

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE COUNTY OF EL DORADO
AND THE CITY OF SOUTH LAKE TAHOE
FOR THE CONSTRUCTION OF THE EL DORADO BEACH
IMPROVEMENT PROJECT IN THE SOUTH LAKE TAHOE
RECREATIONAL AREA**

This Memorandum of Understanding ("MOU") is made and entered into by and between the County of El Dorado, a political subdivision of the State of California ("County") and the City of South Lake Tahoe ("City"), a municipal corporation. For purposes of this MOU, the County and the City are each a "Party" and are sometimes referred to as the "Parties."

I. RECITALS

A. The "South Lake Tahoe – El Dorado Recreational Area," also known as the "56-Acre Project" or "Lakeview Commons," is an existing site of approximately 56 acres located where Highway 50 meets Lake Tahoe (hereinafter "the Property"). The property is currently used for public recreation and other civic activities. The property includes El Dorado Beach and Boat Ramp ("the Project Area"), the El Dorado County South Lake Tahoe Branch Library, the Scout Lodge, South Lake Tahoe Recreation Complex, the Campground by the Lake, the Senior Center, Art Center, Historical Society Museum and Visitor Center.

B. The City of South Lake Tahoe, El Dorado County, and the California Tahoe Conservancy have cooperatively worked on improving the Property, with the mutual objective of enhancing public recreational opportunities in the area by promoting the ideals of sustainability, public accessibility, and cultural activity in a conceptual plan for landscape and building improvements, and creating a gathering place for City and County residents as well as visitors.

C. The Parties entered a Memorandum of Understanding in May of 2006 for the cooperative assessment of alternative concepts for the Property, followed by planning and design efforts supported by funding from the California Tahoe Conservancy. Under the prior Memorandum of Understanding, the City was designated as the lead entity with the primary responsibility for satisfying administrative grant requirements, with oversight by the County. The Parties jointly assumed the responsibility of day-to-day project management during the planning and design phase.

D. Project planning and design for improvements at the El Dorado Beach portion of the Property (APN 026-050-06) have been completed pursuant to a grant by the California Tahoe Conservancy. The purpose of this MOU is to define the mutual understanding of the County and the City regarding the funding and construction of the El Dorado Beach Improvements (hereinafter "the Beach Improvement Project").

II. SCOPE OF BEACH IMPROVEMENT PROJECT

A. The Beach Improvement Project will improve an existing day use recreation area in a portion of the Project Area located in APN 026-050-06 between US Hwy 50 and the south shore of Lake Tahoe known as El Dorado Beach. A map depicting the location of the Beach Improvement Project is attached hereto, identified as "Attachment 1" and incorporated herein by reference.

B. The Parties have identified the following objectives for the Beach Improvement Project:

- 1) Improve recreational characteristics through reconstruction of existing facilities to meet current building codes.
- 2) Improve environmental quality of a degraded landscape and planting areas.
- 3) Enhance the sense of community for the City and County by improving the quality of the waterfront.
- 4) Make the site ADA accessible.

C. The Beach Improvement Project will involve the implementation of water quality measures and improvements to recreational features of the waterfront area in accordance with a conceptual plan as presented to the Board of Supervisors and City Council on January 29, 2008 and updated in a presentation to the Board of Supervisors on August 26, 2008 ("Phase 1 Conceptual Plan"). A map depicting the Beach Improvement Project is attached hereto, identified as "Attachment 2" and incorporated herein by reference. The Beach Improvement Project improvements shall include, but are not limited to, storm-water infiltration areas, pervious paving, stabilization of the bluff to reduce erosion at the lake edge, terraced seating areas for lake viewing, ADA accessible viewing areas, improved picnic and barbeque areas, a small building with City operated concessions for food, a restroom, a small building for non-motorized water crafts, a cantilevered lake overlook, an upgraded Class I bike path, and a new waterfront plaza for community recreation (hereinafter "Beach Improvement Project Improvements").

III. OWNERSHIP, CONDITIONS TO AGREEMENT AND LEASE AND CONDITION OF LEASE EXTENSION

A. The Beach Improvement Project is located on real property owned by the County and leased by the City ("Leased Property") in accordance with a Lease of Real Property Agreement commencing on July 1, 1968 for a term of 55 years and memorialized in an Agreement dated December 12, 1972, fully executed and amended in December 1986 ("Lease Agreement"). This MOU is contingent on the full execution of an amendment to the Lease Agreement accomplishing a Lease Extension to conform to the anticipated funding agreement(s). Accordingly, the Parties shall execute such amendment prior to the award of any contract for the construction or implementation of the Beach Improvement Project. The Lease Extension covers only the El Dorado Beach Portion of the Lease Property as defined in the amendment to the Lease Agreement.

B. County hereby consents to, and has entered into this MOU on the express condition that, 100% of the costs of construction of the Beach Improvement Project is fully funded, either by grant agreements and/or City contributions, prior to award of any contract for construction, and actual construction, of the improvements. 100% of the costs of construction are defined as the engineer's estimate of the cost of construction plus a minimum 15% contingency, together with the estimated costs of construction management, and project management and administration. In no event shall County be obligated to fund, from its General Fund or any other funds, any costs associated with this MOU or the construction, operation, maintenance, repair or improvement of the Beach Improvement Project. In the event that actual costs of the Beach Improvement Project exceed the grant funding, as between the County and City, City shall be solely responsible for any and all additional costs.

C. Ownership of all Beach Improvement Project Improvements shall vest in the County in accordance with the Lease Agreement and City shall remain solely responsible for the operation, maintenance, repair, and correction of defects of said improvements at no cost to the County for the term of the Lease Agreement. In the event the parties do not amend the Lease Agreement to conform to the requirements of the grant agreement before award of a construction contract for the Beach Improvement Project Improvements, including but not limited to the Lease Extension, this MOU shall be of no further force and effect.

IV. COOPERATIVE APPLICATION FOR FUNDING, GRANT ADMINISTRATION RESPONSIBILITIES

The City intends to accept funds or grants in its name allocated by the California Tahoe Conservancy for the Beach Improvement Project Improvements and City shall have the responsibility to administer and comply with the requirements and obligations set forth therein including but not limited to fiscal control, accounting, record keeping, invoice and other administrative tasks.

V. CITY DUTIES AND RESPONSIBILITIES

A. The City will, in a workmanlike manner, construct or cause to be constructed to the satisfaction of the County and any funding agency such as California Tahoe Conservancy, within the time-frame required by the funding agency, all of the Beach Improvement Project Improvements, and all work incidental thereto inclusive of utility location and re-location if any, in accordance with this MOU and the ordinances, rules and regulations of the Tahoe Regional Planning Agency, the Bijou/Al Tahoe Community Plan, County of El Dorado and City of South Lake Tahoe, applicable funding agencies rules, regulations and requirements, and the Lease Agreement. City acknowledges that it has occupied the site of the Beach Improvement Project since 1968 and is fully familiar with all of the conditions of the site. City shall be responsible for complying with and implementing any and all environmental commitments set forth in the environmental documentation, permit(s), agreement(s), and/or environmental permits

and approvals, including but not by way of limitation NPDES and RWQCB requirements, for the Beach Improvement. The costs of said compliance and implementation, and defense of any claim, challenge, administrative proceeding, or notice of violation, as between County and City, shall be solely a cost to the City and City shall hold harmless, defend, and indemnify County from any cost, fine or penalty arising therefrom.

All construction work shall be in accordance with all applicable federal, state and local rules, regulations, and ordinances including but not limited to applicable Public Contract Code requirements and bidding requirements, Labor Code requirements inclusive of prevailing wage, State licensing requirements, and bonding requirements, permitting requirements, and building code requirements. City shall be solely responsible for the day-to-day construction management, inclusive of construction engineering, inspection, surveying, and administration, of the Beach Improvement Project, shall be solely responsible to secure any and all applicable permits and approvals inclusive of environmental approvals, and shall be solely responsible for fiscal administration, and payment of funds to any third parties performing work, services or furnishing materials, in connection with the Beach Improvement Project. As between County and City, City shall warrant the materials and workmanship on the Beach Improvement Project and shall make such replacements and repairs as are necessary due to defects during the period of the Lease Agreement as modified to conform to funding requirements at City's sole costs and expense.

City shall have an engineer prepare record drawings ("As-Built" Drawings) describing the finished work, inclusive of all changes orders, and submit the As-Built Drawings to County upon completion of the work.

B. The City shall retain or cause to be retained for audit by the County, California Tahoe Conservancy, its agents and representatives, and any other funding or governmental agency, for a period of four (4) years from the date of final payment of construction costs, all records and accounts relating to the Beach Improvement Project.

C. The City shall not award any contract for, shall not issue any notice to proceed for, and shall not perform any work for, the construction of all, or a portion of, the Beach Improvement Project Improvements by and until 100% of the construction costs, as defined in Section III herein, have been allocated and secured, and all permits and approvals have been obtained. Further, City shall not allow third parties to perform any work on the Beach Improvement Project without first executing a written agreement meeting the requirements of federal, State and local rules and regulations, all funding and grant agreement requirements, and the intent and requirements of this MOU, and containing the following provisions:

(1) The written contract shall contain the requirement that such third party agrees, to the fullest extent allowed by law, to defend and indemnify the City, the County, and any funding agency, from all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys'

fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, City or County employees and the public, or damage to property or any economic or consequential losses which are claimed to or in any way arise out of or are connected with that third party's work, services, operations or performance of the written contract, regardless of the existence or degree of fault or negligence on the part of the City, the County, the third party contractor or consultant, subcontractor(s) and employee(s) or any of these, except as expressly prescribed by statute.

(2) The written contract shall further contain a requirement that the third party contractor obtain and demonstrate proof of insurance meeting the limits set forth in Attachment 3 to this MOU, and naming the City, County and any funding agency as additional insured, and such insurance shall be the primary insurance for all losses arising from the performance of the contractor or consultant's work. Any insurance or self-insurance maintained by the County, the City, its officers, officials, employees or volunteers shall not contribute with, but shall be in excess of the third party's insurance, and further, as between the County and the City, the City's insurance shall be primary to the County and County's insurance shall not contribute with it but shall be excess to it.

D. In recognition that the construction work for the Beach Improvement Project will take place on real property owned by County and for the purpose of protecting the County's interests, City agrees to require the construction contractor to furnish both a payment and a performance bond naming the County as obligee in the amount of 100% of the construction contract and issued by a surety admitted in the State of California and complying with all state regulations regarding such bonds. Prior to the performance of any work on the Beach Improvement Project, City shall comply with Code of Civil Procedure section 995.311 in reviewing said contractor's bonds and insuring that this requirement is met. The performance bond shall contain an attorney's fees provision and a one year warranty period requiring the City's contractor to warrant the materials and workmanship on the Beach Improvement Project for a period of one year from the date of City's acceptance of said improvements.

City shall defend, indemnify and hold harmless County, its officers, officials, and employees from all claims by stop notice claimants related to the construction of the Beach Improvement Project under the payment bond.

E. In accordance with the Lease Agreement, the City shall remain solely responsible for the cost of all utility and other like services provided to the Lease Property.

F. To the fullest extent allowed by law, City shall defend, indemnify, and hold harmless the County, any funding agency, its/their officers, officials, employees agents and representatives from any and all claims, suits, losses, damages and liability, inclusive of administrative proceedings, fines and penalties, for damages of every name, kind and description, including attorneys' fees and costs incurred, brought for, or on

account of, injuries to or death of any person, including but not limited to workers, City or County employees and the public, or damage to property or any economic or consequential losses which are claimed to or in any way arise out of or are connected with the Beach Improvement Project, the design, construction, operation, maintenance, and/or repair of the Beach Improvement Project Improvements, whether by the City, its agents and representatives or a third party, City's duties and obligations with reference to the City's assumption of the funding agreement(s), and City's performance of its responsibilities and obligations under this MOU, regardless of the existence or degree of fault or negligence on the part of the City, the County, the third party contractor or consultant, subcontractor(s) and employee(s) or any of these, except as expressly prohibited by statute.

G. If City's contractor fails to complete the construction of the Beach Improvement Project Improvements, City shall take all necessary steps to enforce its contract, inclusive of enforcing the performance and payment bonds, to secure the completion of the improvements.

H. If the City fails to secure the completion of the Beach Improvement Project Improvements, or otherwise terminates the Beach Improvement Project after commencement of construction, City shall take all necessary steps to remove all obligations of the grant or other funding obtained for the project and shall restore the Leased Property to its original condition or to a safe and operable condition acceptable to the County.

VI. GENERAL TERMS AND CONDITIONS

A. This MOU will become effective upon execution by both Parties and will remain in effect for the period of time required by the grant or funding received for the Project. The insurance and indemnity obligations of the City under this MOU shall survive the expiration or termination of this MOU.

B. Prior to the commencement of work in connection with the Beach Improvement Project, this MOU may be terminated for any reason by either Party upon thirty (30) days written notice. Neither Party may terminate this MOU after the award of any construction contract, notice to proceed or commencement of any work on the project.

C. This MOU may only be amended by mutual agreement in writing signed by both Parties.

D. This MOU is not intended to create or constitute any joint venture, partnership, joint powers agency, or other formal organization of any kind.

E. Nothing herein is intended to create duties or obligations to or rights in third parties not parties to this MOU. Nothing in this MOU shall be interpreted to require

the City or the County to exercise its discretion in any particular way or to require the City or the County to take any future action regarding the Project.

F. Neither Party is authorized herein to act as the agent of the other.

G. Any news release, public announcement, advertisement or publicity proposed to be released by the County or the City regarding this MOU shall be subject to the approval of the other Party prior to release. The Parties agree that such approval shall not be unreasonably withheld.

H. Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested, and addressed as follows:.

County:	Russ Nygaard Deputy Director Department of Transportation 2850 Fair Lane Court Placerville, CA 95667 russell.nygaard@edcgov.us (530) 621-5916	Jim Ware Director Department of Transportation 2850 Fair Lane Court Placerville, CA 95667 jim.ware@edcgov.us (530) 621-7533
---------	--	---

City:	Debbie Vreeland Project Manager deb@vreelandworks.com 530.577.1777	David Jinkens City Manager City of South Lake Tahoe 1901 Airport Rd., Ste. 203 South Lake Tahoe, CA 96150 530.542.6045
-------	--	---

I. Each Party represents that it has the authority to enter into this MOU and to perform the functions stated herein, and that the persons executing this MOU on their respective behalf are authorized by law, resolution or other requisite action of the Party's governing body to bind upon said party the obligations set forth herein.

J. The County officer or employee with responsibility for administering this MOU is Jim Ware, the Director of the County's Department of Transportation, or successor.

K. Any dispute resolution action arising out of this MOU, including but not limited to litigation, mediation, or arbitration shall be brought in El Dorado County, California and shall be resolved in accordance with the laws of the State of California.

L. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

M. This MOU may be executed in duplicate and counterparts and each duplicate and counterpart shall be deemed an original.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: 1/26/10

By: *Norma Santiago*
Norma Santiago, Chair
Board of Supervisors
"County"

ATTEST:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

By: *Marcie MacFarland*
Deputy Clerk

-- CITY OF SOUTH LAKE TAHOE --

Dated: _____

By: *Kathay Lovell*
Kathay Lovell, Mayor
"City"

ATTEST:
Susan Alessi, City Clerk

By: *Susan Alessi*

C:\Documents and Settings\RNygaard.ELDORADO\My Documents\Tahoe\SLT MOU 56 acre - edits creating 12-26 ver.doc



Required Insurance Limits
Attachment 3
(2 pages)

CONTRACTOR'S INSURANCE REQUIREMENTS
for
PUBLIC WORKS PROJECTS

GENERAL INSURANCE REQUIREMENTS

The Contractor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Management Division and documentation evidencing that the Contractor maintains insurance that meets the following requirements:

1. Full Workers' Compensation and Employers' Liability Insurance covering all employees of the Contractor as required by law in the State of California.
2. Commercial General Liability (CGL) Insurance of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage: Premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors liability. This insurance can consist of a minimum \$1 Million primary layer of CGL and the balance as an excess/umbrella layer, but only if the County is provided with written confirmation that the excess/umbrella layer "follows the form" of the CGL policy.
3. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required in the event motor vehicles are used by the Contractor in performance of the Contract.
4. In the event Contractor is a licensed professional and is performing professional services under this Contract, Professional Liability Insurance is required with a limit of liability of not less than One Million Dollars (\$1,000,000).
5. Explosion, Collapse and Underground coverage is required when the scope of work includes XCU exposures. For the purpose of this Contract, XCU coverage is required.

PROOF OF INSURANCE REQUIREMENTS

1. Contractor shall furnish proof of coverage satisfactory to the El Dorado County Risk Management Division as evidence that the insurance required herein is being maintained. The insurance will be issued by an insurance company acceptable to the Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
2. The County of El Dorado, its officers, officials, employees, and volunteers shall be included as additional insured, but only insofar as the operations under this Contract are concerned. This provision shall apply to all general liability and excess liability policies. Proof that the County is named additional insured shall be made by providing the Risk Management Division with a certified copy, or other acceptable evidence, of an endorsement to Contractor's insurance policy naming the County additional insured.
3. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Contract for not less than three (3) years following completion of performance of this Contract.
4. Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions

as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

5. Contractor shall require each of its subcontractors to procure and maintain commercial general liability insurance, automobile liability insurance, and workers' compensation insurance of the types and in the amounts specified above, or shall insure the activities of its subcontractors in its own policy in like amounts. Contractor shall also require each of its subcontractors to name Contractor and the County of El Dorado and any other additional insured listed above as additional insureds.

INSURANCE NOTIFICATION REQUIREMENTS

1. Contractor agrees no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to the County of El Dorado Project Manager at the office of the Department of Transportation, 2850 Fair Lane Court, Placerville, CA 95667.
2. Contractor agrees that the insurance required herein shall be in effect at all times during the term of this Contract. In the event said insurance coverage expires at any time or times during the term of this Contract, Contractor shall immediately provide a new certificate of insurance as evidence of the required insurance coverage. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event. New certificates of insurance are subject to the approval of the Risk Management Division.

ADDITIONAL STANDARDS

Certificates shall meet such additional standards as may be determined by the Department either independently or in consultation with the Risk Management Division, as essential for protection of the County.

COMMENCEMENT OF PERFORMANCE

Contractor shall not commence performance of this Contract unless and until compliance with each and every requirement of the insurance provisions is achieved.

MATERIAL BREACH

Failure of Contractor to maintain the insurance required herein, or to comply with any of the requirements of the insurance provisions, shall constitute a material breach of the entire Contract.

REPORTING PROVISIONS

Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.

PRIMARY COVERAGE

The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.

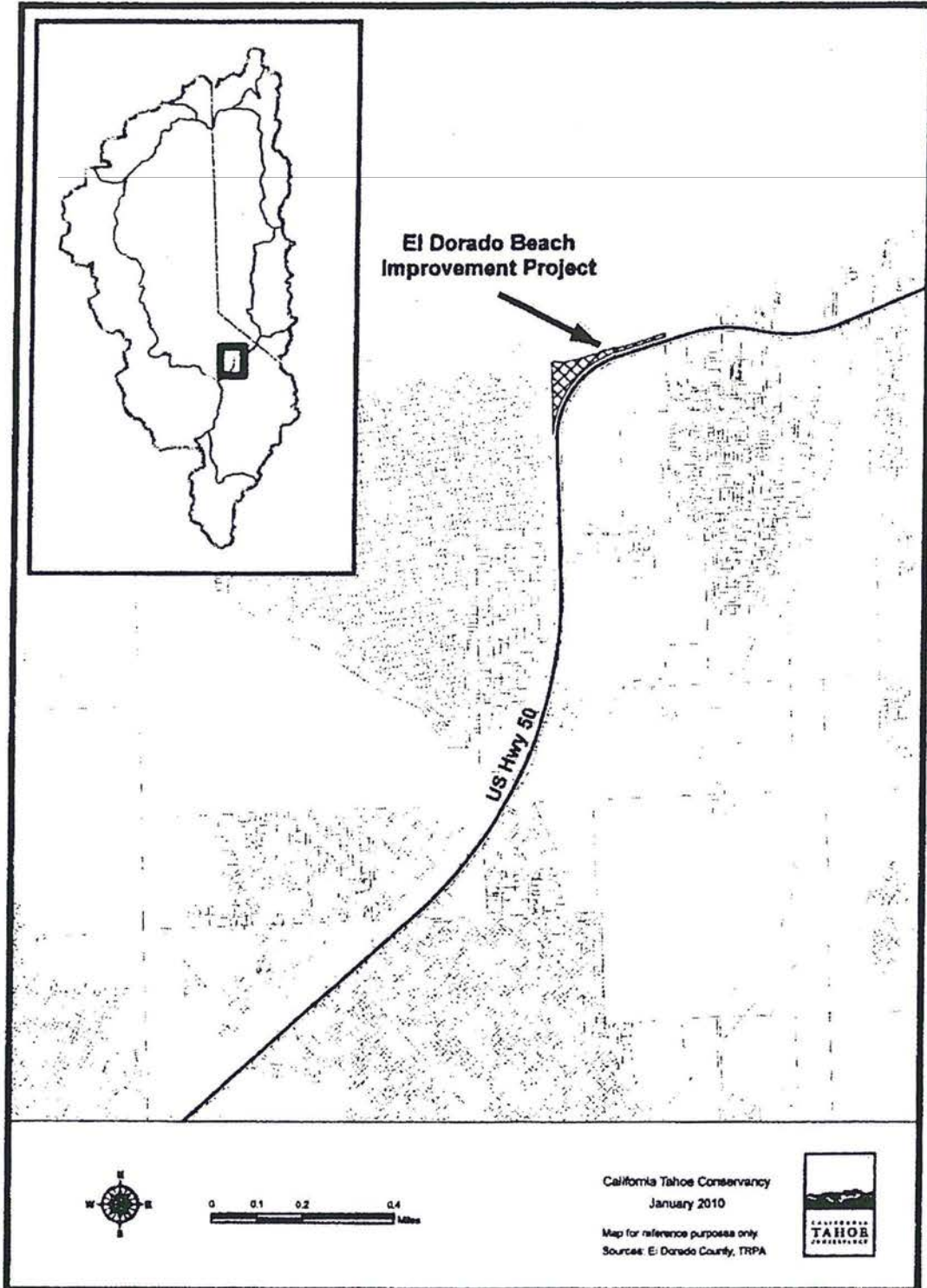
PREMIUM PAYMENTS

The insurance companies shall have no recourse against the County of El Dorado its officers, agents, employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.

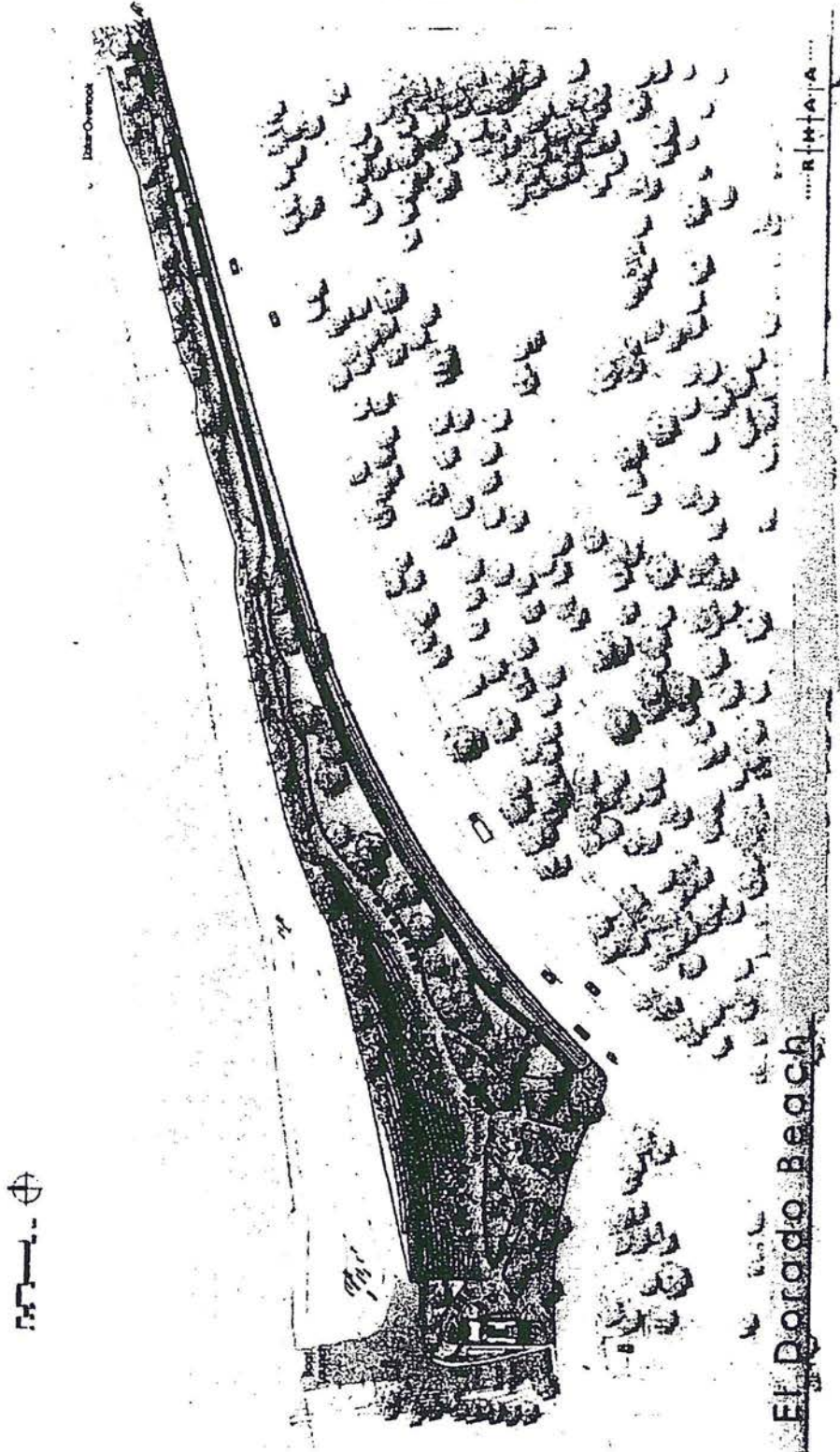
CONTRACTOR'S OBLIGATIONS

Contractor's indemnity and other obligations shall not be limited by the insurance required herein and shall survive the expiration of this Contract.

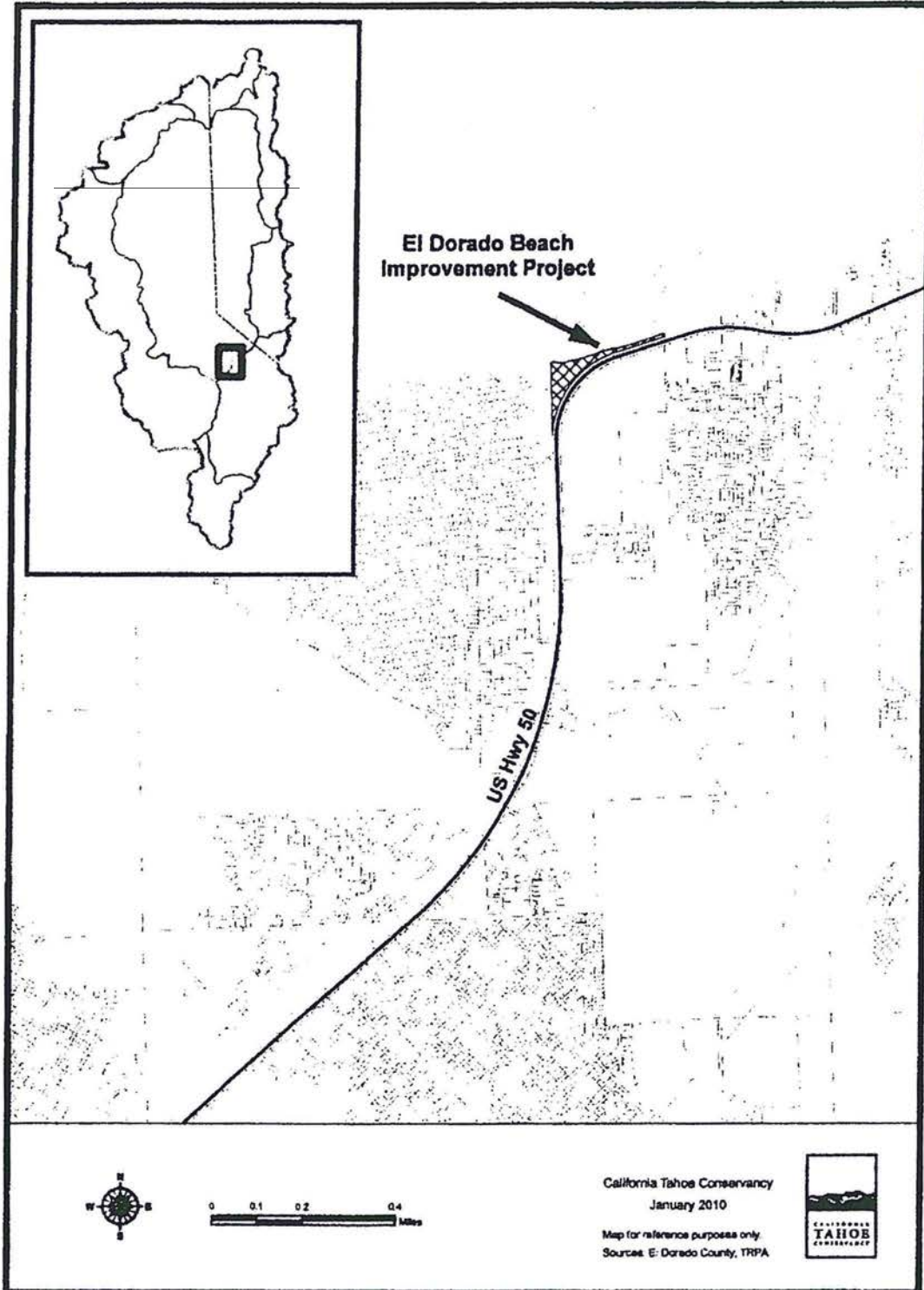
Regional Location Map Attachment 1



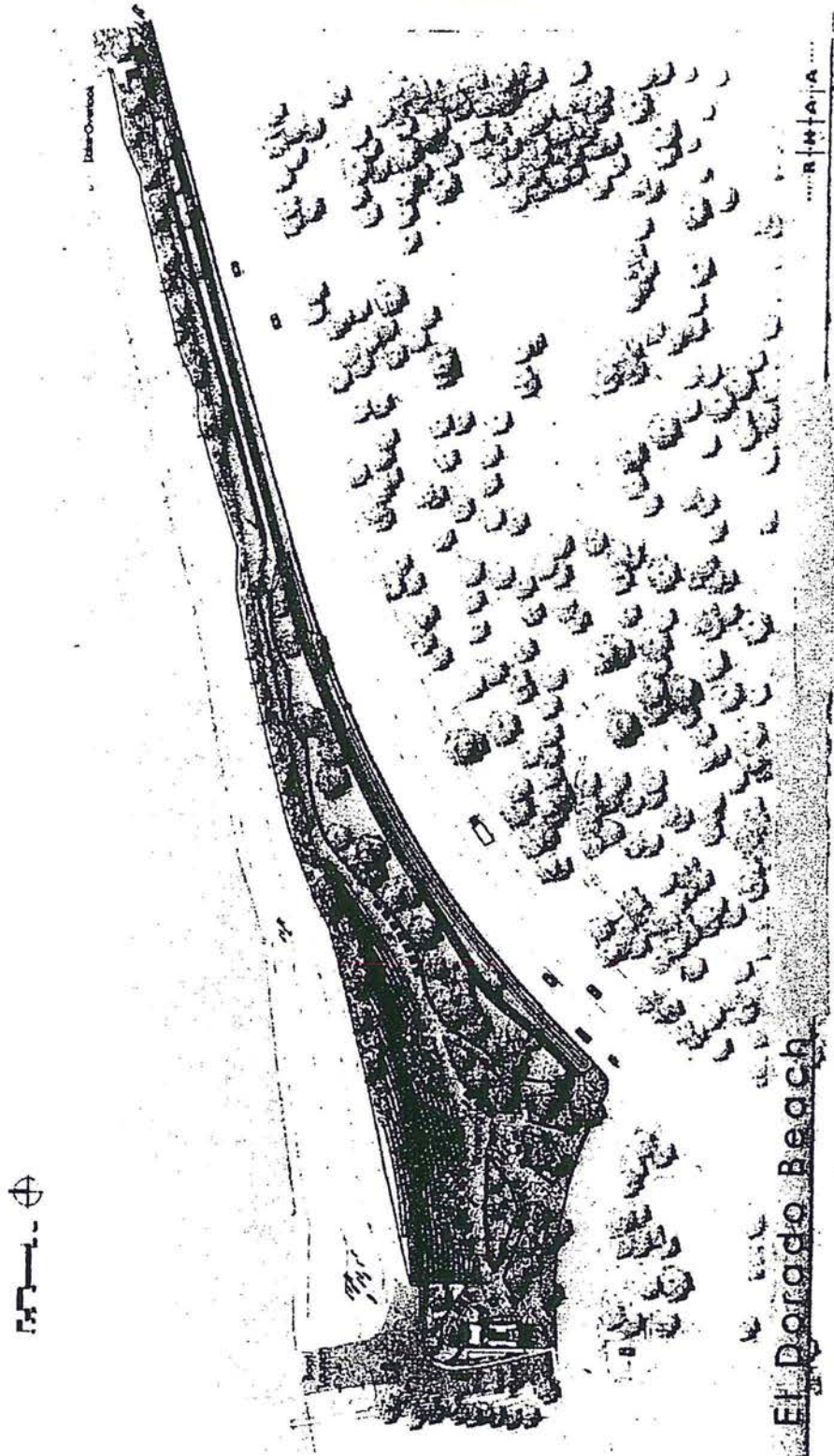
Beach Improvement Project Map Attachment 2



Regional Location Map Attachment 1



Beach Improvement Project Map
Attachment 2



ATTACHMENT 4

Restroom Relocation and Reconstruction Project

