



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

016 059

OCT 06 2015

BOARD LETTER APPROVAL

MARTIN L. ADAMS
Senior Assistant General Manager
Water System

MARCIE L. EDWARDS
General Manager

DATE: August 25, 2015

SUBJECT: Sale of Pumice Valley Landfill (Landfill) Property and Road Easement to Mono County

SUMMARY

The Agreement of Purchase and Sale of Real Property (Purchase Agreement) between LADWP and Mono County is for the sale of 50 acres of City of Los Angeles (City) property located at 200 Dross Road, Lee Vining, California (Property) to Mono County. In addition to the sale, the City will grant a road easement containing 3.12 acres to create legal access to Property.

LADWP's sale of Property will limit the City's liability as the landowner associated with Mono County's proposed expansion of Landfill, and resolve a permitting issue among the City, Mono County, and the State of California recycling and waste management regulator (Cal Recycle). Under Purchase Agreement, Mono County will indemnify the City and LADWP for past, current, and future liability associated with Landfill.

Council approval is required according to Charter Section 675(d)(2).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of an Ordinance authorizing the sale of Property, as required in Charter Section 675.

ALTERNATIVES CONSIDERED

1. Continue to lease to Mono County without expanding the Solid Waste Facility Permit (SWFP): Would not expose the City to any additional liability beyond what already exists, and does not resolve the compliance issues for the City or Mono County.
2. Continue to lease to Mono County and expand SWFP: Would increase risk for the City by its participation in allowing the expansion of Landfill.
3. Terminate the lease and require Mono County to close down Landfill: Will create negative social and economic impact to the local community. Closing Landfill may also result in increased illegal dumping on City property, obligating the City to clean up.
4. Sell Property to Mono County before expansion of Landfill: Transfers ownership of Property to Mono County and removes the City from continued operational involvement with Landfill. Mono County has agreed to indemnify the City for any environmental liability that arises from Mono County's use and operation of Landfill.

FINANCIAL INFORMATION

Property sale will generate revenue in the amount of \$51,500. Costs associated with the sale are estimated at \$25,000 for half the cost of obtaining an environmental assessment, survey, and appraisal report.

Appraisal by a third-party firm established the fair market value to be \$50,000 for the land and \$1,500 for the road easement, for a total of \$51,500. LADWP Real Estate staff reviewed the appraisal and supports the appraiser's value conclusion. LADWP and Mono County have agreed on the sale price of \$51,500.

BACKGROUND

Mono County is currently out of compliance with its SWFP permit for several reasons. The current operating permit was issued in 1978 for a class II sanitary landfill. Mono County is currently operating the site as a transfer station and class III landfill site, which is outside of the parameters of the 1978 permit. Under current operations, Landfill is used only minimally to prevent mandatory closure. As landowner, LADWP must sign and accept liability for SWFP issued by Cal Recycle. Mono County's request to expand operations at Landfill causes liability concerns as the City could be held liable for environmental problems associated with permitting expanded operations.

Upon sale of Property and with the City's opposition no longer an issue, Mono County can proceed with its plans to expand the Landfill's capacity, allowing it to bring the site into compliance as a class III landfill to better meet the needs of the communities it serves.

The following are the salient points behind LADWP's decision to sell Property to Mono County:

- Pumice Valley Landfill is an unlined landfill that was permitted before lining requirements were in place.
- Federal Subtitle D regulations mandate lining of the Landfill's footprint in excess of the existing pre-Subtitle D footprint.
- Due to the scheduled closing of the only other landfill in the area in 2023, Mono County is interested in expanding Landfill.
- LADWP is agreeable to sell under the condition that Mono County fully indemnify the City for all liability associated with Mono County's use and operation of Landfill.
- Mono County has agreed to indemnify the City as requested.
- Cal Recycle and the Local Enforcement Agency (LEA) imposed a compliance schedule on both Mono County (operator) and LADWP (landowner) mandating that Landfill be brought into operating compliance.
- Considering Mono County's continued need for Landfill, it is in the City's best interest to sell Property to Mono County before expansion of Landfill in order to limit the City's exposure to any further liability.
- Sale of Property to Mono County is the best way to reconcile the City's interests with their need for operating Landfill.
- Mono County and LADWP have negotiated the sale of Property with the support of Cal Recycle and LEA. Should the sale not occur, the City will need to proceed with one of the other options identified above to bring Landfill into compliance.

Property will sell without water rights. Property is located outside of the Town of Lee Vining and is currently not connected to the town water system. City has never provided water service to Property and Landfill has operated without a water source for the past 40 years.

No notable adverse environmental conditions were identified in the environmental assessment investigation performed by Kleinfelder West, Inc., a national engineering consultant hired to perform an environmental assessment of Landfill. The resulting report will be used to establish the baseline condition of Property before the sale or expansion of Landfill.

In addition, Mono County has provided an environmental disclosure from the current Solid Waste Superintendent which is attached as Exhibit C to the Purchase Agreement. The disclosure attests that a review of Mono County's records has revealed no known illegal use of hazardous substances, no evidence of contamination, and no uncorrected violations with the exception of the violations that can be resolved with the permit revision including the expansion of Landfill. It should be noted that since Landfill is unlined and has been used by the county as unsupervised public dump in the past the probable presence of household and other potentially hazardous wastes within Landfill is likely.

Upon sale of Property, Mono County will have the ability to bring Landfill into compliance without exposing the City to any further obligation for compliance with landfill operations, and the City will be indemnified for any current environmental condition(s), stemming from the period of the City's ownership, that may come to light in the future.

The Mono County Board of Supervisors approved the purchase by Mono County Resolution Nos. R15-01 and R15-59 and signed the Purchase Agreement on August 18, 2015.

In accordance with the Mayor's Executive Directive No. 4, The City Administrative Officer's (CAO) Report was approved on June 12, 2015.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA) it has been determined that the sale of Property to Mono County is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and the Agreement of Purchase and Sale of Real Property as to form and legality.

ATTACHMENTS

- Resolution
- Agreement of Purchase and Sale of Real Property
- CAO Report

RESOLUTION NO. _____

WHEREAS, the Los Angeles Department of Water and Power (LADWP) leases property owned by the City of Los Angeles (City) to Mono County for its operation of the Pumice Valley Landfill (Landfill) located at 200 Dross Road, Lee Vining, California (Property) in the County of Mono, State of California; and

WHEREAS, Mono County desires to expand its operations and capacity at the Landfill to accommodate its solid waste disposal management needs and accepts full liability for all environmental issues that arise from its use and operation of the Landfill; and

WHEREAS, LADWP and Mono County have negotiated a purchase and sale agreement that includes indemnification for liability associated with Mono County's use and operation of the Landfill; and

WHEREAS, the divestiture of the City's Property for Landfill purposes satisfies a public interest need associated with solid waste management goals of Mono County.

NOW, THEREFORE, BE IT RESOLVED, that it is in the best interest of the City and LADWP to sell to Mono County that certain Property for the sum of \$50,000 and that certain access road easement for the sum of \$1,500 for a total of \$51,500.

BE IT FURTHER RESOLVED, that the Property and access road easement are described as follows:

A portion of that real property described in Grant Deed from Cain Irrigation Company to The City of Los Angeles, recorded in Official Records, Book 10, page 173, on May 6, 1935, in the office of the County Recorder of Mono County, State of California, more particularly described as follows:

The northwest quarter of the northwest quarter, and the west half of the west half of the northeast quarter of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book 2, page 11, in said County Recorder's office, containing 50.19 acres, more or less.

END OF PARCEL DESCRIPTION

TOGETHER with an easement for public road and access purposes all in, on, over, under, and across that certain real property situated in the south half of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book

2, page 11, in the office of the County Recorder of said County, and more particularly described as follows:

COMMENCING at a 2 inch Iron Pipe with a Mono County Surveyor Tag at the northwest corner of said south half of the northwest quarter of said Section 36; thence South $0^{\circ}03'25''$ East, 1322.38 feet to a 2 inch Iron Pipe with stamped pipe cap monumenting the southwest corner of said south half of the northwest quarter of said Section 36; thence North $74^{\circ}45'33''$ East, 2201.01 feet to a point within the existing State Route #120 roadway, and the POINT OF BEGINNING; thence North $38^{\circ}15'41''$ West, 225.28 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 970.00 feet, and a central angle of $10^{\circ}09'05''$; thence northwesterly along the arc of said curve 171.86 feet; thence North $48^{\circ}24'46''$ West, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 315.16 feet, and a central angle of $41^{\circ}27'48''$; thence northwesterly along the arc of said curve 228.07 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 838.80 feet; thence South $74^{\circ}07'26''$ West, 145.12 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 81.76 feet; thence North $0^{\circ}07'26''$ East perpendicular to said northerly line, 100.00 feet to a point on said northerly line that bears South $89^{\circ}52'34''$ East, 261.39 feet from said northwest corner; thence South $89^{\circ}52'34''$ East along said northerly line, 1060.06 feet to a 2 inch Iron Pipe with a Mono County Surveyor Tag at the southeast corner of the northwest quarter of the northwest quarter of said Section 36, and the beginning of a tangent curve, concave southwesterly, with a radius of 375.16 feet, and a central angle of $41^{\circ}27'48''$; thence southeasterly along the arc of said curve 271.49 feet; thence South $48^{\circ}24'46''$ East, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 1030.00 feet, and a central angle of $10^{\circ}09'05''$; thence southeasterly along the arc of said curve 182.49 feet; thence South $38^{\circ}15'41''$ East, 225.28 feet; thence South $51^{\circ}44'19''$ West, 60.00 feet to the POINT OF BEGINNING, containing 3.12 acres, more or less.

END OF EASEMENT DESCRIPTION

SUBJECT TO all outstanding taxes and assessments, if any.

SUBJECT TO any and all easements, covenants, conditions, restrictions, and other matters of record.

RESERVING TO the City of Los Angeles all water and water rights, whether surface, subsurface, or of any other kind, and all water and water rights appurtenant or in

anywise incident to the real property herein described, or used thereon or in connection therewith, together with the right to develop, take, transport, control, regulate, and use all such water; and reserving unto the City of Los Angeles all oil, gas, petroleum, or other mineral or hydrocarbon substances in and under said land, without the right to enter upon the surface of said land for such use.

BE IT FURTHER RESOLVED, that the sale of said Property and access road easement is approved by the Board of Water and Power Commissioners (Board) and is recommended to the Los Angeles City Council, and that upon approval by the Los Angeles City Council, the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute a purchase and sale agreement, and an instrument in writing, approved as to form and legality by the City Attorney, conveying title to the Property and access road easement and shall execute all other documents and perform all other actions necessary to complete the transaction in accordance with City Charter Section 675(d)(2) and the terms set forth herein.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

AUG 20 2015
BY JOHN BEANUM
JOHN BEANUM
DEPUTY CITY ATTORNEY

ORIGINAL



RESOLUTION NO. R15- 59

A RESOLUTION OF THE MONO COUNTY BOARD OF SUPERVISORS ACKNOWLEDGING AND APPROVING MINOR TYPOGRAPHICAL CORRECTIONS AND CHANGES TO AGREEMENT OF PURCHASE AND SALE OF REAL PROPERTY FOR THE PURCHASE OF THE PUMICE VALLEY LANDFILL SITE PREVIOUSLY APPROVED BY RESOLUTION 15-01

WHEREAS, on January 1, 2015 the Board of Supervisors approved an Addendum to the Mono County General Plan Land Use Amendments Final Environmental Impact Report, and 2005 Supplemental EIR thereto, analyzing the acquisition of the Pumice Valley Landfill and associated access easement (the "Landfill") from the Los Angeles Department of Water and Power (LADWP), and adopted Resolution 15-01 approving, inter alia, the Agreement of Purchase and Sale of Real Property for the Landfill (the "Purchase Agreement"); and

WHEREAS, following the Board's approval, attorneys for LADWP made minor typographical and other changes to the Purchase Agreement and LADWP has submitted such changes for County's consideration and approval; and

WHEREAS, the Board of Supervisors now wishes to acknowledge and accept the minor corrections and changes made by LADWP and provide for the changes shown in the revised Agreement of Purchase and Sale of Real Property attached hereto as Exhibit "A" (the "Revised Agreement") to be made to the Purchase Agreement approved by Resolution 15-01;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF MONO RESOLVES that:

SECTION ONE: The Board affirms all recitals and findings contained in Resolution 15-01.

SECTION TWO: The Board acknowledges and accepts those changes to the Purchase Agreement shown in Exhibit "A" and authorizes the Chair to sign a revised version of the Purchase Agreement which reflects such revisions.

SECTION THREE: Resolution 15-01 shall remain in effect in all respects not addressed herein.

PASSED, APPROVED and ADOPTED this 18th day of August, 2015, by the following vote, to wit:

AYES: Supervisors Alpers, Corless, Fesko, Johnston, and Stump
NOES: None.
ABSENT: None.
ABSTAIN: None.

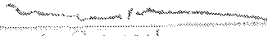

Timothy E. Fesko, Chair
Mono County Board of Supervisors

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ATTENT

Clerk of the Board, Sr. Deputy

APPROVED AS TO FORM:


County Counsel

AGREEMENT OF PURCHASE AND
SALE OF REAL PROPERTY

ARTICLE 1

1. Parties

- 1.1. This Agreement of Purchase and Sale of Real Property and Escrow Instructions (the "Agreement"), dated December 5, 2014, is entered into by and between the COUNTY OF MONO, as Buyer ("Buyer"), and the CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER, as Seller ("Seller")

ARTICLE 2

2. Recitals

- 2.1. Seller is the owner of real property located in the County of Mono, State of California, identified as Assessor's Parcel Number 021-130-39 and a portion of 021-130-40 consisting of approximately 50 acres and further described according to the legal description set forth on *Exhibit A*, attached hereto and incorporated by this reference (the "Property").
- 2.2. Buyer has leased this Property for approximately thirty-nine years and is the only known tenant or lessee of this Property.
- 2.3. Buyer has operated a landfill on this Property during its entire tenancy.
- 2.4. Seller has a duty to protect the groundwater beneath, near, and surrounding the Property and will retain all water, oil and mineral rights to the Property.
- 2.5. The Property is being sold without water rights or current water service.
- 2.6. Buyer has a duty to protect and safeguard the environment and public health and safety as a government agency.
- 2.7. Buyer intends to continue to operate the current landfill.
- 2.8. The Property is improved by a portable guard house, an in-ground truck weight scale, and a concrete trash loading area. All improvements, appurtenances, and related personal and intangible property are the property of Buyer.

- 2.9. Seller caused the Property to be appraised by Norris Realty Advisors on May 15, 2014. The appraiser's opinion of fair market value was \$50,000 for the Property and \$1,500 for the access road easement.
- 2.10. Kleinfelder LLC conducted an environmental assessment of the Property on November 7, 2013. The resulting Environmental Assessment Report by Kleinfelder, LLC dated January 30, 2014 (Revised April 30, 2014) (the "Kleinfelder Report") stated that:
 - 2.10.1. There has been a boundary shift on the Property of approximately 100 feet to the west. The area shifted onto will be included in the land to be sold to Buyer.
 - 2.10.2. There is evidence on the Property of historical septage disposal to a disposal pit located outside of the 40 acre parcel. Buyer will be responsible to cleanup and must contain future septage disposal within its boundaries.
 - 2.10.3. There was an underground storage tank on the Property. Sampling of the tank's liquid revealed it contained only water. Seller acknowledges Buyer has removed the tank.
 - 2.10.4. Seller has provided Buyer with a copy of the April 15, 2014 appraisal and the Kleinfelder Report and Buyer acknowledges their receipt.
- 2.11. In consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this Agreement, it is understood and agreed by and between the parties as follows in Articles 3 through 12:

ARTICLE 3

3. Purchase Price:

- 3.1. The purchase price ("Purchase Price") for the Property is Fifty One Thousand Five Hundred Dollars (\$51,500) and represents the price for both the Property (\$50,000) and the road easement (\$1,500), and is payable in accordance with this Article 3.
 - 3.1.1. The Purchase Price will not be changed to include or deduct any costs to Buyer or Seller related to this Transaction. Each party is responsible for any costs or attorney's fees related to review of this Agreement or this Transaction.

3.1.2. The Purchase Price is based upon an appraisal by Norris Realty Advisors on May 15, 2014.

ARTICLE 4

4. Definitions

- 4.1. Agreement is defined in Section 1.
- 4.2. Appraisal is defined as an opinion of value.
- 4.3. Appurtenance is defined as something added or appended to a property that then becomes an inherent part of the property.
- 4.4. Business Day means a day other than a Saturday, Sunday, or California State holiday.
- 4.5. City Approval is as defined in Section 8.2.1.
- 4.6. Closing is defined as a meeting of the parties to a real estate transaction held to execute and deliver mortgage or property title documents.
- 4.7. Consent means the consent or approval of, or notice to or filing with, any Person or Governmental Entity.
- 4.8. County Approval is defined as approval by the County Board of Supervisors.
- 4.9. Deed is defined in Section 9.3.1.
- 4.10. Effective Date is defined as the date the Agreement is fully executed by both parties.
- 4.11. Environmental Laws mean all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any Governmental Entity regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), or occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the California Environmental Quality Act (hereinafter CEQA) [Pub. Res. Code §§21000-21177]; the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter CERCLA) [42 USCS §9601 et. seq.]; the Resource Conservation and Recovery Act of 1976 (hereinafter RCRA) [42 USCS §6901 et. seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (hereinafter FWPCA) [33 USCS §1251 et. seq.]; the Toxic Substances Control Act (hereinafter TSCA) [15 USCS §2601 et. seq.]; the Hazardous Materials Transportation Act (hereinafter HMTA) [49 USCS §5101 et. seq.]; the Federal Insecticide, Fungicide, Rodenticide Act [7 USCS §136 et. seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §9601 et. seq.] (hereinafter SARA); the Clean Air Act [42 USCS §7401 et. seq.]; the Safe Drinking Water Act [42 USCS §300f et. seq.]; the Solid Waste Disposal Act

[42 USCS §6901 et. seq.]; the Surface Mining Control and Reclamation Act [30 USCS §1201 et. seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §11001 et. seq.]; the Occupational Safety and Health Act [29 USCS §651 et. seq.]; the California Underground Storage of Hazardous Substances Act [H&SC §25280 et. seq.]; the Carpenter-Presley-Tanner Hazardous Substance Account Act [H&SC §25300 et. seq.]; the California Hazardous Waste Control Act [H&SC §25100 et. seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H&SC §24249.5 et. seq.]; and the Porter-Cologne Water Quality Control Act [Wat. C. §13000 et. seq.], together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to Hazardous Substances, occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

- 4.12. EPA means the Environmental Protection Agency.
- 4.13. Exceptions are defined as any encumbrance, reservation or limitation on the title or Property.
- 4.14. FIRPTA Affidavit means an affidavit filed pursuant to the federal Foreign Investment in Real Property Tax Act.
- 4.15. Governmental Entity means any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to United States federal, state, local or municipal government, including any department, commission, board, agency, bureau, subdivision, instrumentality, official or other regulatory, administrative or judicial authority thereof, including any authority or other quasi-governmental entity established by a Governmental Entity to perform any of such functions.
- 4.16. Hazardous Substances includes without limitation:
 - 4.16.1. Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;
 - 4.16.2. Those substances listed in the United States Department of Transportation (hereinafter DOT) Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302];
 - 4.16.3. Other substances, materials, and wastes that are regulated or classified as hazardous or toxic under federal, state, or local Laws; and
 - 4.16.4. Any material, waste, or substance that is:
 - A petroleum or refined petroleum product, asbestos,
 - polychlorinated biphenyl, designated as a hazardous substance

- pursuant to 33 USCS §1321 or listed pursuant to 33 USCS §1317, a flammable explosive, or a radioactive material.
- 4.17. Improvement is defined as a building or other relatively permanent structure or development located on, or attached to, land.
 - 4.18. Law means any applicable statute, law (including common law), constitution, treaty, charter, ordinance, code, order, rule regulation, permit, or determination or other binding requirement of any Governmental Entity.
 - 4.19. Lease is defined as a contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
 - 4.20. MOU Agreement is defined as the agreement between the parties for the payment of costs incurred to investigate the sale of the subject property and attached as *Exhibit B*.
 - 4.21. Personal Property is defined as all tangible property that is not classified as real estate.
 - 4.22. Preliminary Report is defined in Section 5.1.
 - 4.23. Property is defined in Section 2.1.
 - 4.24. Purchase Price is defined in Section 3.1.
 - 4.25. Tax means any and all taxes imposed by a Governmental Entity, including charges for federal, state, local or foreign net or gross income, gross receipts, net proceeds, sales, use, ad valorem, franchise, withholding, payroll, employment, excise, property, deed, stamp, alternative or add-on minimum, environmental, profits, windfall profits, transaction, license, service, occupation, severance, transfer, unemployment, social security, workers' compensation, capital, premium and other Taxes, assessments, customs, duties, fees, levies or other governmental charges of any nature whatever, whether disputed or not, together with any interest, penalties, additions to Tax or additional amounts with respect thereto, excluding in all cases any expense related to any Permit.
 - 4.26. Transaction is defined as the purchase of the Property.

ARTICLE 5

5. Buyer's Contingencies

- 5.1. Preliminary Report. Buyer will receive the preliminary title report (Preliminary Report) dated no earlier than ninety (90) days before the Effective Date covering the Property, together with a legible copy of all exceptions to title shown in the Preliminary Report, including each document, map, and survey referred to in the Preliminary Report.
- 5.2. Environmental Assessment Report. Buyer acknowledges receipt of the Environmental Assessment Report of the Property dated January 30, 2014 (Revised April 30, 2014) by Kleinfelder LLC. Seller contracted for this document pursuant to a separate MOU agreement by the Parties.

- 5.3. Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval of the condition of title of the Property in accordance with the following procedure:
- 5.3.1. Buyer's Approval of Preliminary Report. Buyer will have twenty-one (21) days after receipt to review the Preliminary Report and to deliver written notice of Title Objection to Seller. If Buyer fails to give such notice on or before twenty-one (21) days after receipt, Buyer will be deemed to have accepted the matters disclosed in the Preliminary Report.
- 5.3.2. Permitted Exceptions. Upon County Approval, the following Exceptions are deemed approved by Buyer, including but not limited to: (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable, including (without limitation) special taxes under Gov. Code §§53311-53368.3 or installment assessments under Streets & Highways Code §§8500-8887, and (b) the standard preprinted Exceptions and exclusions of the Title Company.
- 5.3.3. Title Objections. With respect to any Title Objection, Seller will have thirty (30) Business Days after receipt of Buyer's Title Objection to remove or cure such Title Objection.
- 5.3.4. Seller Elects Not to Cure. If Seller elects not to cure or remove a Title Objection (or is deemed to have so elected), or Seller's cure is not acceptable to Buyer, then Buyer will have twenty (20) Business Days after delivery of notice from Seller of its action in response to the objection either to (a) proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) provide Seller with written notice that Buyer is terminating this Agreement.
- 5.3.5. Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered prior to the Closing Date, the party discovering such Additional Encumbrance must promptly give written notice to the other. No later than five (5) Business Days after delivery of the notice of such Additional Encumbrance, Buyer will deliver written notice to Seller specifying whether the Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties will proceed in the same manner as set forth above for Title Objections in Section 5.3.3.

- 5.4. Due Diligence. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the condition of the Property and all other matters concerning the Property, including without limitation economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property. Buyer will have until the County Approval to conduct such investigations as Buyer may choose ("Due Diligence") to determine, in its sole discretion, whether this contingency is met. Upon County delivery to Seller of this Agreement executed by Buyer, Buyer will also deliver written notice to Seller accepting the Property, which acceptance shall be conditioned upon satisfaction of Buyer's Closing Conditions. Alternatively, Buyer shall deliver written notice to Seller before approval or termination of this Agreement. If Buyer fails to give either notice, Buyer will be deemed to have elected to terminate this Agreement.
- 5.5. Access to Property. Buyer acknowledges that it is thoroughly familiar with the Property and that it has been occupying and using the Property as a landfill for more than twenty years. As part of its Due Diligence, Buyer may investigate economic, financial, and accounting matters relating to or affecting the Property or its value, and conduct inspections, tests and studies with respect to the physical and environmental condition of the Property and Seller recommends that Buyer do so. Buyer and Buyer's consultants, agents, engineers, inspectors, contractors, and employees ("Buyer's Representatives") must be given reasonable access to the Property during regular business hours for the purpose of performing such Due Diligence. Buyer will undertake the Due Diligence at its sole cost and expense. Buyer will indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller's reasonable attorney fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer's Representatives in, on, or about the Property during or arising in connection with Buyer's inspections of the Property.
- 5.6. Assumption of Risk. Subject to the other provisions of this Agreement, Buyer agrees that it assumes the risk that an adverse condition of the Property may not have been revealed by its own Due Diligence. Buyer agrees that Seller will have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including contamination, the presence of Hazardous Substances, defects in the Improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's Due Diligence.

- 5.7. Termination for Failure of a Contingency. Any cancellation fee, cost, or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency will be borne by the terminating party or the party whose action or failure to act resulted in the termination.
- 5.8. Survival. The provisions of this Article shall survive the Closing.

ARTICLE 6

6. Seller's Preclosing Covenants

- 6.1. No Amendments or Agreements. On or after the Effective Date, Seller will not enter into any Lease or other agreement of any type affecting the Property, without Buyer's prior written consent.
- 6.2. Notification. Seller will promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that occurs prior to the Effective Date that makes any representation or warranty of Seller under this Agreement untrue or misleading.

ARTICLE 7

7. Representations and Warranties

- 7.1. Effect of Representations and Warranties. Each representation and warranty in this Article 7: (a) is material and being relied on by the party to which the representation and warranty is made; (b) is true in all respects as of the Effective Date; (c) must be true in all respects on the Closing Date; and (d) will survive the Closing, except as otherwise provided in this Agreement.
- 7.2. Seller's Representations and Warranties. Despite anything to the contrary in this Agreement, Seller warrants and represents as of the Effective Date that:
- 7.2.1. No Condemnation. To Seller's knowledge, Seller has received no written notice of any presently pending or contemplated special assessments or proceedings to condemn or demolish the Property or any part of it, or any proceedings to declare the Property or any part of it a nuisance.
- 7.2.2. Foreign Person. Seller is not a foreign person and is a "United States Person" as that term is defined in §7701(a)(30) of the Internal Revenue Code of 1986, as amended.

- 7.3. Buyer's Representations and Warranties. In addition to this Agreement, Buyer warrants and represents, and specifically discloses and indemnifies Seller, as follows:
- 7.3.1. Environmental Site Declaration and Disclosure Regarding Use. Buyer warrants it has made use of the Property consistent with its Lease, and all local, state, and federal laws. In attached Exhibit C, Buyer will comprehensively list all use made on the Property and disclose any and all use of Hazardous Substances.
- 7.3.2. Indemnity. Buyer specifically acknowledges that it is the only known tenant of the Property and operated and will continue to operate a waste disposal landfill and transfer station on the Property in the foreseeable future. Buyer hereby indemnifies and saves harmless Seller from and against any and all future claims, demands, actions, suits, losses, costs, charges, expenses, damages and liabilities whatsoever which Seller may pay, sustain, suffer or incur by reason of or in connection with the Property. This indemnity includes all costs and expenses (including legal expenses) incurred in connection with any such loss or damage.
- 7.3.3. Cooperation and Consent. As a material inducement to Seller's extension and delivery of this Agreement, Buyer acknowledges, represents, warrants and agrees, as soon as possible after the Closing, that it will reasonably cooperate with Seller in Seller's efforts to: (i) notify Governmental Entities of the sale of the Property to Buyer; and (ii) remove Seller from any and all permits, plans, orders, or other Consent related to owning or operating a landfill on the Property, including, without limitation, the Solid Waste Facility Permit issued by the Mono County Health Department in July 1978 (Permit No. 26-AA-0003), the Waste Discharge Requirements issued by the Lahontan Regional Water Quality Control Board in October 2001 (Board Order No. 6-01-56, WDID No. 6B260300011), and the Preliminary Closure Plan for the Pumice Valley Landfill prepared for Buyer by Vector Engineering, Inc., and approved by the Lahontan Regional Water Quality Control Board in October 2001. Further, Buyer acknowledges, represents, warrants and agrees that, following the Closing, Buyer will obtain all Consent and permits necessary for it to own and legally operate the Property, and that such Consent and permits shall not obligate Seller in any way.
- 7.4. Environmental Indemnification: Buyer, on behalf of itself and its successors and assigns further undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, the Board of Water and Power Commissioners of the City of

Los Angeles, and all of their officers, agents, successors in interest, insurers, assigns and/or employees (individually and collectively, "Indemnitees"), and at the option of the City, defend by counsel satisfactory to the City, the Indemnitees from and against any and all liens and claims of lien, suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties (including, but not limited to, costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation, penalties, and fines arising from the violation of any local, regional, state, or federal law, or regulation, disbursements, and other environmental response costs), or losses of any kind or nature whatsoever that are incurred by or asserted against the Indemnitees, for death, bodily injury or personal injury to any person, including Buyer's employees, contractors and sub-contractors of any tier, customers, invitees, and agents, or persons who enter onto the premises, or damage or destruction or loss of use of any property of either party hereto or third persons, in any manner arising by reason of, incident to, or connected to the acts, errors, omissions to act, willful misconduct, or non-performance or breach by Buyer of any term and/or condition of this Agreement, relating directly or indirectly to any Environmental Law or to the release or spill of any Hazardous Substance, or resulting from or incident to the presence upon or performance of activities by Buyer or its officers, agents, employees, or contractors and subcontractors of any tier with respect to the Property, regardless of any negligence on the part of Indemnitees, except for the sole negligence or willful misconduct of the Indemnitees. It is the specific intent of this section that this Indemnification shall apply and be effective for all accidents, occurrences, and/or events that give rise to future claims, even if the actual claim comes against the Indemnitees after this Agreement has expired or terminated. This Indemnification shall be in addition to any other rights or remedies that Indemnitees have under law or under this Agreement.

BUYER INITIALS: 7-7

- 7.5. "As-Is" Purchase. As a material inducement to Seller's extension and delivery of this Agreement, Buyer does hereby acknowledge, represent, warrant and agree to and with Seller that, except as otherwise expressly provided in this Agreement: (i) Buyer is expressly purchasing the Property in its existing condition "as is, where is, and with faults" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Seller with respect to all facts, circumstances, conditions and defects; (ii) Buyer is aware that the Property has been used for many years as an unlined landfill for many years and indeed Buyer has been the operator of the landfill and Buyer acknowledges that Buyer has far superior knowledge than Seller as to the condition of the Property and what hazardous or other

materials may have been dumped or may be located, placed on, under, about or in the vicinity of the Property, and Buyer acknowledges receipt of and accepts the content and description of the Property in the Kleinfelder Report; (iii) Seller has specifically bargained for the assumption by Buyer of all responsibility for past, present and future actual and potential liability with the Property of any kind, source and or nature and for Buyer's assumption of all responsibility to inspect and investigate the Property and of all risk of, (iv) Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property and any or all known and unknown actual or potential liabilities associated with it; (v) Seller is not making and has not made any warranty or representation with respect to any materials or other data provided by Seller to Buyer (whether prepared by or for Seller or others) or the education, skills, competence or diligence of the preparers thereof or the physical condition or any other aspect of all or any part of the Property as an inducement to Buyer to enter into this Agreement and thereafter to purchase the Property or for any other purpose; and (vi) by reason of all the foregoing, Buyer assumes the full risk of any liability, loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property. Seller hereby disclaims all warranties of any kind or nature whatsoever (including warranties of condition, merchantability, habitability and fitness for particular purposes) whether expressed or implied, including, but not limited to warranties with respect to the Property, tax liabilities, zoning, land value, subdivision or land use, availability of access or utilities, ingress or egress, governmental approvals, or the soil conditions of the land. Buyer further acknowledges that Buyer is buying the Property "as is" and in its present condition and that except as otherwise expressly provided in this Agreement, Buyer is not relying upon any representation of any kind or nature made by Seller, or any of its employees or agents or Seller group with respect to the land or Property, and that, in fact, no such representations were made except as expressly set forth in this Agreement. Further and without in any way limiting any other provision of this Agreement, Seller makes no warranty with respect to the presence on or beneath the land (or any parcel in proximity thereto) of Hazardous Substances. By acceptance of this Agreement and the Deed, Buyer acknowledges that Buyer's opportunity for inspection and in investigation of such land has been adequate to enable Buyer to make Buyer's own determination with respect to the presence on or beneath the land of any Hazardous Substances. Furthermore, Buyer's closing, hereunder shall be deemed to constitute an express waiver of Buyer's and its successors' and assigns' rights to sue Seller and of Buyer's right to cause Seller to be joined in an action brought under any federal, state or local law, rule, act, or regulation now existing or hereafter enacted or amended which prohibits or regulates the use, handling, storage,

transportation or disposal of Hazardous Substances or which, requires removal or remedial action with respect to such Hazardous Substances, specifically including but not limited to federal "CERCLA", "RCRA", and "SARA" acts.

- 7.6. Release. Without in any way limiting the generality of the preceding paragraphs, Buyer, on behalf of itself, its successors and assigns, specifically acknowledges and agrees that it forever waives, releases and discharges any claim it has, might have had or may have against Seller, with respect to the Property or the condition of the Property, any and all known and unknown, either patent or latent, actual and/or potential liabilities associated with the Property and the compliance with any environmental or occupational protection, pollution, subdivision or land use laws, rules, regulations or requirements or liability for violations thereof, an any other state of facts which exist with respect to the Property. Buyer waives the benefit of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Seller and Buyer have each initialed this Section 7.6 to further indicate their awareness and acceptance of each and every provision of this Agreement. The provisions of this Section 7.6 will survive the Closing.

Seller's Initials: _____

Buyer's Initials: 757

Buyer specifically acknowledges that Buyer has carefully reviewed the foregoing provisions and discussed its import with legal counsel, is fully aware of its consequences, and that the provisions of this paragraph are a material part of this Agreement. The provisions of Article 7 shall survive the expiration of this Agreement, or the delivery of the Deed and the Closing.

- 7.7. Survival. The provisions of Section 7.4 shall survive the Closing and expire only when any liability of Seller, as previous property owner, expires in accordance with the Environmental Laws.

ARTICLE 8

8. Closing Conditions

8.1 Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, before or at the Closing, of each of the following conditions (Buyer's Closing Conditions). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

8.1.1. Title. It is a Buyer's Closing Condition that, on the Closing Date, Seller convey to Buyer marketable fee simple title to the Property by execution and delivery of a grant deed and that County is able to obtain a title insurance policy at closing in a form acceptable to County.

8.1.2. Buyer's ability to purchase the Property is subject to the approval of this Agreement by the Mono County Board of Supervisors and contingent upon compliance with all applicable laws and regulations governing such purchase, including but not limited to Government Code section 25350, which requires the County to publish three times in a newspaper of general circulation within the County a notice of its intent to consummate the purchase, and Government Code section 65402(a), which requires County's receipt of a report from its planning agency determining that the location, purpose, and extent of the County's acquisition of the Property conforms with the County General Plan.

8.2. Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing (Seller's Closing Conditions). Seller's Closing Conditions are solely for Seller's benefit and any of Seller's Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

8.2.1. City Approval. Seller's ability to sell the Property is subject to the approval of this Agreement by the Board of Water and Power Commissioners of the Department of Water and Power of the City of Los Angeles and possible subsequent action and review by the Los Angeles City Council pursuant to Charter (hereinafter "City Approval"). Pursuant to FSPP v. City of Los Angeles (1998) 65 Cal. App. 4th 650, 661, and the laws of the State of California, Buyer realizes and acknowledges that it cannot rely upon the representations of anyone acting on behalf of, or claiming to act on behalf of Seller or as Seller's agent relating to the probability of the

Agreement being approved and that this Transaction may or may not be consummated.

- 8.2.2. Record of Survey. Buyer is to monument the Property and file the Record of Survey.
- 8.2.3. Purchase Price. Buyer must have delivered the Purchase Price to Escrow Holder.
- 8.2.4. Delivery of Funds Per MOU. Buyer and Seller entered into a separate MOU related to the sharing of costs for various services to be provided in furtherance of the possible purchase of the Property. Buyer has delivered to Seller the funds specified in the separate MOU and such amounts are not included in this Agreement.
- 8.2.5. Buyer's Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

- 8.3. Termination for Failure of a Closing Condition. This Transaction is structured as a completely voluntary transaction. If Buyer's Closing Conditions or Seller's Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, the parties will have no further obligation or liability under this Agreement or right to specific performance, declaratory relief or money damages. Any cancellation fee, cost, or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a closing condition will be equally borne by Buyer and Seller, unless satisfaction of the condition(s) is within the control of Buyer or Seller, in which case the party having had such control shall be solely responsible for any cancellation fee, cost, or other costs of the Escrow Holder or Title Company from the termination.

ARTICLE 9

9. Closing

- 9.1. Escrow. The Escrow will be opened with the Escrow Holder on the execution of this Agreement. Buyer and Seller will promptly execute such additional Escrow instructions, on the Escrow Holder's request, as are

reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

9.2. Closing Date. Seller and Buyer agree that the Closing will occur on the "Closing Date." The Closing Date will be a date mutually agreeable to Buyer and Seller, but no later than December 31, 2015. The Closing will be at the offices of Escrow Holder or such other place as the parties may agree.

9.3. Seller's Deposit of Documents and Funds. Seller must deposit into Escrow the following documents duly executed by Seller:

9.3.1. Deed: The duly executed and acknowledged Deed conveying the Property to Buyer.

9.3.2. Additional Documents: Such additional documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable to convey the Property in accordance with this Agreement.

9.4. Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

9.4.1. Purchase Price: The Purchase Price in accordance with Article 3.

9.4.2. Conveyance Documents: Such documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

9.5. Closing Costs. Closing costs will be allocated as follows:

9.5.1. Escrow costs will be paid by Buyer;

9.5.2. Buyer will pay the cost of the Title Policy, if any;

9.6. Broker's Commission; Indemnity. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this Transaction, through any licensed real estate broker or person who can claim a commission or finder's fee as a procuring cause of the sale contemplated in this Agreement. If any other broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a party (Indemnifying Party), then the Indemnifying Party must indemnify, defend, and hold the other party (Non-indemnifying Party) harmless from all costs and expenses (including

reasonable attorney fees and costs of defense) incurred by the Non-indemnifying Party in connection with such claim.

- 9.7 Possession. Seller will deliver exclusive right of possession of the Property to Buyer on the Closing Date.

ARTICLE 10

10 Future Sale/Transfer of Property

- 10.1. Right of First Offer. Buyer hereby acknowledges, in the event Buyer decides to sell the Property at any future date, Buyer agrees to give Seller the first opportunity to purchase the Property. Buyer agrees to negotiate with Seller, and attempt to reach an agreement in good faith. If Buyer and Seller cannot reach an agreement, Buyer may then negotiate with or sell to any other party.
- 10.2. Right of First Refusal. Buyer hereby acknowledges, in the event Buyer decides to sell the Property at any future date, Buyer agrees to give Seller the right of first refusal to purchase the Property. This right of first refusal has no termination date. If Buyer negotiates to sell the Property to any other party, Buyer agrees to give Seller the opportunity to reasonably match the offer.
- 10.3. Recording. Buyer agrees to allow the provisions in 10.1 and 10.2 recorded to the Property after the Close of Escrow.
- 10.4. Term. Both 10.1 and 10.2 are for a definite term with a termination date of December 31, 2115, and apply to all successors and assigns of Buyer and Seller.
- 10.5. Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding (Condemnation) and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer will be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within five (5) days after

the receipt of this notice, and Buyer must exercise its option(s) as provided in this Section 10.5 within ten (10) days after receipt of such notice. If necessary, the Closing Date will be extended to give Buyer the full ten (10) day period to make such election.

ARTICLE 11

11. Remedies for Default

11.1. WAIVER OF RIGHT TO SPECIFIC PERFORMANCE AND DAMAGES. NEITHER BUYER NOR SELLER WILL HAVE THE RIGHT TO SPECIFIC PERFORMANCE OR TO RECOVER DAMAGES IF THE OTHER PARTY FAILS TO CONVEY (OR TO PURCHASE) THE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, AND SUCH FAILURE CONSTITUTES A DEFAULT UNDER THIS AGREEMENT, NEITHER BUYER NOR SELLER WILL HAVE THE RIGHT TO RECEIVE ANY MONEY DAMAGES. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THIS SECTION 11.1 AND

BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller's Initials: _____

Buyer's Initials: 757

ARTICLE 12

12. General

12.1. Notices. Any notices relating to this Agreement must be given in writing and will be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed confirmation of delivery to the facsimile number provided below), or five (5) days after deposit in the United States mail certified or registered, return receipt requested, with postage prepaid, addressed as follows:

If to Buyer:

Tony Dublino, Mono County Solid Waste Superintendent
County of Mono
PO Box 457
Bridgeport, CA 93517

With copy to:

Stacey Simon, Assistant County Counsel
County of Mono
P.O. Box 2415
Mammoth Lakes, CA 93546

If to Seller:

James G. Yannotta
Manager of Aqueduct
City of Los Angeles
Department of Water and Power
300 Mandich Street
Bishop, CA 93514-3449

With copy to:

Tina Shim, Deputy City Attorney
City of Los Angeles
Department of Water and Power
111 N. Hope Street, Room 340
P.O. Box 51111
Los Angeles, CA 90051

Either party may change its address by written notice to the other given in the manner set forth above.

- 12.2. Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive, and final statement of the terms of the Agreement with respect to the Property between Buyer and Seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code §1654 or similar statutes. Neither party has been induced to enter into this Agreement by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.
- 12.3. Amendments and Waivers. No addition to or modification of this Agreement will be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such

waiver will not be enforceable by another party unless it is made in writing and signed by the waiving party.

- 12.4. Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact will in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.
- 12.5. No Merger. This Agreement, each provision of it, and all warranties and representations in this Agreement will survive the Closing and will not merge in any instrument conveying title to Buyer, except as set forth in Sections 10.1 and 10.2. All representations, warranties, agreements, and obligations of the parties will, despite any investigation made by any party to this Agreement, survive Closing, and the same will inure to the benefit of and be binding on the parties' respective successors and assigns, except that Buyer's obligations under Section 7.4 shall be as set forth in Section 7.7.
- 12.6. References. Unless otherwise indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever, under the terms of this Agreement, the time for performance of a covenant or condition falls on a Saturday, Sunday, or California state holiday, such time for performance will be extended to the next business day. "Business Days" means days other than Saturday, Sunday, and California state holidays. The headings used in this Agreement are provided for convenience only and this Agreement will be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.
- 12.7. Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.
- 12.8. Exclusive Venue. All litigation arising out of, or relating to this Agreement shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.
- 12.9. Jointly Drafted by the Parties. Each of the parties hereto acknowledges that it had a full and fair opportunity to review and revise the terms of this

Agreement and that this Agreement has been drafted jointly by all of the parties hereto. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

- 12.10. Termination. Upon thirty (30) Business Days prior written notice prior to City Approval, this Agreement may be terminated or cancelled at any time by either party, for any reason or for no reason at all, and may be terminated and cancelled completely without cause. If this Agreement is so terminated, the parties will have no further obligation or liability under this Agreement or right to specific performance, declaratory relief or money damages. Any cancellation fee, cost, or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency or closing condition will be borne by the terminating party or the party whose action or failure to act resulted in the termination.
- 12.11. Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.
- 12.12. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.
- 12.13. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.
- 12.14. Interpretation. Throughout this Agreement, (a) the plural and singular numbers will each be considered to include the other; (b) the masculine, feminine, and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.
- 12.15. No Attorney's Fees. In the event of any action or suit under, or to enforce, this Agreement, the parties shall be responsible for their own costs, expenses and attorney's fees incurred. The prevailing party shall not be entitled to reasonable attorneys' fees.

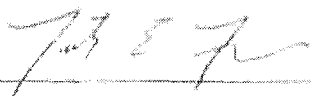
- 12.16. No Consequential/Punitive Damages. In no event shall either party be liable to the other party under any provision of this Agreement for any indirect, incidental, punitive or consequential damages, losses, damages, costs or expenses including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole in or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a party may be liable to the other party under another agreement will not be considered to be indirect, incidental, punitive or consequential damages hereunder.
- 12.17. Independent Counsel. Each party was represented by legal counsel during the negotiation and execution of this Agreement. Each party shall be responsible for its own, respective, fees and expenses of legal counsel and consultants incurred as a result of this Agreement or the transactions contemplated thereby.
- 12.18. Authority. Buyer and Seller agree that the person executing this Agreement on behalf of Buyer and Seller, respectively, has the authority and power to do so and to bind Buyer and Seller, respectively, in accordance with the provisions set forth herein.
- 12.19. Assignment. Buyer may not assign any of its rights under this Agreement.
- 12.20. No Joint Venture. Nothing herein contained shall be construed to create a joint venture or partnership or to create the relationship of principal and agent or of any association between the parties hereto.
- 12.21. Further Assurances. Each party hereto agrees to execute any and all documents and writings which may be necessary or expedient and do such other acts as will further the purposes hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on:

BUYER:

COUNTY OF MONO
A Political Subdivision of the
State of California

Date: August 2015

By: 

Date: _____

By: _____

APPROVED AS TO FORM:


Mono County Counsel Office

Dated: 8/18/15

AGREEMENT OF PURCHASE AND SALE OF REAL PROPERTY is entered into and accepted on the dates indicated by our signatures affixed hereto.

SELLER:

CITY OF LOS ANGELES, a Municipal Corporation and Charter City

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date _____ By _____
MARCIE L. EDWARDS
General Manager

Date _____ And _____
BARBARA E. MOSCHOS
Secretary

AUTHORIZED BY:

Resolution No. _____
Adopted _____

APPROVED BY COUNCIL ON:

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

AUG 27 2015
BY 
TINA SHIM
DEPUTY CITY ATTORNEY

TABLE OF EXHIBITS

Exhibit A	Description of Property
Exhibit B	Memorandum of Understanding
Exhibit C	Buyer's Environmental Site Declaration and Disclosures Regarding Use

LEGAL DESCRIPTION

A portion of that real property described in Grant Deed from Cain Irrigation Company to The City of Los Angeles, recorded in Official Records, Book 10, page 173, on May 6, 1935, in the office of the County Recorder of Mono County, State of California, more particularly described as follows:

The northwest quarter of the northwest quarter, and the west half of the west half of the northeast quarter of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book 2, page 11, in said County Recorder's office, containing 50.19 acres, more or less.

END OF PARCEL DESCRIPTION

TOGETHER with an easement for public road and access purposes all in, on, over, under, and across that certain real property situated in the south half of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book 2, page 11, in the office of the County Recorder of said County, and more particularly described as follows:

COMMENCING at a 2 inch Iron Pipe with a Mono County Surveyor Tag at the northwest corner of said south half of the northwest quarter of said Section 36; thence South $0^{\circ}03'26''$ East, 1322.38 feet to a 2 inch Iron Pipe with stamped pipe cap monumenting the southwest corner of said south half of the northwest quarter of said Section 36; thence North $74^{\circ}45'33''$ East, 2201.01 feet to a point within the existing State Route #120 roadway, and the POINT OF BEGINNING; thence North $38^{\circ}15'41''$ West, 225.28 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 970.00 feet, and a central angle of $10^{\circ}08'05''$; thence northwesterly along the arc of said curve 171.89 feet; thence North $48^{\circ}24'46''$ West, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 315.16 feet, and a central angle of $41^{\circ}27'48''$; thence northwesterly along the arc of said curve 228.07 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 838.80 feet; thence South $74^{\circ}07'26''$ West, 145.12 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 81.76 feet; thence North $0^{\circ}07'26''$ East perpendicular to said northerly line, 100.00 feet to a point on said northerly line that bears South $89^{\circ}52'34''$ East, 261.39 feet from said northwest corner; thence South $89^{\circ}52'34''$ East along said northerly line, 1060.08 feet to a 2 inch Iron Pipe with a Mono County Surveyor Tag at the southeast corner of the northwest quarter of the northwest quarter of said Section 36, and the beginning of a tangent curve, concave southwesterly, with a radius of 376.16 feet, and a central angle of $41^{\circ}27'48''$; thence southeasterly along the arc of said curve

271.49 feet; thence South 48°24'46" East, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 1030.00 feet, and a central angle of 10°09'05"; thence southeasterly along the arc of said curve 182.49 feet; thence South 38°15'41" East, 225.28 feet; thence South 51°44'19" West, 60.00 feet to the POINT OF BEGINNING, containing 3.12 acres, more or less.

END OF EASEMENT DESCRIPTION

EXHIBIT A

Page 2 of 2

MEMORANDUM OF UNDERSTANDING BETWEEN THE
LOS ANGELES DEPARTMENT OF WATER AND POWER
AND THE COUNTY OF MONO REGARDING
PUMICE VALLEY LANDFILL

This memorandum of understanding (MOU) is entered into by and between the Los Angeles Department of Water and Power (LADWP) and the County of Mono ("County") for the purpose of setting forth the understanding of each with respect to the development of information related to the possible sale to County of certain real property located within Mono County and owned by LADWP. County and LADWP are sometimes collectively referred to herein as the parties.

I. RECITALS

A. LADWP is the owner of the land that is the site of the Pumice Valley Landfill (the "Landfill"), located at 200 Dross Rd., Lee Vining, California.

B. The County has operated a solid waste landfill on the site pursuant to a lease from LADWP since 1975.

C. On June 25, 2013, LADWP suggested to the County that it would consider selling the Landfill site and an additional ten acres (the "Property") to the County if terms and conditions could be agreed upon.

D. The County has expressed an interest in considering such a purchase, if agreeable terms can be identified.

E. In order that the parties may reach an agreement regarding such a purchase or sale of the Property, both desire to develop preliminary information about the Property (e.g., property boundaries, appraised value, etc.) to aid in decision making.

F. The parties are willing to expend certain resources in furtherance of their efforts to pursue a purchase or sale of the Property, in accordance with the terms and conditions set forth in this MOU.

G. The parties enter into this MOU with the understanding that the commitments and obligations set forth herein shall apply regardless of whether a purchase or sale of the Property is ultimately consummated between them.

II. TERMS AND CONDITIONS

A. County's Commitment

- a. County will pay the following costs associated with obtaining the documents listed below which evaluate the possible purchase or sale of the Property. The total County share for the listed documents shall not exceed \$25,000, without further approval from the Mono County Board of Supervisors:

- i. One-half of the cost to obtain an Independent third party property appraisal of the Property by Steve Norris Realty Advisors at 101 East Green Street, Suite 9, Pasadena, California, 91105, provided the Solid Waste Superintendent reviews and approves the Scope of Work for the appraisal prior to its execution by LADWP. County shall reimburse LADWP in accordance with this Agreement, within 30 days of receipt of an invoice from LADWP, for County's share of these costs.
 - ii. One-half the cost of a property survey identifying the boundaries and access of the Property, and to create a record of survey, by Eastern Sierra Land Surveys at 19 Shanna Circle, Mammoth Lakes, California, 93546.
 - iii. One-half the cost to obtain a baseline report documenting the current environmental conditions of the Property, prepared by Kleinfelder, Inc. at 523 West Sixth Street, Suite 620, Los Angeles, California, 90014, provided that the Solid Waste Superintendent reviews, comments upon, and approves the report prior its finalization. Notwithstanding the foregoing, County shall only be responsible under this sub-paragraph to the extent that funds remain (out of the \$25,000 allocated by County under paragraph a) following County's payment of its share of costs for the items described in sub-paragraphs a(i) and a(ii) above. County shall reimburse LADWP in accordance with this Agreement, within 30 days of receipt of an invoice from LADWP for County's share of these costs.
- b. In addition to the foregoing, the County will commit the staff time and resources of its Solid Waste Superintendent, Administrative Officer, and County Counsel (or designees), as needed, to provide such assistance, documentation, or information as may be required to complete the property appraisal, baseline analysis, property survey, or other tasks identified in this MOU.

B. LADWP's Commitment

- a. LADWP will pay the costs associated with obtaining all of the following documents evaluating the possible purchase or sale of the Property from LADWP. The total LADWP share for the documents is not to exceed a total amount of \$25,000, without further approval by LADWP:
 - i. One-half of the cost to obtain an Independent third party property appraisal of the Property by Steve Norris Realty Advisors at 101 East Green Street, Suite 9, Pasadena, California, 91105, provided the Solid Waste Superintendent reviews and approves the Scope of Work for the appraisal prior to its execution by LADWP.
 - ii. One-half the cost of a property survey identifying the boundaries and access of the Property, and to create a record of survey, by Eastern Sierra Land Surveys at 19 Shanna Circle, Mammoth Lakes, California,

93546. LADWP shall reimburse County within 30 days of receipt of an invoice from County for LADWP's share of these costs.

iii. One-half the cost to obtain a baseline report documenting the current environmental conditions of the Property, prepared by Kleinfelder, Inc. at 523 West Sixth Street, Suite 620, Los Angeles, California, 90014, provided that the Solid Waste Superintendent reviews, comments upon, and approves the report prior its finalization. Notwithstanding the foregoing, LADWP's share of the cost of this item may increase in proportion to any decrease in County's share under sub-paragraph a(iii).

b. In addition to the foregoing, LADWP will commit the staff time and resources of its Real Estate Section, Survey Section, and City Attorney (or designees) as needed, to provide such assistance, documentation, or information as may be required to complete the property appraisal, baseline analysis, property survey, or other tasks identified in this MOU.

C. Miscellaneous Provisions

a. Term. The term of this MOU shall be from October 1, 2013 through December 31, 2015, unless sooner terminated by either party as provided below. If any of the documents (property appraisal, baseline analysis, or property survey) has not been completed and received by all parties by November 30, 2015, the parties agree to pay any remaining share of their costs prior to December 31, 2015.

b. Amendments. No alteration or variation in the terms of this Agreement shall be valid or binding unless made in writing and signed by the parties hereto.

c. Termination. Either party may terminate this MOU at will and without cause by providing the other party with 30 days' written notice of termination. Upon any such termination, all amounts owed for work provided or ordered (completed or not completed), or expenditures made pursuant to this MOU, up to the date of termination shall be promptly paid. For purposes of this paragraph, payment shall be considered prompt if it is made within thirty (30) calendar days of a written request for payment by any party, company, contractor, sub-contractor, or independent third party.

d. Non-commitment by the parties. The parties understand and agree that nothing in this MOU is intended nor shall be construed as committing or binding the parties to proceed with ultimate purchase or sale of the Property. The purpose of this MOU is simply to set forth the parties' understanding as to the payment and the responsibility for costs to develop and obtain preliminary information about the Property (e.g., property boundaries, appraised value, etc.) to aid in decision making. None of the documents obtained will be binding on any party in the event of future negotiations regarding the purchase or sale of the Property, or the actual purchase or sale of the Property.

- e. Notice. Any notice, communication, amendments, additions or deletions to this MOU, including change of address of any party during the term of this MOU, which LADWP or County shall be required or may desire to make, shall be in writing and may be personally served, or sent by prepaid first-class mail to the respective parties as follows:

County of Mono:

Attn: Tony Dublino, Solid Waste Superintendent
P.O. Box 457
Bridgeport, CA 93517

Los Angeles Department of Water and Power:

Attn: James G. Yannotta, Manager of Aqueduct
300 Mandich Street
Bishop, CA 93515

- f. Voluntary Execution. This MOU is executed voluntarily by the parties, without duress or undue influence on the part of or on behalf of any of them. The parties acknowledge that each has been represented by counsel with respect to the negotiation and preparation of this MOU. The parties further acknowledge that they are fully aware of the contents of this MOU and of its legal effect.
- g. Entire Agreement. This MOU contains the entire understanding of the parties with respect to the process by which the parties will investigate and develop certain identified information regarding the Property for the purpose of making informed decisions regarding its possible purchase and sale. No representations, inducements, promises, or agreements otherwise between the parties related to the foregoing and not embodied herein or incorporated herein by reference, shall be of any force or effect.
- h. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all of which constitute one and the same written instrument. This MOU shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, County and LADWP have executed this Agreement on the 24th day of September, 2014.

MONO COUNTY:

By: 
Jim Liddy, CAO

LADWP:

By:  09/24/14
James G. Yannotta, Manager of Aqueduct


APPROVED AS TO FORM:


COUNTY COUNCIL

APPROVED AS TO FORM:

CITY ATTORNEY

APPROVED BY RISK MANAGEMENT:



APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY


DAUG 26 2014
BY: 
TINA BITT
DEPUTY CITY ATTORNEY

EXHIBIT C

Buyer's Environmental Site Declaration and Disclosures Regarding Use

1. I, Tony Dublino, hereby declare and attest, to the best of my knowledge and belief, to the following:
2. I am the Solid Waste Superintendent for the County. I have been employed in this capacity for approximately two and one half years.
3. As Solid Waste Superintendent, I am familiar with the current operation of the Pumice Valley Landfill (the "Landfill") and with its operation over the prior approximately two and one half years. I have also reviewed the following records in the possession of Mono County pertaining to the Landfill, daily logs, photographs, inspection reports, groundwater monitoring reports, Reports of Disposal Site Information, Preliminary Closure and Post-Closure Maintenance Plans and leases pertaining to landfill operations and operations of the Transfer Station. This declaration constitutes a complete disclosure of existing or potential environmental hazards and/or contamination pertaining to the landfill known to me through my knowledge of current operations, and based on my review of the foregoing records. I also warrant and declare that I am authorized to sign this declaration on behalf of the County.
4. The Pumice Valley Landfill is located at 200 Dross Road, in the County of Mono, State of California and is identified as Assessor's Parcel Number 021-130-39.
5. The County of Mono first used the property under a Use Permit (#M12-310-17) granted by the Los Angeles Department of Water and Power (LADWP) for the 40-acre landfill site (the "property") as of March of 1974. This Use Permit was replaced by Lease BL-443 in March of 1975. The County has been operating under active leases with LADWP, or hold-over clauses, ever since March 1975.
6. Prior to 2001, the County used the property as a municipal solid waste landfill. Beyond 2001, the site was used as a construction and demolition waste landfill, and transfer station.
7. The leases and permits issued by LADWP for the property have all reflected its use as a landfill and/or transfer station. To my knowledge, this has been the historic use on the property and there have been no other uses of the property. The County has used the property in accordance with the terms in #M12-310-17 and BL-443 for their respective applicable time periods and any holdover periods.

8. To my knowledge, the County has not used or knowingly allowed any illegal use of hazardous substances on the property.

9. The only current violation on the property known to me is a violation of Public Resources Code 44014(b), "Operator Complies with Terms and Conditions."

10. Historical violations include longstanding violations relating to the permit for the site, and the permit's failure to accurately describe then-current conditions. Other past violations include litter, security, equipment failures, grading of fill surfaces, separation of wood waste piles, lack of availability of records and alternative cover frequency. To my knowledge, these violations were corrected in due time and none resulted in enforcement actions.

11. The County currently has all the necessary and applicable insurance as detailed in its lease and provided to LADWP. The County also carries insurance for this property as required by local, federal, and state laws.

12. There are no records of complaints relating to the property known to me.

13. The Pumice Valley Landfill has been in operation for 40 years. For many of those years, it was operated as an unmanned public dump site. The landfill is also unlined. It is impossible to know conclusively whether any contamination has taken place or may yet take place as a result of past activities. However, there is a high probability that some manner of hazardous materials were disposed of at Pumice Valley without the County's or LADWP's knowledge. While no evidence of contamination has been detected to date, it is possible that contaminants deposited at the landfill in the past may at some point leach into groundwater and present contamination issues. The nature of landfill operations and waste disposal are such that no owner or operator can be 100% certain that all incoming waste is entirely free of contaminants.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 6th day of January, 2011, at Bridgeport, California.



Tony Dublino, Solid Waste Superintendent



RESOLUTION NO. R15- 01

A RESOLUTION OF THE MONO COUNTY
BOARD OF SUPERVISORS APPROVING
AN ADDENDUM TO THE MONO COUNTY GENERAL PLAN
LAND USE AMENDMENTS FINAL EIR AND THE 2004 SUPPLEMENT THERETO,
APPROVING AGREEMENT FOR PURCHASE AND SALE OF THE PUMICE VALLEY
LANDELL, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO
ACCEPT AND CONSENT TO RECORDATION OF THE
DOCUMENT TRANSFERRING TITLE, AND AUTHORIZING THE
SOLID WASTE SUPERINTENDENT TO SIGN AN ENVIRONMENTAL
DISCLOSURE RELATING TO THE COUNTY'S USE OF THE PROPERTY.

WHEREAS, in 1972 the County went through a process to site a landfill in the Mono Basin. The selected site was on Los Angeles Department of Water and Power (LADWP) property, and became known as the Pumice Valley Landfill; and

WHEREAS, The current permit for the landfill dates back to 1978, and the County has been engaged in a process of updating that permit for over 20 years; and

WHEREAS, one of the difficulties encountered in updating the permit has been ownership of the property by LADWP, which requires review and approval of all permit application documents by LADWP; and

WHEREAS, the County and LADWP have reached an agreement that would allow for the sale of the property to the County, thereby streamlining the permitting process and eliminating the need for burdensome review and approval by LADWP. A copy of that agreement is attached hereto as Exhibit A and incorporated by this reference; and

WHEREAS, the County approved a Supplemental EIR for the proposed new landfill permit in 2005, and an Addendum to that document has been prepared for the proposed property purchase. A copy of that Addendum is attached hereto as Exhibit B and incorporated by this reference; and

WHEREAS, the County's Planning Agency has determined that the location, purpose, and extent of the proposed acquisition is in conformity with the General Plan. A copy of that determination is attached hereto as Exhibit C and incorporated by this reference; and

WHEREAS, public notice of the proposed acquisition has been published for 3 consecutive weeks in the Mammoth Times and The Sheet as required by Government Code section 25350; and

WHEREAS, pursuant to California law, deeds or grants conveying an interest in real property to a government agency may not be recorded without the consent of the government agency; and

WHEREAS, Government Code Section 27281 allows the legislative body of the government agency to authorize one or more officers or agents to accept and consent to the recordation of such deeds or grants; and

1 WHEREAS, the Board of Supervisors wishes to authorize the Public Works Director to accept
2 and consent to recordation of the of the Pumice Valley Landfill site, as described in the Purchase
3 Agreement attached as Exhibit A;

4 NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF MONO
5 RESOLVES that:

6 SECTION ONE: The Board has considered the Addendum to the Mono County General Plan
7 Land Use Amendments Final Environmental Impact Report and approves said Addendum as providing
8 the appropriate and required level of environmental review pursuant to CEQA; and

9 SECTION TWO: The Board hereby approves and authorizes the Chair to sign the Agreement
10 of Purchase and Sale of Real Property between the Los Angeles Department of Water and Power and
11 the County of Mono for the Pumice Valley Landfill and Access Easement attached hereto as Exhibit A.

12 SECTION THREE: The Solid Waste Superintendant is authorized to execute Exhibit C to
13 said Agreement, which is an environmental disclosure relating to the County's use of the property.

14 SECTION FOUR: The Director of Public Works is authorized to accept and consent to the
15 recordation of the document transferring title to the Pumice Valley Landfill and easement, as set forth
16 in the Agreement of Purchase and Sale and subject to satisfaction, approval, or waiver of any
17 conditions or contingencies set forth therein. The Certificate of Acceptance shall be in substantially the
18 form as set forth in Exhibit D, which is attached hereto and incorporated by this reference.

19 PASSED, APPROVED and ADOPTED this 6th day of January, 2014, by the following vote,
20 to wit:

21 AYES: Supervisors Alpers, Corless, Fesko, Johnston & Stump.
22 NOES: None.
23 ABSENT: None.
24 ABSTAIN: None.

25 
26 Timothy E. Fesko, Chair
27 Mono County Board of Supervisors

28 APPROVED AS TO FORM:


County Counsel

29 ATTEST:
30 
31 Annan Kendall
32 Asst. Clerk of the Board

33 Attachments:

- 34 Exhibit A: Purchase and Sale Agreement
35 Exhibit B: CEQA Addendum
36 Exhibit C: Planning Agency Determination
37 Exhibit D: Certificate of Acceptance
38

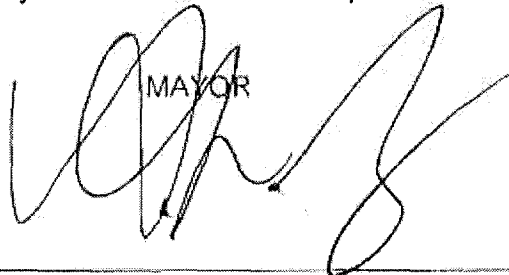
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TRANSMITTAL

TO Marcie L. Edwards, General Manager Department of Water and Power	DATE JUN 12 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Outside the City	

**SALE OF PUMICE LANDFILL PROPERTY AND ROAD EASEMENT
TO MONO COUNTY**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 11, 2015
To: The Mayor
From: Miguel A. Santana, City Administrative Officer *MAS*
Reference: Communication from the Department of Water and Power dated April 8, 2015; referred by the Mayor for report on April 17, 2015
Subject: **SALE OF PUMICE VALLEY LANDFILL PROPERTY AND ROAD EASEMENT TO MONO COUNTY**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of the proposed Resolution authorizing an ordinance for the sale of 50 acres (Assessor's Parcel Number 021-130-39 and a portion of 021-130-40) of City of Los Angeles owned property, known as Pumice Valley Landfill, to Mono County. Additionally, the sale includes a road easement grant of 3.12 acres for legal access to the property.

A third party appraisal was performed by Norris Realty Advisors on April 15, 2014. The property was appraised at the fair market value of \$50,000 for the property and \$1,500 for the access road easement. DWP's costs associated with the sale of the property are estimated to be \$25,000, half of the total cost of obtaining the environmental assessment, survey, and appraisal report. The environmental assessment of the property was conducted by Kleinfelder, LLC, on November 7, 2013. No notable adverse environmental conditions were identified in the assessment. The assessment was used to establish the baseline condition of the property before the sale.

This landfill, located at 200 Dross Road, Lee Vining, California, in Mono County, is currently out of compliance with their Solid Waste Facility Permit (SWFP). The current operating permit was issued in 1978 for a Class II sanitary landfill. Mono County is operating the site as a transfer station and Class III landfill site, outside of the parameters of the 1978 permit. The landfill is being used as a site to dispose of construction materials, dirt and rock. Currently, the landfill site is used minimally to prevent mandatory closure. As the landowner, DWP must sign and accept liability for the SWFP issued by the State of California (Cal Recycle). DWP believes that in order to achieve compliance with the Permit the facility will need to be closed or expanded.

The California Solid Waste Superintendent's environmental disclosure for this property was provided to Mono County. The disclosure states that the property has no known illegal use of hazardous substances, no evidence of contamination and no uncorrected violations with the

exception of violations that can be resolved with the permit revision including the expansion of the landfill. DWP states that the operation of the landfill is not adversely impacting groundwater quality.

If the sale of the property proceeds, Mono County intends to expand the landfill's capacity, allowing it to bring the site into compliance as a Class III landfill and better meet the needs of the Mono County community. Mono County's intent to expand operating at the landfill causes liability concerns as the City could be held liable for issues associated with permitting expanded operations. DWP is agreeable to sell this property under the condition that Mono County fully indemnify the City for all liability associated with Mono County's use and operation of the landfill. Mono County has agreed to these terms. On January 6, 2015, Mono County Board of Supervisors approved the purchase by Mono County Resolution No. R15-01 and signed the Purchase Agreement.

The DWP considered four options for this landfill property:

- Continue to lease to Mono County without expanding the Solid Waste Facility Permit (SWFP): This would not expose the City to any additional liability beyond any that may already exist, and it does not resolve the compliance issues for the City or Mono County.
- Continue to lease to Mono County and expand the SWFP: This would increase the risk for the City by its participation in the expansion of the landfill site.
- Terminate the lease and require Mono County to close down the landfill: This option would lessen the choices to dispose of refuse and create negative social and economic impact to the local community.
- Sell the property to Mono County prior to the expansion of the landfill: Transfer the ownership of the property to Mono County and remove the City from continued operational involvement of the landfill. Mono County has agreed to indemnify the City for any environmental liability that arises from Mono County's continued use and operation of the landfill.

The attached Agreement of Purchase and Sale of Real Property, details the sale of the property including the indemnification, hold harmless and As-Is Articles to the Agreement. The DWP will retain the water, oil and mineral rights.

The property is located outside of the town of Lee Vining and is currently not connected to the town's water system. Lee Vining has never provided water service to the property and the landfill has operated without a water source for the past 40 years.

City Council approval is required pursuant to City Charter Sections 675(d) (2) regarding the sale of real estate interests. The City Attorney has reviewed and approved the proposed resolution as to form and legality.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Resolution authorizing an Ordinance for the sale of Pumice Valley Landfill and road easement for \$51,500, excluding all water and water, oil and mineral rights, to the County of Mono; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

There is no additional impact on the City or the General Fund. Approval of the proposed Resolution will result in net revenue to the Water Revenue Fund totaling \$26,500.

MAS:MCD:06150168

Attachments

RESOLUTION NO. 016 059

WHEREAS, the Los Angeles Department of Water and Power (LADWP) leases property owned by the City of Los Angeles (City) to Mono County for its operation of the Pumice Valley Landfill (Landfill) located at 200 Dross Road, Lee Vining, California (Property) in the County of Mono, State of California; and

WHEREAS, Mono County desires to expand its operations and capacity at the Landfill to accommodate its solid waste disposal management needs and accepts full liability for all environmental issues that arise from its use and operation of the Landfill; and

WHEREAS, LADWP and Mono County have negotiated a purchase and sale agreement that includes indemnification for liability associated with Mono County's use and operation of the Landfill; and

WHEREAS, the divestiture of the City's Property for Landfill purposes satisfies a public interest need associated with solid waste management goals of Mono County.

NOW, THEREFORE, BE IT RESOLVED, that it is in the best interest of the City and LADWP to sell to Mono County that certain Property for the sum of \$50,000 and that certain access road easement for the sum of \$1,500 for a total of \$51,500.

BE IT FURTHER RESOLVED, that the Property and access road easement are described as follows:

A portion of that real property described in Grant Deed from Cain Irrigation Company to The City of Los Angeles, recorded in Official Records, Book 10, page 173, on May 6, 1935, in the office of the County Recorder of Mono County, State of California, more particularly described as follows:

The northwest quarter of the northwest quarter, and the west half of the west half of the northeast quarter of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book 2, page 11, in said County Recorder's office, containing 50.19 acres, more or less.

END OF PARCEL DESCRIPTION

TOGETHER with an easement for public road and access purposes all in, on, over, under, and across that certain real property situated in the south half of the northwest quarter of Section 36, Township 1 North, Range 26 East, Mt. Diablo Meridian, in the unincorporated territory of the County of Mono, State of California, as shown on the Record of Survey No. 34-22, recorded in Map Book

2, page 11, in the office of the County Recorder of said County, and more particularly described as follows:

COMMENCING at a 2 inch Iron Pipe with a Mono County Surveyor Tag at the northwest corner of said south half of the northwest quarter of said Section 36; thence South $0^{\circ}03'25''$ East, 1322.38 feet to a 2 inch Iron Pipe with stamped pipe cap monumenting the southwest corner of said south half of the northwest quarter of said Section 36; thence North $74^{\circ}45'33''$ East, 2201.01 feet to a point within the existing State Route #120 roadway, and the POINT OF BEGINNING; thence North $38^{\circ}15'41''$ West, 225.28 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 970.00 feet, and a central angle of $10^{\circ}09'05''$; thence northwesterly along the arc of said curve 171.86 feet; thence North $48^{\circ}24'46''$ West, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 315.16 feet, and a central angle of $41^{\circ}27'48''$; thence northwesterly along the arc of said curve 228.07 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 838.80 feet; thence South $74^{\circ}07'26''$ West, 145.12 feet; thence North $89^{\circ}52'34''$ West parallel with the northerly line of said south half, 81.76 feet; thence North $0^{\circ}07'26''$ East perpendicular to said northerly line, 100.00 feet to a point on said northerly line that bears South $89^{\circ}52'34''$ East, 261.39 feet from said northwest corner; thence South $89^{\circ}52'34''$ East along said northerly line, 1060.06 feet to a 2 inch Iron Pipe with a Mono County Surveyor Tag at the southeast corner of the northwest quarter of the northwest quarter of said Section 36, and the beginning of a tangent curve, concave southwesterly, with a radius of 375.16 feet, and a central angle of $41^{\circ}27'48''$; thence southeasterly along the arc of said curve 271.49 feet; thence South $48^{\circ}24'46''$ East, 451.61 feet to the beginning of a tangent curve, concave southwesterly, with a radius of 1030.00 feet, and a central angle of $10^{\circ}09'05''$; thence southeasterly along the arc of said curve 182.49 feet; thence South $38^{\circ}15'41''$ East, 225.28 feet; thence South $51^{\circ}44'19''$ West, 60.00 feet to the POINT OF BEGINNING, containing 3.12 acres, more or less.

END OF EASEMENT DESCRIPTION

SUBJECT TO all outstanding taxes and assessments, if any.

SUBJECT TO any and all easements, covenants, conditions, restrictions, and other matters of record.

RESERVING TO the City of Los Angeles all water and water rights, whether surface, subsurface, or of any other kind, and all water and water rights appurtenant or in


anywise incident to the real property herein described, or used thereon or in connection therewith, together with the right to develop, take, transport, control, regulate, and use all such water; and reserving unto the City of Los Angeles all oil, gas, petroleum, or other mineral or hydrocarbon substances in and under said land, without the right to enter upon the surface of said land for such use.

BE IT FURTHER RESOLVED, that the sale of said Property and access road easement is approved by the Board of Water and Power Commissioners (Board) and is recommended to the Los Angeles City Council, and that upon approval by the Los Angeles City Council, the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute a purchase and sale agreement, and an instrument in writing, approved as to form and legality by the City Attorney, conveying title to the Property and access road easement and shall execute all other documents and perform all other actions necessary to complete the transaction in accordance with City Charter Section 675(d)(2) and the terms set forth herein.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held OCT 06 2015


Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

AUG 26 2015
BY 
JOHN BEANUM
DEPUTY CITY ATTORNEY