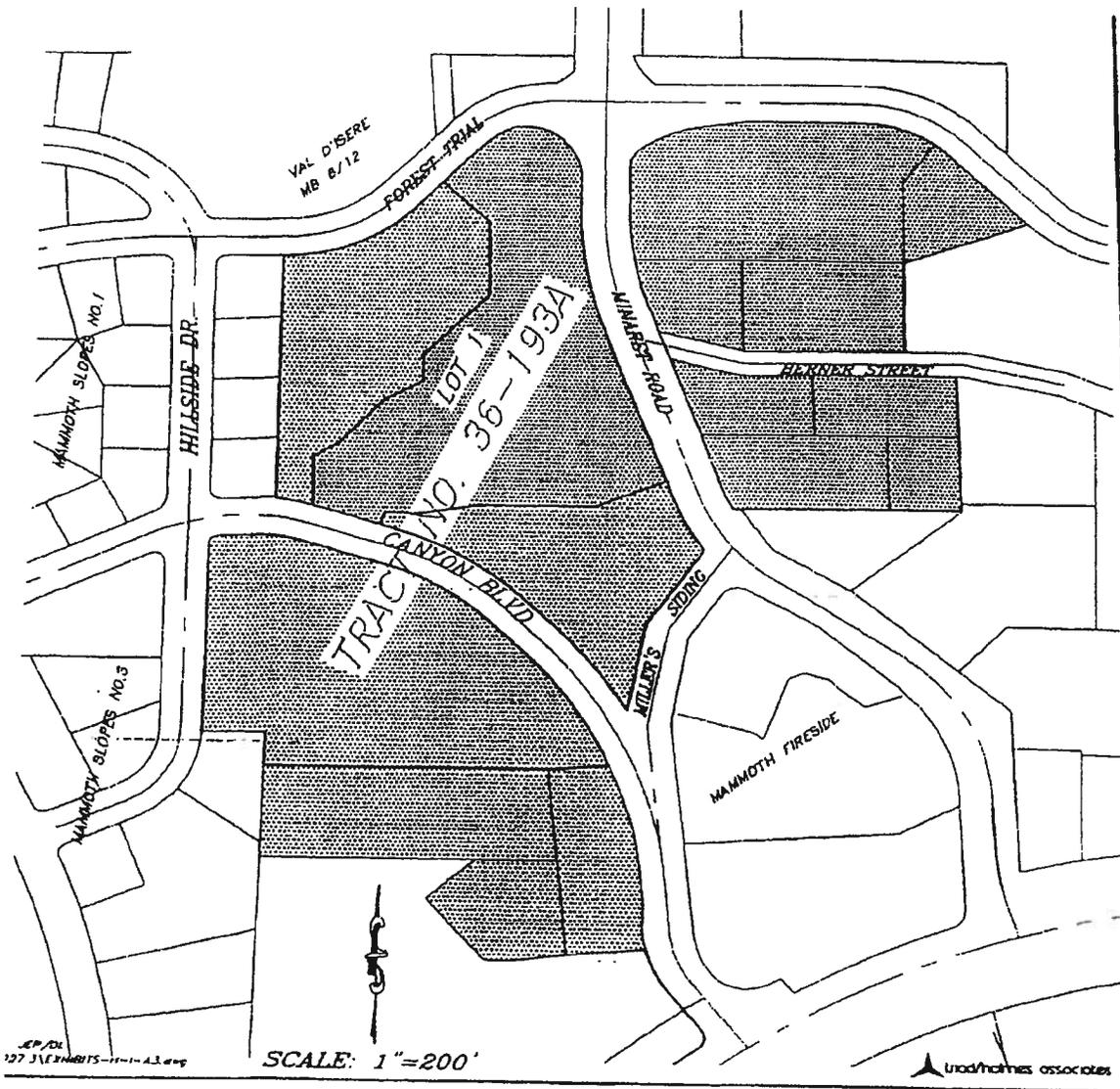


EXHIBIT A-3
THE CREST PARCEL
PLAT MAP

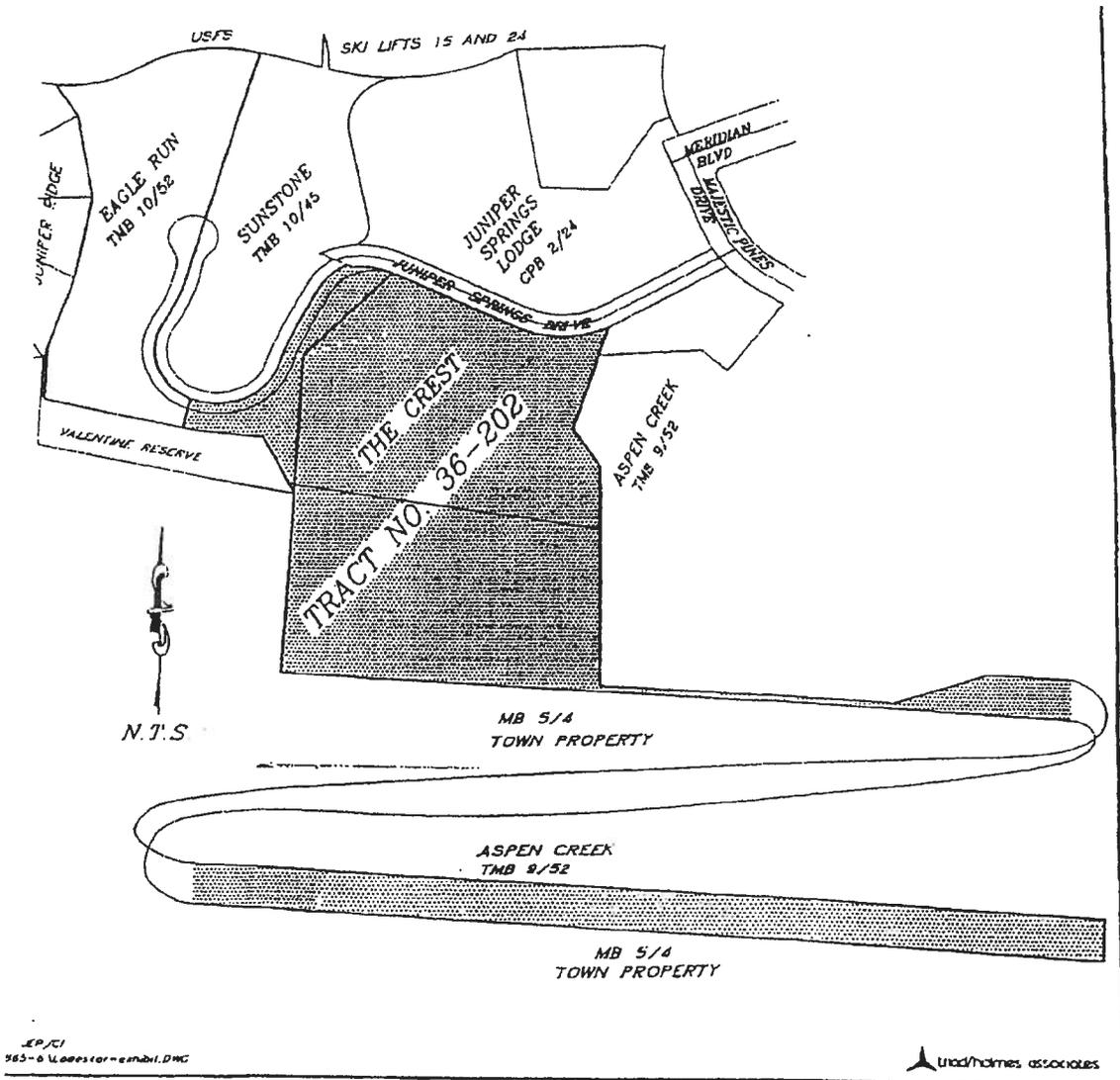


EXHIBIT A-4
THE BRIDGES PARCEL
PLAT MAP

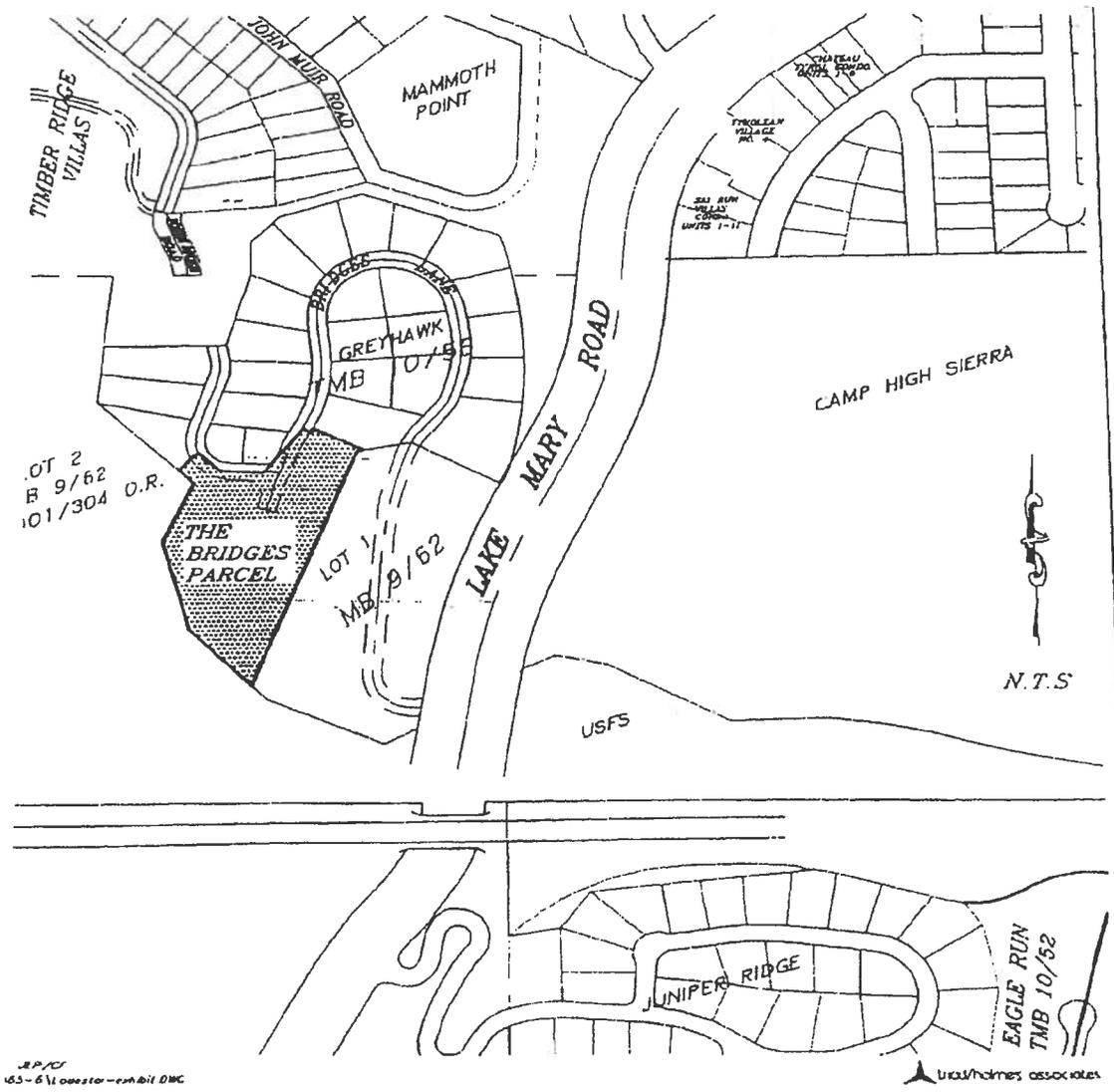


EXHIBIT A-5
CANYON LODGE PARCEL
PLAT MAP

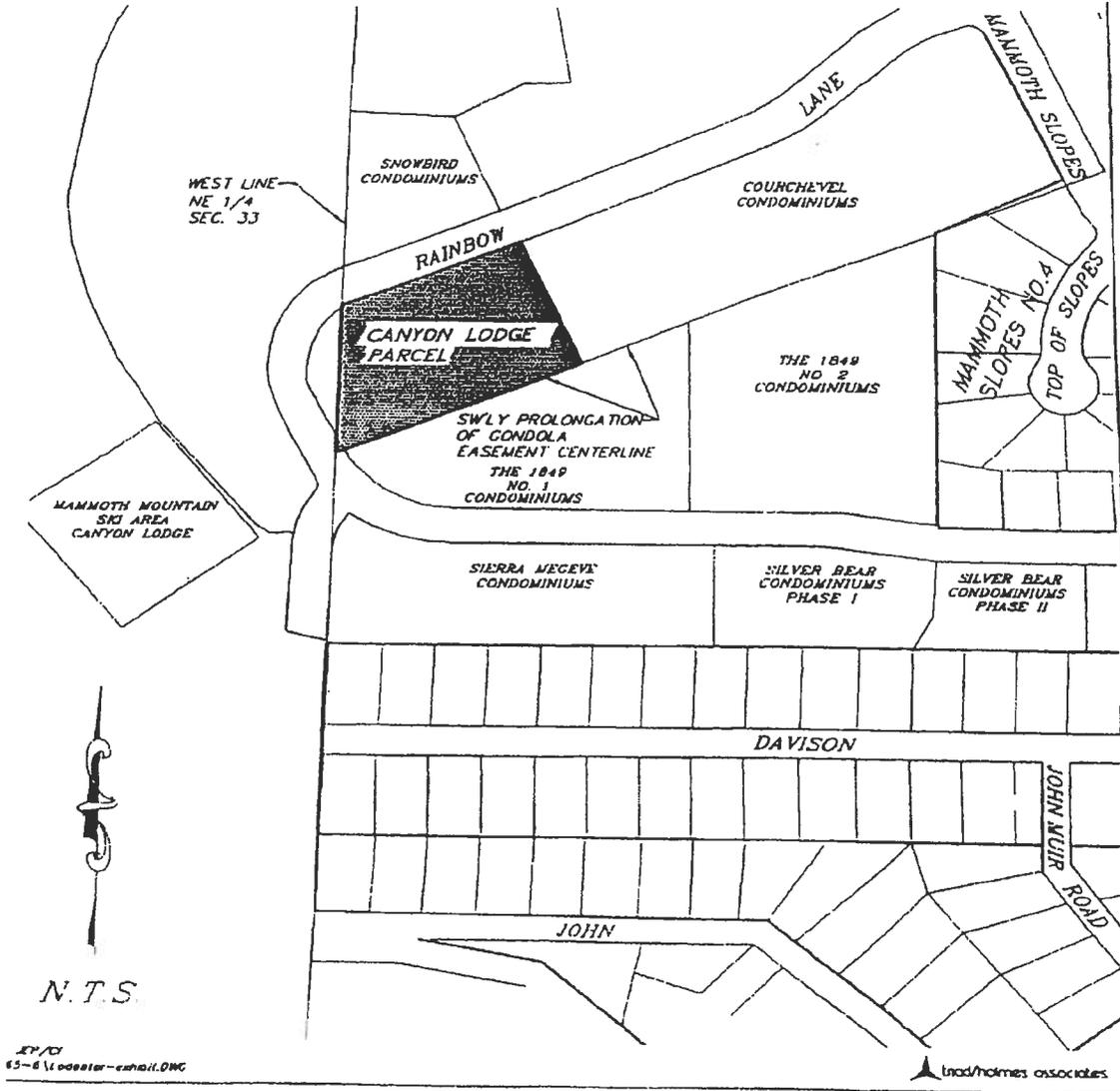


EXHIBIT A-6
TWIN LAKES COURT
PLAT MAP

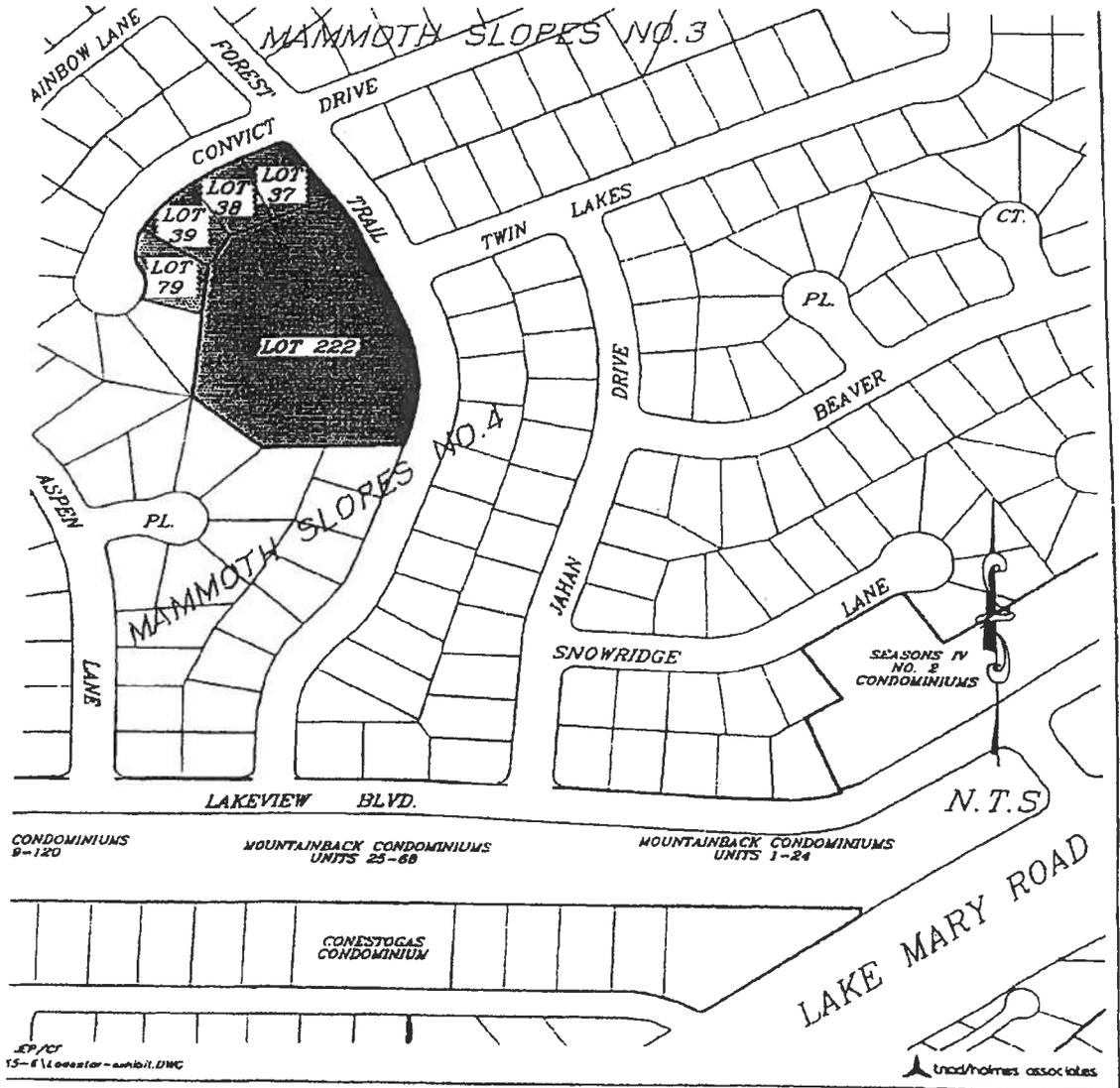
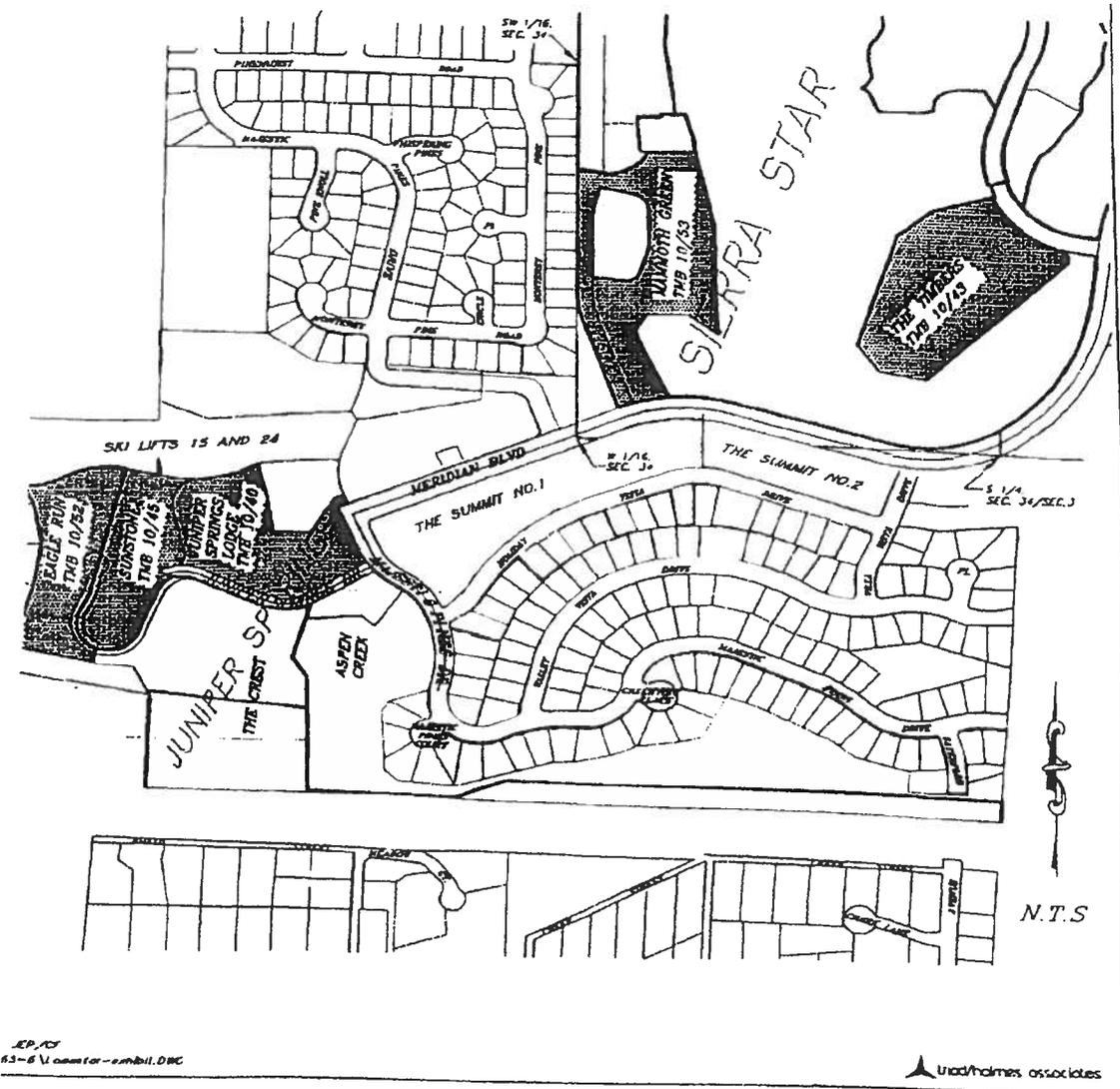
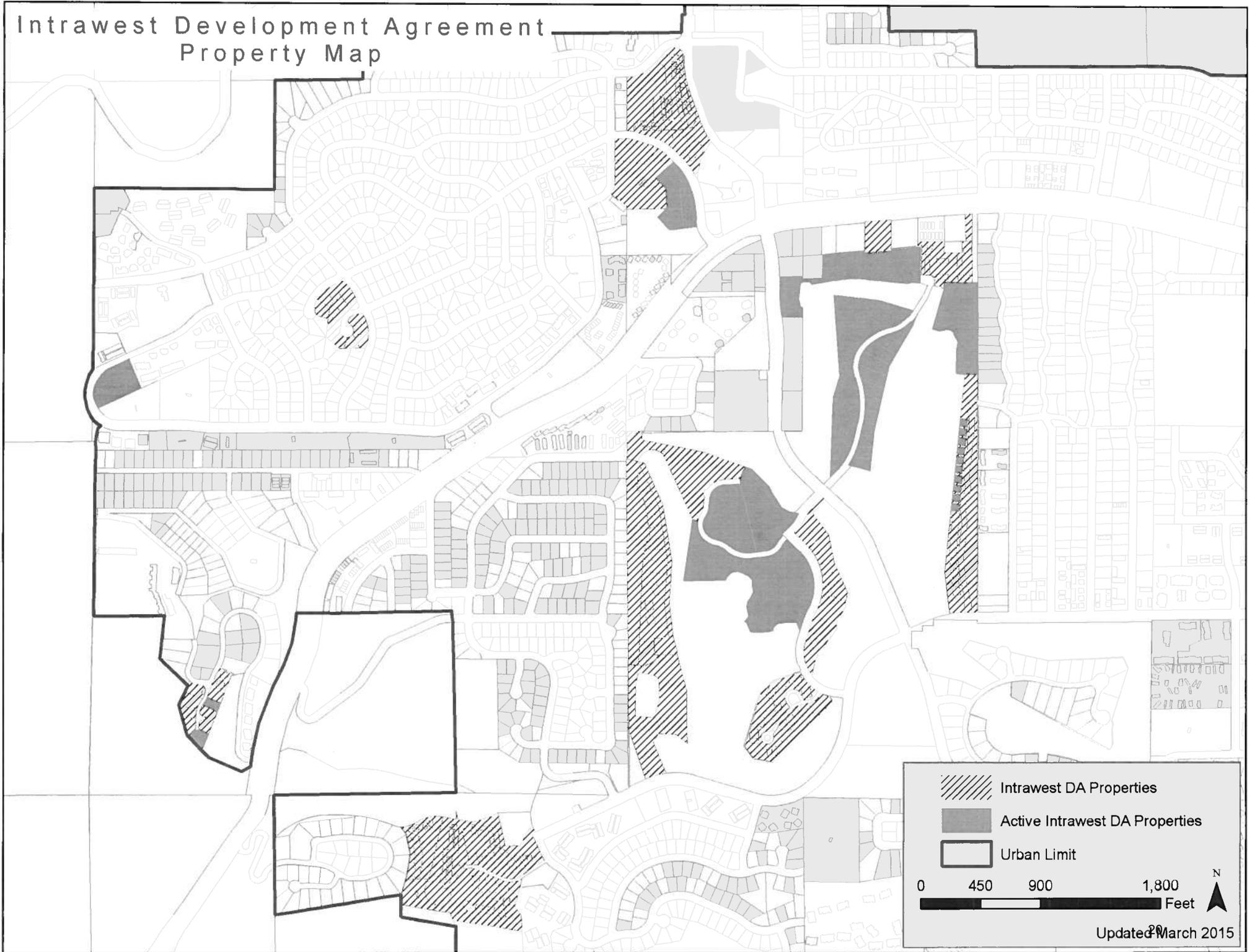


EXHIBIT B-2

**PREVIOUSLY DEVELOPED PROJECTS
PLAT MAP**



Intrawest Development Agreement Property Map



SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE

This Settlement Agreement and Mutual General Release (the "Agreement") is entered into and made effective on February 17, 2010 (the "Effective Date"), by and between the Town of Mammoth Lakes, a municipal corporation (the "Town") and Intrawest California Holdings, Inc., a California corporation ("Intrawest"), with reference to the following recitals:

RECITALS

A. The Town is the governing body for Mammoth Lakes, California and is charged with the oversight and approval of all development activities within the jurisdiction of the Town.

B. Intrawest and its Affiliates have developed several resort condominium, townhome, commercial, and related projects in Mammoth Lakes (the "Development Projects"). For purposes of this Agreement, "Affiliate(s)" means any entity which Intrawest formed, owned, or controlled which owned and/or developed one or more of the Development Projects including, but not limited to, any and all "Intrawest Affiliate(s)," as that term is defined in the Development Agreement that is defined in Recital C below. Intrawest and its Affiliates are hereafter collectively referred to as "Intrawest."

C. In connection with Intrawest's development activities, The Town and Intrawest entered into a Development Agreement (the "Development Agreement") which became effective as of February 15, 2002, pursuant to Ordinance No. 02-01 of the Town Council for the Town, adopted on January 16, 2002.

D. In connection with Intrawest's request for approval of Tentative Tract Map 36-202 for the Juniper Crest townhome project, the Planning Commission for the Town issued Resolution No. PC 2001-41, which set forth the conditions of approval for the use permit for that project. Condition number 19 ("Condition 19") provides that Intrawest shall construct a bridge crossing at Sherwin Street (the "Sherwin Street Bridge"). Condition 19 also requires Intrawest to construct a bridge crossing at Waterford Avenue, which will require two bridges and a connecting pathway (the "Waterford Bridges"). Intrawest's obligations pursuant to Condition 19, including the construction of the Sherwin Street Bridge and the Waterford Bridges, are collectively referred to in this Agreement as the "Bridge Obligations."

E. On June 22, 2006, the Town issued Restricted Improvement Permit No. GP 2005-17 (the "Grove Road Permit") to Intrawest for the construction of the roadway commonly known as the "2A Roadway" or "Grove Road" ("Grove Road") located in Mammoth Lakes, California. The Grove Road Permit required Intrawest to construct Grove Road in accordance with the approved plans (the "Grove Road Obligations"). Intrawest obtained a performance bond (the "Grove Road Bond") to guarantee that it would satisfy the Grove Road Obligations. On or around October 17, 2007, Intrawest applied the last seven loads of asphalt to the northern and central portions of Grove Road. The Town expressed concerns that these last seven loads of asphalt would not cure properly due to the weather conditions that prevailed when they were applied to Grove Road. Therefore, the Town would not agree to release the Grove Road Bond.

F. Pursuant to the Town's approvals for Use Permit Application 97-13 and Use Permit Application 99-9, the Town required Intrawest to construct two transit shelters (the "Transit Shelter Obligations"). Intrawest obtained two performance bonds (the "Transit Shelter Bonds") to secure its performance of the Transit Shelter Obligations. Intrawest has not constructed the transit shelters.

G. Intrawest obtained Use Permit 02-06 for the construction of an affordable housing project located at 3827 Main Street, Mammoth Lakes, California, which is commonly known as the "Chutes". The Town Council for the Town passed resolution No. 02-74 establishing the conditions of approval for the Chutes. Condition number 24 ("Condition 24") required Intrawest to contribute \$38,000.00 (the "Recreation Facility Contribution") toward a shared recreation amenity serving all of the resident housing projects in the Sierra Star area of the Town, as part of an overall housing strategy. Intrawest obtained a performance bond to secure its performance of Condition 24 (the "Recreation Facility Bond"). Intrawest transferred title to its Sierra Star properties to a third party prior to the construction of the recreation facility and has not made the Recreation Facility Contribution.

H. On November 18, 1998, the Planning Commission for the Town, by Resolution 420-20 (the "Kitzbuhel Approval"), granted Intrawest's request to convert the Kitzbuhel Lodge, located on Berner Street in Mammoth Lakes, to affordable housing apartments in order to meet a portion of Intrawest's affordable housing mitigation requirements generated by Intrawest's development activities in connection with UPA 97-3 (Timbers at Sierra Star), UPA 98-7 (Sunstone at Juniper Springs), and UPA 98-9 (Sierra Star Golf Course Clubhouse). As a condition of approval, the Planning Commission required Intrawest to record a covenant against the Kitzbuhel property that would restrict rental rates to affordable rates under applicable legislation. Intrawest used the Kitzbuhel property to provide mitigation for 17 EHUs of medium-income affordable rental housing, as those terms had been defined by the Municipal Code for the Town, Chapter 17.36 (the "Affordable Housing Mitigation Regulations"). Intrawest did not record the restrictive covenant against the Kitzbuhel property, however, and the Kitzbuhel has fallen into disrepair and has become uninhabitable. The Town has demanded that Intrawest bring the Kitzbuhel property back into compliance with the Kitzbuhel Approval and record the restrictive covenant. Intrawest's obligations under the Kitzbuhel Approval and the Affordable Housing Mitigation Regulations are collectively referred to in this Agreement as the "Kitzbuhel Obligations."

I. The Final Environmental Impact Report for the North Village Specific Plan ("NVSP"), Mitigation measure 5.10-1a, required each project governed by the NVSP to contribute a fair share financial contribution for an emergency services facility (the "Emergency Facility Fee"). The Town charged the Emergency Facility Fee in connection with building permits issued for Intrawest's White Mountain Lodge, Lincoln House, and Grand Sierra Lodge projects. Intrawest disputed the calculation of the Emergency Facility Fee imposed by the Town and posted a performance bond (the "Emergency Facilities Fee Bond") to secure payment of the Emergency Facility Fee pending a resolution with the Town regarding the amount of the fee.

J. Intrawest has divested the majority of its interests in Mammoth Lakes, California and desires to satisfy all of its outstanding obligations to the Town in connection with Intrawest's development activities.

K. The Town has requested that Intrawest satisfy its outstanding obligations to the Town by complying with the remaining requirements imposed upon Intrawest in connection with Intrawest's development activities, including, but not limited to: (i) the Bridge Obligations; (ii) the Grove Road Obligations; (iii) the Transit Shelter Obligations; (iv) the Recreation Facility Contribution; (v) the Kitzbuhel Obligations; and (vi) the Emergency Facilities Fee (collectively, but not expressly limited to the foregoing, the "Town's Claims").

L. A dispute developed between Intrawest and the Town concerning the Town's Claims, Intrawest's claims, and the potential causes of action, remedies, and defenses available to Intrawest and the Town, respectively, as a result. Any and all prior or existing disputes, disagreements, allegations, claims, counterclaims, and defenses between Intrawest and the Town in any way related to Intrawest's development activities in the jurisdiction of the Town, including, but not limited to the Town's Claims, Intrawest's claims, and any claims arising out of or under or otherwise pertaining to the Development Agreement, are collectively referred to as the "Dispute."

M. Intrawest and the Town desire to settle the Dispute according to the terms and conditions of this Agreement.

NOW, THEREFORE, Intrawest and the Town agree as follows:

AGREEMENT

1. Payment for Release of the Bond Obligations. On or before February 18, 2010, Intrawest shall pay the Town Three Hundred Thirty-Eight Thousand Dollars (\$338,000.00) to fully satisfy all of its obligations in any way related to the Emergency Facility Bond, the Transit Shelter Bonds, and the Recreation Facility Bond.

2. Payment for Release of the Bridges Obligations. On or before February 18, 2010, Intrawest shall pay the Town Two Hundred and Thirty-Seven Thousand Dollars (\$237,000.00) to fully satisfy the Bridge Obligations.

3. Grove Road Bond Reduction and Indemnity Agreement. Within 15 days after the Effective Date, Intrawest and the Town shall take all steps necessary to reduce the face amount of the Grove Road Bond to One Hundred Thousand Dollars (\$100,000.00) (the "Reduced Grove Road Bond"). In addition, Intrawest has agreed to defend, indemnify, and hold the Town financially free and harmless from and against any potential claims by any third party in any way related to a claim that the Town should not have approved Grove Road because one or more of the last seven loads of asphalt applied to Grove Road did not cure properly due to the weather conditions that prevailed when the asphalt was applied. Accordingly, concurrently with the execution of this Agreement, the Town and Intrawest shall execute the Indemnity Agreement which is attached as Exhibit A and incorporated into this Agreement.

4. The Kitzbuhel Obligations. Within 15 days after the Effective Date, the Town and Intrawest shall execute a restrictive covenant, for recordation in the Official Records of Mono County, which confirms that as a condition precedent to the issuance of any Certificate of Occupancy for the Kitzbuhel property, the owner of the Kitzbuhel property must supply a total of 17 EHUs of medium-income affordable housing on the Kitzbuhel Property, or elsewhere within the Town of Mammoth Lakes in any zone that otherwise allows for affordable housing (a "Suitable Property"). In this regard, Intrawest may transfer the restrictive covenant to any Suitable Property, and the Town shall cooperate in any manner, and sign any documents, that may be reasonably required to effectuate the transfer of the restrictive covenant. Upon recordation of the restrictive covenant, Intrawest shall have fully satisfied the Kitzbuhel Obligations and shall have no further obligations related to the Kitzbuhel Approval. The Town further agrees not to pursue any claims for condemnation or nuisance (pursuant to Municipal Code section 8.20.020 B or L) against the Kitzbuhel property or its owner for a period of 10 years from the Effective Date; provided, however, that all buildings on the Kitzbuhel property shall remain closed to the public and securely locked throughout that time period. Notwithstanding the foregoing, Intrawest shall maintain the building and premises in a safe and secure manner throughout the ten-year period so as not to allow the building and premises to become detrimental to the public's health and safety. Should general maintenance not meet the requirements of the Municipal Code, then the Town may use all remedies available to it to bring the site into conformance with those requirements.

5. Release of Bonds. No later than 100 days after receiving the payments from Intrawest referred to in paragraphs 1 and 2 of this Agreement, the Town agrees to take any and all actions that may be required to fully release the Emergency Facilities Bond, the Transit Shelter Bonds, the Recreation Facility Bond, the Reduced Grove Road Bond, and all other bonds in the Town's possession that are in any way related to Intrawest's development activities in Mammoth Lakes (collectively, the "Outstanding Bonds"). Notwithstanding the foregoing, if Intrawest files a petition for relief or reorganization pursuant to United States Bankruptcy laws within that 100-day period, then the Town shall have no obligation to take any action to release any of the Outstanding Bonds unless and until no legal claim by the debtor, debtor-in-possession, trustee, or third party creditor for turnover or return of the funds exists.

6. Waiver and Release of All Claims Related to the Development Agreement. The Town waives and releases Intrawest from all obligations in any way related to the Development Agreement. The Development Agreement shall remain in full force and effect, however, only to the extent that its terms pertain to any of Intrawest's successors in interest.

7. Mutual General Release. The parties intend this Agreement to be a global settlement of all claims and issues between the parties, whether or not expressly identified in this Agreement. In furtherance of this intent, Intrawest and the Town agree to waive all of their respective claims in any way related to the Dispute as follows:

7.1 The Town's General Release. The Town now and forever waives, releases, and agrees not to sue Intrawest and/or its past and present general partners, limited partners, directors, officers, managers, shareholders, employees, agents, sureties, insurance carriers, attorneys, predecessors, successors, assigns, subsidiaries, parent corporations, and

representatives from, any known or unknown claims that it may now have or may have at any time in the future in any way related to the Dispute. In this regard, the Town specifically waives the provisions of Civil Code Section 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

7.2 Intrawest's General Release. Intrawest now and forever waives, releases, and agrees not to sue the Town and/or its past and present officers, managers, employees, agents, sureties, insurance carriers, attorneys, predecessors, successors, assigns, subsidiaries, parent corporations, affiliated corporations, and representatives from, any known or unknown claims that it may now have or may have at any time in the future in any way related to the Dispute. In this regard, Intrawest specifically waives the provisions of Civil Code Section 1542 which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

8. Miscellaneous.

8.1 Recitals are True and Incorporated in this Agreement. All of the recitals set forth above are true and incorporated by this reference as though set forth fully in this Agreement.

8.2 Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

8.3 Law Governing Agreement; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The venue of any dispute related to this Agreement shall be Mono County, California.

8.4 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of each of the parties.

8.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the matters contained in this Agreement. No representation, warranties, or oral agreements with respect to the settlement of the Dispute or other matters set forth in this Agreement which are not part of this Agreement shall be of any force or effect.

8.6 Authority. This Agreement is entered into by the parties freely and voluntarily and with the advice of counsel. Each signatory warrants that the person signing below is authorized to sign this Agreement on its behalf.

8.7 Joint Preparation. The parties have been represented by counsel in the negotiation of the terms of this Agreement and have jointly prepared this Agreement. The provisions of Civil Code Section 1654 shall not apply to the interpretation of this Agreement.

8.8 Amendment and Waiver. The terms of this Agreement may not be amended or waived without a written agreement executed by all of the parties.

8.9 Counterparts. This Agreement may be executed in counterparts.

8.10 Remedies Cumulative. Any and all remedies provided by this Agreement, operation of law, or otherwise, shall be deemed cumulative, and the choice or implementation of any particular remedy shall not be deemed to be an election or remedies to the mutual exclusion or any other remedy provided for in this Agreement, by operation of law, or otherwise.

8.11 Attorneys' Fees and Costs. If a dispute arises to enforce or interpret any term of this Agreement, then the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred, including any fees or costs incurred on appeal or in any effort to enforce a judgment.

8.12 Future Cooperation. Each party agrees to fully cooperate with the other party, and agrees to sign any and all documents reasonably required or advisable, in order to fully accomplish the purpose and intent of this Agreement.

WHEREFORE, Intrawest and the Town have executed this Agreement to be effective on the Effective Date.

Intrawest California Holdings, Inc., a California corporation

By: 
Name: Joe Walsh
Title: Senior Vice-President

Town of Mammoth Lakes, a California municipal corporation

By: _____
Name: Robert F. Clark
Title: Town Manager

8.8 Amendment and Waiver. The terms of this Agreement may not be amended or waived without a written agreement executed by all of the parties.

8.9 Counterparts. This Agreement may be executed in counterparts.

8.10 Remedies Cumulative. Any and all remedies provided by this Agreement, operation of law, or otherwise, shall be deemed cumulative, and the choice or implementation of any particular remedy shall not be deemed to be an election or remedies to the mutual exclusion or any other remedy provided for in this Agreement, by operation of law, or otherwise.

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WHEREFORE, Intrawest and the Town have executed this Agreement to be effective on the Effective Date.

Intrawest California Holdings, Inc., a California corporation

By: _____
Name: Joe Walsh
Title: Senior Vice-President

Town of Mammoth Lakes, a California municipal corporation

By:  _____
Name: Robert F. Clark
Title: Town Manager

EXHIBIT A

GROVE ROAD INDEMNITY AGREEMENT

This Road Indemnity Agreement ("Agreement") is entered into and made effective on February 17, 2010 (the "Effective Date"), in Mammoth Lakes, California, by and among Intrawest California Holdings, Inc., a California corporation ("Intrawest") and the Town of Mammoth Lakes, a municipal corporation ("Town"), with reference to the following recitals.

RECITALS

A. On June 22, 2006, the Town issued Restricted Improvement Permit, No. GP 2005-17 (the "Permit") to Intrawest for the construction of the roadway commonly known as the "2A Roadway" or "Grove Road" ("Grove Road") located in Mammoth Lakes, California. Intrawest ultimately, through one or more transactions, conveyed Grove Road to the successor-in-interest to Intrawest under the Permit.

B. The Permit required Intrawest to construct Grove Road in accordance with the approved plans (the "Plans"). Intrawest obtained a performance bond (the "Bond") to guarantee that it would complete Grove Road in accordance with the Plans.

C. On or around October 17, 2007, Intrawest applied the last seven loads of asphalt to the northern and central portions of Grove Road, between "Station 10+30" and "Station 25+00". The Town expressed concerns, however, that the asphalt would not cure properly due to the weather conditions that prevailed when those last seven loads were applied to Grove Road. Therefore, the Town would not agree to release the Bond.

D. In response to the Town's concerns, Intrawest obtained a certification from CFA, the engineer of record, which verified Grove Road to be in substantial conformance with the Plans. In addition, Intrawest obtained an opinion letter from Sierra Geotechnical Services, Inc. ("SGSI") which opined that the Road will perform as intended and does not need to be replaced.

E. Notwithstanding the CFA certification and SGSI's opinion letter, the Town expressed concerns that a third party might assert a claim against the Town on the theory that the Town should not have approved Grove Road because one or more of the last seven loads of asphalt, that were applied between "Station 10+30" and "Station 25+00", as identified on the attached map, did not cure properly due to the weather conditions that prevailed when the asphalt was applied.

F. The Town and Intrawest have agreed to take all steps necessary to reduce the face amount of the Bond to One Hundred Thousand Dollars (\$100,000.00) (the "Reduced Bond") within 15 days of the Effective Date. To induce the Town to release the Reduced Bond, Intrawest has agreed to indemnify the Town as provided in this Agreement.

G. The Town has agreed to release the Reduced Bond on the condition that Intrawest provide the indemnities contained in this Agreement.

NOW, THEREFORE, the Town and Intrawest agree as follows:

AGREEMENT

1. **Indemnification.** Intrawest agrees to defend, indemnify, and hold the Town, its elected and appointed officials, and its employees, agents, consultants, contractors, sub-contractors, and representatives (collectively, "Indemnitees") financially free and harmless from and against any and all claims, demands, actions, and/or liability incurred, including attorneys' fees and court costs, asserted by any third party in any way related to a claim that the Town should not have approved the construction of Grove Road because one or more of the last seven loads of pavement that were applied to Grove Road, between "Station 10+30" and "Station 25+00", as identified on the attached map, did not cure properly due to the weather conditions that prevailed when those last seven loads were applied.

2. **Release of the Bond.** Within 100 days after the Effective Date, the Town shall take all steps required to cause the Reduce Bond to be released in its entirety.

3. **No Implied Acceptance of the Road.** Nothing in this Agreement implies that the Town has accepted the Road as being in accordance with the Plans.

4. **Attorneys' Fees.** If a dispute arises to enforce or interpret any term of this Agreement, then the prevailing party or parties in any such dispute shall be entitled to recover from the losing party all reasonable attorneys' fees and costs incurred, including any fees and costs incurred on appeal or in any effort to enforce a judgment.

5. **Entire Agreement.** This Agreement and the exhibits attached constitute the entire Agreement between the parties and supersede all agreements, representations, warranties, statements, promises, and understandings, whether oral or written, with respect to the subject matter of this Agreement.

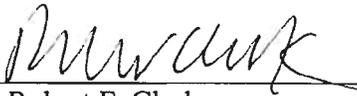
6. **Further Assurances.** Each party to this Agreement agrees to execute and deliver all documents, to perform all further acts, and to take any and all further steps that may be reasonably necessary to carry out the provisions of this Agreement.

7. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8. **Recitals are True.** The parties acknowledge and agree that the recitals are true and are incorporated into this Agreement.

WHEREFORE, the parties have executed this Agreement to be effective on the Effective Date.

Town of Mammoth Lakes,
a municipal corporation,

By: 
Name: Robert F. Clark
Title: Town Manager

Intrawest California Holding, Inc.,
a California corporation

By: _____
Name: Joe Walsh
Title: Senior Vice-President

WHEREFORE, the parties have executed this Agreement to be effective on the Effective Date.

Town of Mammoth Lakes,
a municipal corporation,

By: _____
Name: Robert F. Clark
Title: Town Manager

Intrawest California Holding, Inc.,
a California corporation

By:  _____
Name: Joe Walsh
Title: Senior Vice-President

Accumulated DIF Credit

APN	Project Name	Date Submitted for Plan Check	Date Permit Issued	Permit Numbers	Street & Traffic Signals	Storm Drainage Facilities
33-360-11	Cabins	6/25/2003	10/29/2003	2003-678 thru 682	\$ (16,850.88)	\$ (16,382.60)
32-100-05	Juniper Crest I/II	2/22/2002	2/27/2003	2003-56 thru 2003-67	\$ (18,957.24)	\$ (18,430.47)
33-330-36	Solstice I	6/14/2004	10/8/2004	2004-597, 598, 599, 600, 601	\$ (33,492.75)	\$ (17,492.00)
33-330-36	Solstice II (BP2005-476 thru 2005-481)	10/26/2004	9/29/2005	Withdrawn; refunded 11/21/08	\$ -	\$ -
33-100-19	The Chutes (Project Sierra Housing)	1/22/2003	6/19/2003	2003-298	\$ (45,746.05)	\$ (23,891.35)
33-330-04	Timbers I/II		4/27/1999	1999-163, 1998-598, 1998-599,	\$ (21,515.94)	\$ (18,565.78)
			9/23/1998	1998-639, 1998-640, 1999-164,		
			10/8/1998	1999-165, 1998-641, 1998-642,		
			4/19/2000	1999-166, 1999-167, 2000-168,		
			9/15/1999	2000-169, 1999-587, 2003-402,		
			7/29/2003	2003-403		
33-020-04	Village, W-1, Grand Sierra Lodge	1/15/2003	4/30/2003	2003-160	\$ (277,420.90)	\$ (74,025.90)
33-020-04	Village, W-2, White Mountain Lodge	6/22/2001	10/3/2001	2001-596	\$ (204,239.59)	\$ (78,440.83)
33-020-04	Village, W-3, Lincoln House	6/22/2001	10/3/2001	2001-597	\$ (146,532.85)	\$ (60,730.17)
31-110-32	Westin	4/1/2005	6/23/2005	2005-208	\$ (385,112.00)	\$ (73,899.00)
	Woodwinds				\$ (50,540.00)	\$ (70,588.00)
	Storied Places (Altis)	(Withdrawn by Benno Nager)			\$ -	\$ -
	4-B (San Joaquin Villas)				\$ (182,936.00)	\$ (40,768.00)

\$(1,383,344.20) \$ (493,214.10) \$ (1,876,558.30)

Accumulated DIF Credit per Public Works Engineering	\$ (2,461,668.00)
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Credit Remaining	\$ (585,109.70)
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INTRAWEST HOUSING MITIGATION
Revised February 2015

Project Requiring Mitigation	Number of EHU's Required	Mitigating Project	Number of EHU's Assigned to Mitigating Project	Other Mitigation Provided	Balance of Mitigating EHU's Required	Application No.'s	PC Resolution No.	PC Date
Altis Townhomes (2 Duplexes) ¹	1	Chutes	1		0	TTM 36-249, UPA 07-13	08-17	5/28/2008
Altis Single Family Lots ²	0.2	Chutes	0.2		0	DZA 12-001, TTM 12-001	TC Reso 12-65	9/19/2012
Cabins at Crooked Pines	5.9	Chutes	5.9		0	TTM 36-204, UPA 01-09	02-01	1/9/2002
Crooked Pines Homesite (Fairway 4)	0.2	Chutes	0.2		0	TTM 36-204, UPA 2001-09	02-01	1/9/2002
Eagle Run (Juniper Ridge Master Plan)	9	Chutes	9		0	TTM 36-190, UPA 99-03	99-38	9/8/1999
Juniper Crest	6.6	Chutes	6.6		0	TTM 36-202, UPA 01-08	01-41	11/28/2001
Solstice Phase I ³	6	Chutes	6		0	TTM 36-212, UPA 2004-07	04-31	5/26/2004
Graystone (Solstice Phase II site) ⁴	NA	NA	NA	Fees paid at building permit	NA	Graystone - TTM 13-001	13-09	10/9/2013
Woodwinds (Fairway 4&5)	6.9	Chutes	6.9		0	Solstice II - TTM 36-212, UPA 2004-07	04-31	5/26/2004
Lincoln House (Village Phase 1) (including commercial)	23.7							
White Mountain Lodge (Village Phase 1) (including commercial)	31.1							
Grand Sierra Lodge (Village Phase 1) (including commercial)	28.1	Chutes	41	Existing credits for existing uses in the Village area (66.8 FTEE -> 39.1 EHU's)	2.8	TTM 36-193A,B,C, UPA 2000-13	00-59, 00-60, 01-17, 01-18	12/15/2000, 5/23/2001
Timbers - Sector 5 H	2.5	Chutes	2		-0.5			
Sierra Star Golf Course (Club House)	5.5	Kitzbuhel	1			TTM 36-182, UPA 97-13	98-15	4/22/1998
Sunstone	11.5	Kitzbuhel	5.5		0	UPA 98-09	99-02	2/10/1999
Westin (Monache)	57	Kitzbuhel	11.5		0	DZA 98-2, TTM 36-184, UPA 98-7	98-50	12/18/1998
		San Joaquin Villas	57		0	TTM 36-210, UPA 04-03	04-34	6/9/2004
Gray Bear (Bungalows site) ⁵	NA	NA	NA	Fees paid at building permit	NA	Gray Bear - TTM 14-001, UPA 14-002	14-06	7/23/2014
		San Joaquin Villas	60	If the 4A project is not ready for occupancy when South Hotel CofOs requested, an AHMP shall be reviewed and approved by PC		Bungalows - TTM 36-242, UPA 2006-12	06-35	11/8/2006
South Hotel*	76.62	Area 4A Project TBD	16.62		0	TTM 36-234, UPA 2005-08	06-37	12/13/2006
Juniper Springs Lodge	28	Sherwin Apartments	20	\$24,000 given to IMACA for the Glass Mountain Apartments (considered to satisfy remainder of requirement)	0	TTM 36-181, DZA 97-02, UPA 97-08	97-36	9/24/1997
Mammoth Green (Fairway 3)	2.7	N/A	0	Paid \$19,480 into the Affordable Housing Mitigation Fund	-0.3	TTM 36-191, UPA 99-09	99-42	10/13/1999
Total	302.5		250.4		2.0			

*Entitled; not built.

Project Name	EHU Capacity	Number of EHU's Assigned	Balance of Mitigating EHU's Available
Chutes (Main St. Affordable Housing) ⁶	101.0	78.8	22.2
Kitzbuhel ⁷	17.0	18.0	(1.0)
Sherwin Apartments	20.0	20.0	0.0
San Joaquin Villas (Area 4B) ⁸	96.0	117.0	(21.0)
TBD (Lodestar MP Area 4A) ⁹	0.0	16.6	(16.6)
Total	234.0	250.4	-16.4

EHU Credits Remaining -18.4

Unentitled properties:

Rainbow Lane/Canyon Lodge
North Hotel
Lodestar Area 1 - MMSA Property
Lodestar Area 2 - Various Properties
Lodestar Area 5 - Various Properties

¹ (.42 FTEE/unit)*4 units*58.5% = .983 =1 EHU.

² If assume 3,000s.f. homes on each of the 9 lots, 0.2 EHU's required (9*3000sf*.00001 FTEE/sf*58.5% = 0.16 = 0.2 EHU's); this will need to be updated as homes are built.

³ Solstice TTM superseded Evergreen TTM 36-192, PC Reso 00-02.

⁴ FTM 13-001, Graystone, subdivided the Solstice Phase II property into 7 SFR lots. As building permits for these homes are issued, the affordable housing fee is being paid; no EHU credits being used.

⁵ FTM 14-001, Gray Bear, subdivided the Bungalows property into 12 SFR lots. As building permits for these homes are issued, the affordable housing fee is being paid; no EHU credits being used.

⁶ Chutes PC 02-31, UPA 02-06.

⁷ 17 EHU's per restrictive covenant, recordation No. 2012006021.

⁸ 150 EHU's were constructed of which 96 were assigned to IntraWest for their mitigation use (PC Resolution 05-22, UPA 2004-23).

⁹ To date, no affordable housing project has been entitled or built for Lodestar Master Plan Area 4A (Note this area is now part of Area 2 per DZA 12-002). Capacity TBD.