



**TOWN OF MAMMOTH LAKES
COMMUNITY DEVELOPMENT DEPARTMENT
P.O. Box 1609
437 Old Mammoth Road, Suite R
Mammoth Lakes, CA 93546**

**SNOWCREEK DEVELOPMENT AGREEMENT
OPERATING MEMORANDUM NO. 1**

This document is Operating Memorandum No. 1 to the Snowcreek Development Agreement (DA), in accordance with DA Section 7.1.

Section 2.2.1.b of the Snowcreek DA requires the Developer to have recorded a real estate conveyance document, whether a grant deed, a conservation easement or another legal mechanism reasonably approved by the Town Attorney, to permanently protect the Mammoth Creek Open Space Corridor by July 23, 2012.

However, Section 11.15 of the DA identifies that performance by any Party shall not be deemed to be in default where unavoidable delays or events occur. Unavoidable delays or events include market forces beyond the Parties' control. Upon the occurrence of an unavoidable event, the time for performance shall be extended for the duration of the unavoidable delay.

Snowcreek VIII Mitigation Measure BIO-4a requires the applicant to purchase or contribute funds to purchase a conservation easement on property(ies) that contain important lands for the Round Valley mule deer herd or any other migratory mule deer herd within the Mammoth Lakes vicinity as determined by California Department of Fish and Game (CDFG). In lieu of providing replacement land, the CDFG may approve an in lieu protection program. Satisfaction of this mitigation measure is required prior to the onset of construction activities associated with the development of the new golf course. The Developer intends to utilize the Mammoth Creek Open Space Corridor to satisfy this mitigation measure requirement.

Both Parties agree that the Great Recession and continued economic downturn constitute market forces beyond the Parties' control, which have delayed the development of the Snowcreek VIII Project, including the new golf course. Therefore, the deadline for Snowcreek Investment Company to comply with Section 2.2.1.b is extended for two years, until July 23, 2014, or the commencement of construction for the new golf course, whichever comes first. The Parties acknowledge that execution of this Operating Memorandum No. 1 does not constitute an amendment to the DA, and is merely a recognition that "market forces beyond the Parties' control" pursuant to section 11.15 of the DA have necessitated extension of this deadline.

THE TOWN OF MAMMOTH LAKES,
a municipal corporation

By:

David Wilbrecht
David Wilbrecht, Town Manager

Date:

9/28/12

SNOWCREEK INVESTMENT COMPANY
a California limited partnership

By: Chadmar SIC Partners LLC, its general partner
Chadmar, Inc., its manager

By:

Charles R. Lande
Charles R. Lande

Date:

10.9.12