

May 30, 2023

Excerpts to be read June 6, 2023

From: Sierra del Oro Trading Company LLC
Rock Creek Ranch Mutual Water Company
Rock Creek Ranch Rural Electric Company

Attn: Mono County Board of Supervisors

Good Morning,

Sierra del Oro Trading Company LLC (SdO) requests that the Mono County Board of Supervisors (the Board), entrusted with the powers to oversee local operations, review the access easement issues per the approved 2014 Rock Creek Ranch Amended Specific Plan (RCR SP), and to formally determine the issues as either a **Civil matter** between private parties to be resolved contractually; or a **public matter** that necessitates Mono County adopting the powers of eminent domain and authorizing the formation of a special district, Community Service Association (CSA) or dependent special district-ensuring that public services are provided effectively and efficiently while maintaining fiscal responsibility- *"the board of supervisors of any county may acquire by eminent domain any property necessary to carry out any of the powers or functions of the county."* Cal. Gov. Code § 25350.5. Counties often deliver enhanced services to communities in the unincorporated area through CSA or dependent special districts. A CSA can often provide a community needed services with a minimized administrative burden. For road maintenance services, counties often rely upon permanent road divisions for funding.

On January 3rd of this year, the Board issued a letter of recognition, for "the need to create a new access road illustrated in the approved RCR SP". The Board directed the letter to Mono County Local Agency Formation Commission (Mono LAFCO) and United States Department of Agriculture, Rural Development Loan and Grant Program (USDA RD) for the purposes: of loan applicant requirements, and the formation of a Community Service District (CSD) to finance, manage, construct and maintain the private road (the Project). Both agencies require the demonstrated support from the Board for the proposed private new access road as the "necessary sole access to Assessor's Parcel No. 026-330-002-000 (the Property) from the public road, Lower Rock Creek Road; and that the greater community benefits by improving health and safety of the area by providing access to the Property" for indirect access to the community's water system.

Absent the formation of a CSD to manage, construct and maintain the Project, the identified beneficiaries are independently responsible to submit separate applications to USDA RD and other lenders for loans and grants. SdO benefits with direct access to the 10-LOT subdivision per the RCR SP; and the greater community of Paradise Estates, Rock Creek Canyon Subdivision and other properties [through Lower Rock Creek Mutual Water Company (LRCMWC)] benefits by improving the health and safety of the area with indirect access to

LRCMWC's utility easements on the Northwest corner of the Property. At this point, SdO is prepared to submit applications to Mono County, lenders and insurance companies as the sole applicant for the Project with the Board's confirmation that it is a Civil matter.

Because of the vital role played by financing in the success of this subdivision and the new private access road, per the RCR SP, SdO endeavors to include the proper safeguards to insure appropriate financing as "solely financially responsible for the private new access road"; even though SdO acknowledges that the greater community may benefit from the Project with a Licensing Agreement; and assuming no encroachment from a third party or eminent domain from Mono County is brought forward. In addition to the standard title policy coverage, the lenders require affirmative insurance on encroachments, priority over possible mechanics' liens, and certain possessory and survey matters to assure that SdO is the sole applicant. Because the estimated cost of the private new access road is approximately \$3 million (with \$1.2 million for the cut into the cliff alone), it is the policy of the lenders that the beneficiaries who are financially responsible for the project must be identified as such from the beginning of the development application process with Mono County. **SdO cannot submit an application to Mono County, unless it is confirmed by the Board that the Project's access/easement issues are a Civil matter that can only be resolved with a Licensing Agreement between private parties.**

SdO applies to the Board that the access/easement issues should remain as a Civil matter, and that the issues should not be resolved by the inference of "taking"/encroachment from Mono County. The mere suggestion that there is a possibility that SdO must provide an access/easement to a third party undermines SdO's autonomy in the application process with Mono County and as sole applicant for the loans and grants, as stated in the RCR SP. SdO proposes potential access to LRCMWC utility easements with a Licensing Agreement agreed upon by both private parties and which would satisfy Mono County, the lenders for the Project and the insurance companies for the Property. It shall be the understanding that any access developed per the RCR SP for a third party, is a Civil matter- which has been in the past informally acknowledged by Mono County Community Development Department, Mono County Environmental Health, and Mono County Public Works in emails before the TTM application submission; and formally at all times by LADWP, Paradise FPD and Cal Fire. Without a formal Licensing Agreement, SdO is not legally in a position to identify any proposed access that benefits LRCMWC in the review process with Mono County. Basically, if the greater community would like to benefit from the new access, it would be resolved with a Licensing Agreement so that SdO may proceed with autonomy in the process with Mono County and satisfy the requirements as sole applicant for the lenders and insurance companies.

Even though the maintenance of LRCMWC's utility easements, including the necessary access to provide that maintenance is the exclusive responsibility of LRCMWC, (as is the construction, management and maintenance of said access), proposed access is of vital concern to Mono County, SdO, Paradise FPD and Cal Fire. Any access from the proposed new access road to LRCMWC's utility easements may require an amendment to the RCR SP; would potentially trigger a new EIR; and would require LRCMWC to be the sole applicant in loan and

grant applications, as well making LRCMWC responsible for all costs associated with their project over a period of years. Furthermore, any proposed access/easement required by Mono County as a condition of approval for the Project, would require just compensation with due process; an amendment to the RCR SP; and trigger a new EIR- all at the expense of Mono County. The condemnation appraiser costs begin at \$16,000 alone.

Though LADWP, Mono County, Paradise FPD and Cal Fire have no involvement in a Civil matter between private parties, appropriate access to and maintenance of LRCMWC's water system may be critical to ensure a reliable supply of water for firefighting purposes- LRCMWC's access to the water system using the new private access, per the RCR SP, may be vital to ensure the health and safety of the greater community. LRCMWC has existing secondary access easements that could be repaired and maintained to improve reliable access to the water cisterns and satisfy Mono County, Paradise FPD and Cal Fire for the need of emergency access. SdO has provided assurances to Cal Fire, Paradise FPD, and in all communications with Mono County that access from the new access road to LRCMWC's utility easements shall be secured through a Licensing Agreement that satisfies the lenders and insurance companies and that SdO remains open to working with LRCMWC for the health and safety of the greater community.

In the process of submitting the Tentative Tract Map (TTM) application, SdO has encountered certain employees (Brent Calloway, Kalen Dodd and Wendy Sugimura, from March 31, 2023 to present), working in the capacity as an authority for Mono County and entrusted with the powers of their positions, who are threatening that the "decision makers, (the Board and the Planning Commission), may proceed with "the imposition of an access easement as a condition of approval" for the Project- violating the owners' Fifth Amendment Rights of the Taking Clause, the Fourteenth Amendment Rights of due process, and SdO's Property Rights under California Law. It is to be noted that the Fifth Amendment forbids governments from taking property for public use without just compensation and this limitation is extended through the Fourteenth Amendment. Property owners enjoy broader protection under a state constitution than under the Federal Constitution. In addition to the constitutional requirements of public use and just compensation, the due process clause protects the property owners from the adoption of any form of procedure in eminent domain cases which would deprive reasonable opportunities to be heard and to present any objections and claims. The imposition of an access easement as a condition of approval for the Project, undermines SdO's autonomy to manage the Project.

Under California State Property Rights, Mono County cannot coerce SdO to waive their right to exclude the public/third party on a private road as a condition of receiving the benefit of the Tentative Tract Map application's approval. Common law recognizes that the right of property ownership is the right of exclusion. Nor should Mono County single out SdO to bear excessive burdens, even in support of an important public good for the third party (seen as encroachment/taking) without just compensation and due process in a court of law. Mono County can only acquire private lands if it is reasonably shown that the property is to be used for

public purpose only and as long as the property owner is compensated at fair market value of "highest and best use", after lawful due process.

*"Staff do not provide pre-application or pre-approval guarantees or discretionary decisions. Neither Community Development nor Public Works staff can make a determination about whether an access easement would be required by discretionary authorities. **The Planning Commission and the Board of Supervisors are the discretionary decision makers who would have the authority to evaluate whether the imposition of an access easement as a condition of approval for the tract map, once submitted, is necessary or appropriate**", (Wendy Sugimura CDD Director, May 26, 2023).*

Though Mono County may place limitations on what SdO may do with the Property, it must always allow SdO to develop the Property in some manner in conformance with and consistent with the RCR SP. The California Constitution protects the right to safeguard the property against destruction or damage from private individuals and public actors. And the right of autonomy in working on the development of the subdivision. An access easement for LRCMWC has the potential to create serious damage to the property and make the subdivision impossible to develop.

A physical taking occurs when the government encroaches upon private land for its own proposed use or for the benefit of a third party. A regulatory taking can arise although the government actions do not encroach upon or occupy the property but still affect and limit its use to such an extent that a taking occurs. Regulatory takings are based on the principle that while property may be regulated to a certain extent, if a regulation goes too far it will be recognized as a taking.

Eminent domain or "taking" can only be exercised following the strict rules prescribed in the statutes. The power must be exercised in a constitutional manner. The procedure for acquisition of land should comply with the rules provided in the statutes by the legislatures. Statutes conferring and circumscribing the power of eminent domain must be strictly construed which can be applied only in good faith according to due process of law.

The eminent domain power is subjected to certain constitutional limits such:

- The property acquired must be taken for a "public use;"
- The state must pay "just compensation" in exchange for the property;
- No person must be deprived of property without due process of law.

In California, the government's power is not absolute. There are two constitutional limitations on the power of eminent domain: 1) just compensation must be paid for the property condemned and 2) the property must be necessary for a public use. The power of eminent domain may be exercised only by a condemnor that is authorized by statute to exercise this power.

In a typical eminent domain case, the property owners' attorneys will contest the government's right to take the property and work with competent appraisers to determine the value of the property taken. Property owners' will also pursue any right to recover damages to any adjacent land not included in the taking (inverse condemnation- severance damages), available relocation benefits, lost or damaged business goodwill, the value of any improvements to the realty, the value of any inventory rendered unusable because of the take, pre-condemnation damages where the government has engaged in unreasonable conduct or delay, and litigation expenses where such recovery is permitted.

Before a condemnation (or eminent domain) action can be filed, the condemnor holds a public hearing and adopts a resolution of necessity. The resolution may be adopted only after the property owner has been given notice and a reasonable opportunity to appear and be heard on the issues of public use and necessity. Before adopting a resolution of necessity, the condemnor must also make an offer based on an appraisal to the owner of record. A condemnation action must be filed in the appropriate court within six months after the resolution is adopted.

The RCR SP does not specify any access for the sole benefit of a third party. The expired TTM proposed a secondary access along the proposed inter-tie as a utility easement to benefit LRCMWC. The interconnection (determined by Paradise FPD October 15, 2022) was removed due to financial hardship that it would place on LRCMWC. Mono County's different departments were notified that the removal of the inter-tie, also removed any secondary access to LRCMWC's utility easements from the proposed new access road. In all conversations with Mono County, it was repeated by the County employees reviewing the TTM, that "it was unreasonable to expect LRCMWC to only use their current easements to access their water system" and that SdO should give LRCMWC an easement. Without the inter-tie, SdO is legally unable to propose any new access for the benefit of LRCMWC to access their utility easements. And without a Licensing Agreement, SdO is unable to propose any new access on the TTM.

This has resulted in no faith with specific County employees; nor that the process will fairly review the applications; and a real fear of retaliation for bringing it to the attention of the oversight authorities. SdO has filed a formal complaint with the Mono County Administrative Officer, Mary Booher.

SdO requests that the Board, as the decision makers, review the need of issuing a letter affirming the access/easement issues between private parties are a Civil matter for this Project, per the RCR SP and the State and Federal Constitutions. The letter should also mention that the access/easement issues can only be resolved with an agreed upon Licensing agreement between the private parties. If the Board were to issue such a letter stating unequivocally that access/easement to benefit a third party is a Civil matter for the Project of the RCR SP, it would validate that SdO is solely and fully financially responsible for the private new access road to all pertinent agencies; that SdO has autonomy to proceed in good faith for the management, construction and maintenance per the RCR SP; and that any access to benefit a third party/LRCMWC would be resolved in a Licensing Agreement that would satisfy the loan and

insurance companies. For SdO to move forward and submit a TTM application with Mono County for the subdivision of the 10-lots per the RCR SP, confirmation of the basic information of *"who is the applicant or the entity that is in control/authorized to assume debt for the project and property"*, (Tonja Galentine USDA RD Loan Agent, Jan 18, 2023) is necessary.

Thank you,

Paula Richards
Chief Officer, Sierra del Oro Trading Company LLC

**EMAILS CONFIRMING THAT MONO COUNTY'S DIFFERENT DEPARTMENTS
TREATED THE ACCESS/EASEMENT ISSUES AS A CIVIL MATER**

Hello Brent:

Because Wendy Sugimura has stated since August 2021 that the access/easement issue with LRCMWC is a CIVIL MATTER, SdO is the sole applicant for loans and grants for the project. SdO is not able to discuss or propose any access for LRCMWC without a signed contract with LRCMWC.

Excerpt from the Subdivided Lands Law (Sections 11000 - 11200 of the Business and Professions Code; here in after, the Code):

"Lending Agencies

Because of the vital role played by financing in the success of a subdivision, the subdivider will endeavor to include the proper safeguards to insure appropriate financing. The subdivider and the engineer must be just as familiar with the requirements of the lending agencies as with those of local, state and federal control agencies."

Kalen Dodd, in a written statement that was reviewed by the Lenders, changed the entire situation.

Hi Paula,
A few clarifications below...

Kalen Dodd, PE
County Engineer
Mono County Public Works
[760-932-5452](tel:760-932-5452)

"2. Even though Mono County expects some sort of access to LRCMWC's (Licensing agreement), Mono County cannot specify the location and type of access on the TTM.

- This will have to be sorted out between SdO and LRCMWC at a later date because it is a Civil matter.

No. My understanding is that your new map will need to provide public utility easements.

The easements will need to provide reasonable ways for public utility companies to access their existing facilities, and any future facilities that will be constructed and owned by them as a part of your project, with their vehicles and construction equipment for repair, maintenance or replacement."

SdO immediately asked for clarification from the different departments of Mono County and to agendize the issue that Kalen Dodd had created. Wendy Sugimura's response:

"Paula,

Just to be clear, all the Mono County staff cc'd are not reviewing your multiple emails. Cecilia is your point of contact to work through pre-application issues. Other County staff from other departments will begin reviewing your project when we have a complete submittal that has been accepted for processing.

Thank you,
Wendy Sugimura
Community Development Director
(760) 924-1814"

Because Cecilia is unable to clarify Mono County's position, Wendy Sugimura's response has been interpreted that Mono County considers LRCMWC a PUBLIC UTILITY company under the jurisdiction of the CPUC. And as such requires an easement for access to utility existing easements for construction of new facilities and more. Such an easement has been estimated at \$2 million just for the land and will also affect the value of the subdivision which SdO would also have to be compensated for (valued around \$20 million). This creates a situation in which LRCMWC would be the dominant easement holder of the new access road and would be financially responsible for construction and also responsible for a maintenance entity/HOA to manage repairs and maintenance. This then triggers an amendment to the approved 2014 RCR SP and a new EIR. Please remember that LADWP requires that SdO is actively working on access that does not include their property. LRCMWC is held to the same standard.

The road is essential to the subdivision.

Without consulting with the other departments of Mono County or it seems LRCMWC, Kalen Dodd has in affect triggered an avalanche of costs and responsibilities onto LRCMWC for which they are not interested in assuming because they have had a copy of the Licensing Agreement since December 2021.

The Lenders require that the TTM can only be submitted by the party or parties that have the financial responsibility to construct and manage the project/subdivision. The road is essential to the subdivision. Without having absolute autonomy of the road, SdO does not have the authority to submit a TTM application.

SdO is requesting that Mono County formally confirm and state that the LRCMWC access/easement issue is a Civil Matter and thus restoring SdO's power to be the sole applicant for loans and grants, as understood as a bona fide purchaser and confirmed on the Title.

On Mon, May 17, 2021 at 12:12 PM James Moyer <moyerjames697@gmail.com> wrote:

Thanks Michael for your timely response. I have included the LRCMWC Board of Directors in this email as well. I have no authority to discuss the issue with the County as do the Directors. Will there be dynamite blasting required to access the property from Lower Rock Creek Road?

On Mon, May 17, 2021, 11:27 AM Michael Draper <mdraper@mono.ca.gov> wrote:

Hi James,

Thank you for reaching out.

The new owners, Tim and Paula Richards, have been discussing their vision for the property with staff, and no new application has been accepted yet. They are interested in amending the existing Specific Plan to an overall less intense use of the property. However, they are allowed to move forward on entities of the approved Specific Plan, provided they do not significantly deviate from those plans. They have asked to begin developing their access road in order to stop using LADWP's property.

The Specific Plan Amendment will go through a public review process.

The Richards mentioned they have attempted to contact the Lower Rock Creek Mutual Water Company but have not had success. Would you be interested in discussing their project with them and the County?

Thank you,

Michael Draper

Mono County Planning Analyst II

Community Development Department

From: Paula Richards <pazrichards69@gmail.com>

Sent: Thursday, July 22, 2021 4:23 PM

To: Andy Weissman <andrewweissman@anwlaw.com>; Cimino, Scott <scott.cimino@ladwp.com>; Daniel Sandoval <dsandoval@esengr.com>; David Grah <dgrah@esengr.com>; Gerry LeFrancois <glefrancois@mono.ca.gov>; Michael Draper <mdraper@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>; elsa.jimenez@ladwp.com; Kevin Julian <kjulian@mono.ca.gov>; Scott Burns <sburns@mono.ca.gov>; skymeadowranch@schat.net; Tony Dublino <tdublino@mono.ca.gov>

Subject: Rock Creek Ranch Project

[EXTERNAL EMAIL]

Hello-

Now that we have entered the next phase in our application to amend the Specific Plan, I am carefully reviewing past CEQA's and consulting with as many people as possible to ensure a successful outcome to the project. We are also moving ahead with the engineering of the new legal access point Lower Rock Creek Road to the homesite. Several issues keep popping up and seem to be increasingly important to address earlier rather than later in the process. The issues are centered around Access.

04.180 Access.

Access to provide adequate ingress and egress shall be built and maintained to all lots in each designation according to all applicable road standards as determined by the Public Works Department.

We purchased the property late 2019, with the full understanding that we would have to create legal access from Lower Rock Creek Road. We were also fully aware of LRCMWC. From before we closed on the property we began trying to work out some of the kinks with LRCMWC.

Since 1969, LRCMWC has been using a pathway from Lower Rock Creek Road which was created by LRCMWC in their use of the parcel. That has been their long standing position in their argument with DWP- they have been using the dirt trail from the beginning.

James Moyer, president of LRCMWC, 11/14/2019:

"Please see attached Prescriptive Easements in California. The water company has been using the road to the water storage tanks earlier than 1969 when the developer formed the Lower Rock Creek Mutual Water Company- over 50 years ago."

This is not a legal access point. It is not to any basic road standard and it is on land that is owned by DWP. DWP does not recognize this "trail" to be a road. Also, more importantly, you cannot have a prescriptive easement against a utility company.

In an email from Elsa Jimenez, Property Manager LADWP, dated 11/14/19:

"the trail off of Rock Creek Road cannot be considered access to parcel 026-33-00. It appears to be used currently for access to the water tanks, but that use is not permitted either as far as I can tell. As indicated in our telephone conversation that trail is subject to closure at any time."

LRCMWC has an easement from the 1970's that created legal access by use of a trail on the North West side of the parcel. They have not maintained their easement and it is now unusable for vehicles. I believe that the pipes from the wells to the water cisterns are buried underneath the easement trail per the description of the easement.

In California, the owner of the easement is responsible for maintaining the easement. As the easement holder, LRCMWC had the rights and the responsibility to improve and repair their easement, such as clearing away brush or paving an unpaved road. There doesn't seem to be any evidence that they even attempted to maintain access to the water cisterns through legal access.

The state of our road/trail carved by LRCMWC use on our parcel on the South- East side, is almost unusable as well. There are deep cuts by water run off, jutting rocks, no ditches for proper drainage, no design. We wanted to repair this portion of the road but we're informed by Mono County that we could not even do a basic improvement for temporary use without establishing primary use. Historically LRCMWC was the sole beneficiary for more than 50 years, they have been acutely aware of the access issue and were made even more aware in the early 2000's with the previous owners.

The previous owners built two wells and carved a dirt path way to each in the early 2000's from the road/trail that LRCMWC had initially carved with their use of the parcel. Per their Specific Plan, the previous owner had planned on roads/trail for each well head. I would imagine that somewhere, LRCMWC had to show a plan on how they would get to the water cisterns, a central aspect of their water infrastructure before the previous owners were in the picture. There is severe damage done to the parcel because the trails were not properly constructed from the beginning nor maintained when LRCMWC built their 140,000 gallon water cisterns. Nor does there seem to be any attempt by Mono County to enforce a basic standard even after 1981's *Mono County Road Improvement Standards*. The road improvement standards are the minimum required to provide adequate access to land development projects. LRCMWC did not attempt to build a road and Mono County never required them to do so for over 50 years.

These are my questions:

1. When the permits were granted to LRCMWC to build their water cisterns, was there no request to build and maintain a proper road from Mono County? Was it ever noted that LRCMWC would be using any specific access point from Lower Rock Creek Road? Something as important as water storage for an entire community should have legal access enforced by Mono County.

2. Was an EIR done for the water cisterns? Was a CEQA? Both should have been done to ensure good Building and Use practices- use for the parcel has been only the water cisterns and LRCMWC's water infrastructure.

3. From the beginning of the process when LRCMWC was developing their water infrastructure, what was determined by the county to be their legal access point to gain entry and exit to the parcel? LRCMWC pulled permits for a new well in 2015 and well permits in 1993. Both times a request for legal access to the parcel could have been requested by Mono County.

4. At this point what can the county request from LRCMWC to maintain a road that is up to code? Would Mono County consider this to be a civil matter? There have been mixed messages from the county in regards to LRCMWC and access and they should be resolved.

5. If the water rights of LRCMWC are so vital, why has there been no pushback from Mono County that they need to establish and maintain their legal access to the parcel to maintain and repair the water cisterns and pipes? Why are the owners of the parcel shouldering the burden to negotiate and create access for LRCMWC so they can maintain their water infrastructure?

6. We will be applying to build a road/driveway from Lower Rock Creek Road to the home site as per the Approved Specific Plan. Legally, we are not required to grant LRCMWC use of this new legal access point. Michael Draper and Nick Criss have stated that as part of the permits being granted an agreement has to be drawn up between ourselves and LRCMWC which they would mediate. It has not moved past that initial stage. The water cisterns are beyond the home- will LRCMWC need to build and maintain a road to the same standard to the water cisterns? If not, every time they use the trail they will cause more erosion which could potentially affect the new road. How does Mono County plan to address this issue?

7. CEQA will be looking at the area adjacent to the water cisterns. There is considerable damage done by LRCMWC because they have been dumping water which caused permanent damage, silt, supplies are strewn about, active electrical wires that run from the well to the water cisterns are lying above ground, and they have not maintained a proper road on the parcel which caused considerable erosion and disturbance to the environment. Where do we stand with CEQA if we are starting with the damages done by LRCMWC? And if we are held to a certain standard by Mono County will LRCMWC be held to the same standard to improve and maintain their easements?

8. Does Mono County bear some of the responsibility, because since 1969 there has been no legal road to the water cisterns built by LRCMWC? Should Mono County have requested that LRCMWC build legal access to the parcel, especially since they have been fully aware for over 20 years that LRCMWC's only access has been using a trail over DWP and BLM land? How do we move forward from untangling all the different entities?

9. In discussions with Michael Draper and Nick Criss of Mono County, they stated that we had to have written proof from DWP stating that we would have temporary permission to use their access point, so that we could pull any permit. Why was this not done with LRCMWC? There have many years, different owners, several projects and throughout it all LRCMWC has been able to access the parcel not being held to even the basic standards. They are a mutual water company supplying water to over 140 members of the community, they should have an even higher standard to access their water infrastructure. It should not be left to the whim of owners of the parcel. The water company has a responsibility to its members to guarantee access to safe clean drinking water.

It is my belief that while we are working on the new road and eventually the amendment to the Specific Plan, Mono County should address all the issues and form a plan to tackle the concerns brought on by LRCMWC's unanswerable actions for the past 50 years which will directly influence our chances to develop the property. It is difficult to move clearly when there are so many factors that need to be resolved by all the different entities.

Thanks,

Paula Richards

From: "Clifford Beshers, President" <lowerrockcreekmwc@gmail.com>

To: Michael Draper <mdraper@mono.ca.gov>

Cc: Scott Burns <sburns@mono.ca.gov>

Bcc:

Date: Thu, 22 Jul 2021 22:32:36 +0000

Subject: Re: Results of LDTAC July 19

[EXTERNAL EMAIL]

Thank you, very helpful.

On Thu, Jul 22, 2021 at 3:17 PM Michael Draper <mdraper@mono.ca.gov> wrote:

Hi Cliff,

The decision was made to accept the application for processing (attached). Feel free to review the application and raise any questions or concerns you have to staff. No approvals have been made for this project.

Our first task is to prepare an Initial Study to identify the type of CEQA reporting necessary.

At this time, the property is still governed by the existing Specific Plan and the Richards may develop consistent with that plan. I know they have the goal of creating an access road from Lower Rock Creek Rd into the property due to pressure from DWP, who have stated to the Richards that they will be looking their gate.

Thank you,

Michael Draper

Mono County Planning Analyst II

Community Development Department



Wendy Sugimura Jul 27, 2021
to me, Andy, Gerry, Michael, Nick, Scott, Tim ▾



Paula,

We have had local fire departments raise concerns about chains across access points to properties. The issue is that if a fire were to start on the property for any reason, the fire district needs access to be able to contain it. So, in addition to checking with the Paradise Fire Department, please also check with CalFire (Chief Matt Edmiston, matt.edimiston@fire.ca.gov).

Mono County does not have land use authority or control access on federal lands, so we cannot provide any information or guidance on the BLM access point.

The easements for LRCMWC are identified in the specific plan. My understanding is that if a party is violating easements on your property or accessing your property without easements and your approval, then that is a civil matter. From a land use perspective, the County only ensures development proposals by a private property owner are consistent with easements.

The evaluation of your specific plan amendment will need to consider consistency with the easements as well as ensuring water services can continue to be provided to the community, which is a basic health and safety need in which the County has an interest. The history of LRCMWC activity is not relevant. However, if you wish, we can include research for all the questions you ask as part of the scope of work for the consultant, in addition to the required components to satisfy the amendment process and CEQA, and they will include it in their cost estimate.

Thank you,

From: Wendy Sugimura <wsugimura@mono.ca.gov>

Sent: Tuesday, July 27, 2021 11:49 AM

To: Tony Dublino <tdublino@mono.ca.gov>; Paul Roten <proten@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>

Subject: Rock Creek Ranch Question

Who enforces easements, for example the LRCMWC easements on Paula Richards' property? Is it a civil matter, or does the County have an obligation to enforce? I think it's a civil matter.

Wendy Sugimura

Community Development Director

Wendy Sugimura

From: Wendy Sugimura
Sent: Tuesday, July 27, 2021 12:17 PM
To: Paul Roten; Nick Criss; Tony Dublino
Subject: Re: Rock Creek Ranch Question

Perfect, thanks

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From: Tony Dublino <tdublino@mono.ca.gov>
Sent: Tuesday, July 27, 2021 11:54:04 AM
To: Wendy Sugimura <wsugimura@mono.ca.gov>; Paul Roten <proten@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>
Subject: RE: Rock Creek Ranch Question

I think it is a civil matter as well – since the rights are conferred through a property's title, it is between them. Don't see any way the County gets pulled into that.

Tony Dublino

o. 760.932.5459

c. 760.709.6713



me Jul 28, 2021

to Wendy, Andy, Gerry, Michael, Nick, Scott, Tim ▾



Wendy-

Thanks for the update.

We will check in with the fire department. We do not anticipate having any issues with the fire department with the temporary use of a chain across the current illegal access point and will mitigate any negatives. There was a locked gate there for 20 years constructed by LRCMWC. We will follow whatever protocol established by LRCMWC, and if LRCMWC did not have an emergency plan for the fire department, we will follow the advice of the fire department when we reach out to them.

Mono County has to clearly establish LRCMWC's position for access to the parcel. If Mono County cannot provide us with the information as to LRCMWC's legal access point- We will assume that the county does not have a record of it. Either it was done so long ago and lost over the years or it was never required from Mono County to LRCMWC.

At this time this is very important because the land owners are required to build legal access to the parcel. This is a parcel that does not have legal access from a county road. The county has stipulated that we must negotiate a deal with LRCMWC to access the property before we can apply for a permit to build our road.

These are the points:

1. We are left to assume that LRCMWC has no legal access point to the property that they have been using for over 50 years. Neither BLM nor DWP has a record of giving permission for use on their trails or dirt roads. And Mono County has not provided us with any indication that LRCMWC was required to have legal access.

2. The DWP lawyers identified the easement that goes from the creek to the water cisterns as LRCMWC's legal access point. They determined that this trail, as identified on the site plan, was the only legal ingress and egress point for LRCMWC from a county road.

It was LRCMWC's right and responsibility to maintain that trail and even to pave it per California law. Easement guarantees access- it has never guaranteed motor vehicle access, unless explicitly stated. The DWP lawyers stated that LRCMWC could hike up the trail to maintain the water cisterns. When Mono County reviews the approved Specific Plan and the amendment for the Specific Plan- this must be accepted as their established legal access point. To our knowledge, LRCMWC did not dispute that the trail was used to access the parcel with motor vehicles or that it was constructed by LRCMWC for that purpose. Their argument to DWP was that it was too costly to repair and maintain.

3. LRCMWC cannot get a prescriptive easement on DWP or BLM property or against the Richards' on the new road. The DWP lawyers informed LRCMWC of this fact in 2020. The most is temporary permission from DWP and a ROW from BLM as Larry Primosch described it to LRCMWC and us in early 2020.

4. It is not our responsibility to build a road for LRCMWC to access their water cisterns as lawyers have clearly explained to us after carefully looking over the easements.

Because the water cisterns provide an important function to the community- legal access to the parcel should have always been a priority for Mono County and LRCMWC.

We have put a considerable amount of time and money (approx \$45,000) in the survey, design and engineering of our new road and legal access point. The construction is estimated around \$250,000 to the home site.

5. LRCMWC could have established their legal access at any time in the past 50 years on their easement from the creek. We should not be forced to shoulder the financial burden for a private company. LRCMWC is capable financially to construct their own access point on their easement. It is one of the requirements of mutual water companies in California to have a million dollar bond as part of their organization. This money should be used by LRCMWC to securely access their water infrastructure.

Last summer, we offered LRCMWC the option they could use our new access point as long as they would be responsible to build and maintain a proper road from our home to the water cisterns. We also would have required them to build and maintain their easement from the creek to the water cisterns or to work out a deal with BLM to get a ROW and create a legal access point that could be designed with the new road. It was all rejected.

Emails showing the conversations between the Richards, LRCMWC and their lawyer, and DWP have been forwarded to you demonstrating all of our efforts to work something, anything with LRCMWC.

6. Another important fact is if we do not continue with building of the road- DWP will lock the green gate. This will lock out LRCMWC and ourselves from accessing the parcel with vehicles through the only access point that is workable. It is currently unlocked because we made an agreement with DWP when LRCMWC refused to negotiate last summer- we promised that we would continue to work on our legal access so that the DWP gate can remain unlocked. It is subject to closure at anytime. There are emails forwarded to you that clearly states DWP's position.

7. LRCMWC has been fully aware of the situation and has not reached out to us to negotiate a contract. At this point, LRCMWC has very few options.

8. Mono County was also made aware of the situation in real time. The response from the county, at that time, was that it was a civil matter. Kelly Karl was cc'd on all the correspondence with LRCMWC last summer- The same emails forwarded to you. Never was it Mono County's position that we had to guarantee LRCMWC access per the approved Specific Plan and be financially responsible for their access. Nor was there any interest to intervene.

Only recently with Michael Draper and Nick Criss did that position shift. They required from us that we negotiate with LRCMWC and they would mediate.

If that remains the case then Mono County has the responsibility to clarify the situation with LRCMWC. This is not a matter for CEQA- it needs to be resolved quickly.

Thank you,
Paula Richards



Wendy Sugimura Aug 2, 2021
to me, Andy, Gerry, Michael, Nick, Scott, Tim ▾



Hi, Paula,

To understand the easements and your private property rights, you may want to seek the advice of your legal counsel and a civil engineer.

I also received your voicemail message. At this time, I don't think we need copies of the easements. Should that be necessary to process your application, it's good to know you have them.

From: Michael Draper <mdraper@mono.ca.gov>

Sent: Friday, August 6, 2021 12:10 PM

To: Wendy Sugimura <wsugimura@mono.ca.gov>

Cc: Nick Criss <ncriss@mono.ca.gov>; Gerry LeFrancois <glefrancois@mono.ca.gov>; Scott Burns <sburns@mono.ca.gov>

Subject: FW: Message from [V] 8184199132 (8184199132)

Hi All,

Paula Richard's lawyer called to discuss permits for constructing the driveway/road. I returned his call to figure out what the questions were and he stated that Paula was under the impression she had to sort out some matters with the LRCWC before the county would issue her a grading permit for the driveway. I'm pretty sure she does not want the water company using the road, and that would be a civil matter, correct?

I've attached the email I sent her on 4/29/21, which I wrote after we discussed the driveway at project review. I did tell the lawyer that development should be consistent with the current Specific Plan. Are we ok with her proposed driveway? Not sure how to back-track from the 4/29 email if we need to.

Thanks,
Michael

Wendy Sugimura

From: Michael Draper
Sent: Monday, August 9, 2021 9:17 AM
To: Wendy Sugimura; Tony Dublino; Nick Criss; Gerry LeFrancois; Scott Burns; Paul Roten
Subject: RE: Message from [V] 8184199132 (8184199132)

Works well for me.

-Michael

From: Wendy Sugimura <wsugimura@mono.ca.gov>
Sent: Monday, August 9, 2021 9:10 AM
To: Tony Dublino <tdublino@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>; Gerry LeFrancois <glefrancois@mono.ca.gov>; Michael Draper <mdraper@mono.ca.gov>; Scott Burns <sburns@mono.ca.gov>; Paul Roten <proten@mono.ca.gov>
Subject: RE: Message from [V] 8184199132 (8184199132)

Tony,

I agree on the easement/access issue. I want to make sure we're all on the same page about what she can build while she has a Specific Plan Amendment in process.

How does 11 am tomorrow work for everyone?

Thanks,

Wendy Sugimura
Community Development Director
760.924.1814

From: Tony Dublino <tdublino@mono.ca.gov>
Sent: Monday, August 9, 2021 8:37 AM
To: Wendy Sugimura <wsugimura@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>; Gerry LeFrancois <glefrancois@mono.ca.gov>; Michael Draper <mdraper@mono.ca.gov>; Scott Burns <sburns@mono.ca.gov>; Paul Roten <proten@mono.ca.gov>
Subject: RE: Message from [V] 8184199132 (8184199132)

I can do tomorrow, not today. Don't expect to have anything to add to this though – I continue to view this as a civil matter between her and LRCMWC.

Tony Dublino
o. 760.932.5459
c. 760.709.6713



Nick Criss Sep 2, 2021

to me, Wendy, Michael, Neill, Tim ▾



Hi Paula,

I have investigated the complaints that you have submitted against LRCMWC and have discovered the following:

Complaint #1 the cable running up the hillside. I have met with LRCMWC staff and have determined that there is no hazard associated with this cable. The cable does not belong to the water company and in no way is associated with their operations. It is a low voltage cable that used to power some repeater antenna that was used for early cable TV in the area and has not been powered or used in decades. The water company must have given them permission to use their equipment shed to power the system sometime in the distant past, but no one has any documentation on this. In any event, LRCMWC agreed to take responsibility and remove the cable from their poles and up the hillside and has completed this task.

Complaint #2 concerning LRCMWC dumping water from their cisterns and creating an erosion issue. This issue does not appear to violate any of Mono County's codes and any damage is a civil issue between you and the water company. There is no violation with discharge of potable water onto public or private lands. Furthermore any earthwork done by the water company appears to be well below the threshold of triggering Mono County grading permit requirements. Lahontan Regional Water Quality Control Board, CA Dept. of Fish & Wildlife, and/or the Army Corps of Engineers might view this as violation if the water released is causing erosion flowing into "navigable waterways, but I don't believe that is the case here.

Complaint #3 Concerning LRCMWC accessing their cisterns without LADWP permission required by Mono County. I'm not exactly sure what you are alleging here, but access to the water company easements is a civil matter between you and the water company. I do not know or am aware of any Mono County rules or regulations you refer to your complaint which regulate access to the water company's easement. If you know of something codified that is to the contrary of my findings, please provide the citation.

At this time, Mono County has completed its investigation on these matters and consider this code enforcement case closed. Please feel free to contact me with any questions.

Sincerely,

From: Paula Richards <pazrichards69@gmail.com>
Sent: Friday, September 3, 2021 12:57 PM
To: Michael Draper <mdraper@mono.ca.gov>
Subject: Re: Rock Creek Ranch Project site plan update

[EXTERNAL EMAIL]

Hi Michael-

Yes that is correct.

After speaking with you and Scott Burns, it was made clear that none of the commercial aspects would ever be accepted by the community and thus would be rejected by Mono County. To move forward with our project, we would need to reduce our goals.

Also, Paul Roten said that LRCMWC was not considered commercial, so if we do work out something with them down the line, they could in fact use our driveway. But first we would have to work out an agreement with LRCMWC which doesn't seem in the realm of the possible. We remain hopeful, though.

Thanks,
Paula

On Fri, Sep 3, 2021 at 12:42 PM Michael Draper <mdraper@mono.ca.gov> wrote:

Hi Paula,

I just want to confirm that you are eliminating the commercial uses from the Agricultural zone and it appears you are sizing down some of the greenhouses/ag areas?

Thank you,

On Mon, Sep 13, 2021 at 3:42 PM Michael Draper <mdraper@mono.ca.gov> wrote:

Hello Mr. Beshers,

Mono County did receive and accept for processing Mrs. Richards' application for a Specific Plan Amendment. At this time, she is planning to place two posts and a chain across the dirt road on the eastern side of the property to prevent trespassing. It is my understanding that LADWP has locked the gate on their property where the dirt road originates from Lower Rock Creed Rd.

For Mrs. Richards' to place the chain, Mono County requested she receive approval from Cal Fire and the local fire department. Cal Fire has approved the chain, stating they will cut the chain in the case of an emergency. I am awaiting a response from the Paradise Fire Department.

Based on the maps I've seen, I believe the Lower Rock Creek Mutual Water Company has an existing legal access right in the northwest corner of the property. Mono County does not have the authority to grant the Water Company additional access across the Richards' property and considers this a civil matter.

Thank you,

Michael Draper
Mono County Planning Analyst II
Community Development Department



Cimino, Scott Sep 14, 2021

to Clifford, me, Matt@CALFIRE, Michael, Neill, Lawrence, Scott, Wendy, skymeadowranch@schat.net ... ▾



Other than for public recreational purposes, use of LADWP property at this location is not authorized and the LADWP gate near Lower Rock Creek Road will be locked by close of business today.

The access point in question onto Ms. Richards property is only accessible via LADWP and/or BLM lands. LADWP has made clear that it has not, and will not grant use of its property or the existing road as legal permanent access to the private property. LADWP has previously offered to provide permission for limited, temporary access across LADWP land at this location, however, the terms and conditions of use were not acceptable to all parties and was not approved.

LADWP may be willing to again consider request for temporary use of its property while improvements to the Richards' property are being constructed, however, any permissions granted will be at LADWP's sole and absolute discretion. Any requests should be in writing and directed to my attention.

Scott

Scott Cimino

LADWP Real Estate

(760) 873-0369

From: Cimino, Scott <Scott.Cimino@ladwp.com>
Sent: Tuesday, September 14, 2021 1:12 PM
To: Paula Richards <pazrichards69@gmail.com>; Louis Molina <lmolina@mono.ca.gov>; Michael Draper <mdraper@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>; Wendy Sugimura <wsugimura@mono.ca.gov>; lahontan@waterboards.ca.gov; Rhonda Duggan <rduggan@mono.ca.gov>; susan@calmutuals.org
Cc: Neill Brower <nbrower@jmbm.com>; Primosch, Lawrence R <lprimosc@blm.gov>; Tim Richards <timrichards@sierradeloro.biz>
Subject: RE: [EXTERNAL] Rock Creek Ranch project and LRCMWC

[EXTERNAL EMAIL]

Paula,

Just to clarify LADWP's position, I spoke with Mr. Clifford Beshers of the LRCMWC this morning and indicated to him that LADWP would consider a request for temporary access from them however, it would be predicated on the other parties that are involved i.e. BLM and the Richards, all being in agreement on the conditions. LADWP would not, however, provide any permanent or long term access or easements because the LRCMWC already holds entitlements across the private property.

Scott

Scott Cimino
LADWP Real Estate
(760) 873-0369

From: Paula Richards <pazrichards69@gmail.com>
Sent: Tuesday, September 14, 2021 1:04 PM
To: Louis Molina <lmolina@mono.ca.gov>; Michael Draper <mdraper@mono.ca.gov>; Nick Criss <ncriss@mono.ca.gov>; Wendy Sugimura <wsugimura@mono.ca.gov>; lahontan@waterboards.ca.gov; rduggan@mono.ca.gov; susan@calmutuals.org
Cc: Cimino, Scott <Scott.Cimino@ladwp.com>; Neill Brower <nbrower@jmbm.com>; Primosch, Lawrence R

Hello Louis-

I spoke to the California Water Board and California Mutual Water Company Association. Both suggested that you are the best person to deal with for this issue of LRCMWC's access to their water cisterns to maintain the health, reliability and safety of their drinking water.

DWP has locked their gate which is expected. We are able to request temporary permission to access the parcel because we have no other access to the property and we are actively planning to build an access point. LRCMWC, however, will not be given access from DWP because they have an easement that gives them access to the water cisterns. Additionally, they are currently making no effort to try to resolve the matter of long term permanent access. LRCMWC has been aware that this is the situation since last summer, as can be seen in the attached letters.

The current access to our property is only by temporary permission. Access on the property is a civil matter. As the property owners, we have raised many issues with LRCMWC. They have failed to address our concerns in a timely manner, even to acknowledge them, nor have they resolved the issues. If LRCMWC requests permission to access the property, we most likely would have to deny them due to their failure to comply with our requests.

LRCMWC's only option at this time is their legal easement- which they have admitted is basically unusable due to lack of maintenance. The health, security and reliability of Paradise community is at risk due to LRCMWC's failure to address the urgent matter.

Is there a possibility that you, as the County Health official and the state mediator/representative, can request that LRCMWC work with us in creating the new access to the parcel- which will undoubtedly benefit the Paradise Community?

We are trying to resolve the issue without litigation which we believe would create a more hostile environment and wreak havoc to the community which we will eventually be joining.

Thanks,
Paula Richards

From: Clifford Beshers, President <lowerrockcreekmwc@gmail.com>
Sent: Wednesday, September 15, 2021 12:01 PM
To: Michael Draper <mdraper@mono.ca.gov>
Cc: Stacey Castellano <scast32@gmail.com>; Alisa Ellsworth <alisa.ellsworth@gmail.com>
Subject: LRCMWC, DWP Road closure

[EXTERNAL EMAIL]

Michael,

Our retired President strongly suggests that we notify the Mono County Environmental Health Department that this road closure impacts our ability to fulfill our responsibilities to the community, I tried the phone number and got a long wait, and then figured it would be better to check with you; perhaps they already know or it would be better if you talked to someone.

At the moment, operations are fine and we can get to the tanks by cutting chains. But everyone is feeling the stress of this situation.

We have discussed access to the tanks through the northwest easement before. The Richards proposed and we considered it seriously. But you must understand that involves:

- crossing Lower Rock Creek, without a bridge installation of any sort;
- climbing a steep cut up a canyon hillside full of loose rocks;
- likely doing all of that with an ATV;
- possibly damaging the buried pipeline in the process;
- still not being able to service the tanks correctly;
- still not being able to service those tanks in heavy weather, at night, or both.

As I said, I spoke with Scott Cimino about this. We are working with our attorney to see if we can resolve it their way. Hopefully we can finalize an agreement with the Richards, get the DWP opened until they can build the road, and then be done.

But even if all that succeeds, there remains the very real possibility that the Richards will not succeed in building the road, for whatever reason. In that case, without access through the DWP road, we would have a legitimate health crisis.

Can you please put me in contact with the appropriate people via email, or assure me they are aware of this?

Thanks,

Cliff

From: Michael Draper <mdraper@mono.ca.gov>
Subject: RE: LRCMWC, DWP Road closure
Date: 15September, 2021 at 12:13:54 PM PDT
To: "Clifford Beshers, President" <lowerrockcreekmwc@gmail.com>
Cc: Stacey Castellano <scast32@gmail.com>, Alisa Ellsworth <alisa.ellsworth@gmail.com>, Wendy Sugimura <wsugimura@mono.ca.gov>, Louis Molina <lmolina@mono.ca.gov>, Nick Criss <ncriss@mono.ca.gov>, Scott Burns <sburns@mono.ca.gov>

Hi Clifford,

Thank you for providing this email. I have included Community Development Director Wendy Sugimura, Environmental Health Director Louis Molina, Code Compliance Officer Nick Criss, and Planner Scott Burns in this response.

Thank you,
Michael Draper

From: Paula Richards <pazrichards69@gmail.com>
Sent: Wednesday, September 15, 2021 5:22 PM
To: Michael Draper <mdraper@mono.ca.gov>
Cc: Neill Brower <nbrower@jmbm.com>; Scott Burns <sburns@mono.ca.gov>; Tim Richards <timrichards@sierradeloro.biz>
Subject: Re: Site Plan Uses Reference

[EXTERNAL EMAIL]

See below

On Wed, Sep 15, 2021 at 4:29 PM Michael Draper <mdraper@mono.ca.gov> wrote:

Hi Paula,

Based on the changes to the project description and site plan, the Planning Division will require re-accepting your application at the next Land Development Technical Advisory Committee (LDTAC) meeting, September 20. Once accepted, a \$495 deposit will be required.

Why does a reduction need another application submission? If that is the case, I will need some time to think about it- I don't want to be pressured.

I wish you had been clearer about this 2 weeks ago when I first sent you the drawing and told you and Paul that I was removing all commercial aspect to the agricultural zone. I specifically asked you if this would trigger a new application and you said no. It's hard to understand why the planning department is not consistent with the information provided.

Please let me know what is the trigger? I might just stay with the plan I have then.

To be honest, I have been uneasy with how our entire project has been handled by Mono County Planning Department and especially the process of the LDTAC mtgs. Most mtgs, the people asking questions have not even reviewed the project application. Most are unaware of the details of the Specific Plan of 2014 which makes it impossible to work on developing the property.

You have been great to work with but others not so much. We have been working with Mono County Planning and LDTAC for 2 years and our project is a fraction of the approved Specific Plan of 2014. We had our first mtg in November 2019 before we closed on the parcel.

The amendment application was accepted 2 months ago and all I hear is that the Planning Department advises we do not build until the amendment is approved (Scott Burns said the same thing). DWP had to lock their gate because I haven't gotten any traction.

Let me check in with the lawyer about this and I will get back to you as soon as I can. Tomorrow is a holiday for observation. We could plan to talk sometime next week if that works for you. I need to also check in with my husband. He's out of town for the next 2 weeks.

The entire project should be on hold until we all get some clarity about LRCMWC and the access issue. I do not believe it would be wise to proceed until we know their position- hasn't that been one of Mono County's concerns all along? This time to reconvene might be enough to understand LRCMWC's response and decide how best to move forward.

Thanks,
Paula Richards

From: Clifford Beshers, President <lowerrockcreekmwc@gmail.com>
Sent: Wednesday, September 15, 2021 1:35 PM
To: Wendy Sugimura <wsugimura@mono.ca.gov>
Subject: Re: LRCMWC, DWP Road closure

Thank you. I will continue to push to get this resolved and off of everyone's desk.

On Wed, Sep 15, 2021 at 12:46 PM Wendy Sugimura <wsugimura@mono.ca.gov> wrote:

Hi, Clifford,

My understanding is that access and easement issues are a civil matter between private parties and do not involve Mono County Community Development or Environmental Health. The maintenance of the water system, including the necessary access to provide that maintenance, is the responsibility of the water company. You mentioned the water company has legal assistance, which would have been my recommendation for finding a path forward. I would suggest contacting your legal advisor about cutting the chain on this route as well.

Staff certainly sympathizes with the water company's situation, but we have no involvement in a civil matter between parties. In this case, Mono County also lacks land use jurisdiction over the LADWP property as their use is part of their utility function.

Louis, please weigh in if you have any information to share (or to correct me) from the Environmental Health perspective.

Thanks,

Wendy Sugimura

Community Development Director

760.924.1814

Wendy Sugimura

From: Scott Burns
Sent: Thursday, September 16, 2021 9:25 AM
To: Michael Draper; Wendy Sugimura
Subject: Re: Site Plan Uses Reference

Thanks Michael. Not sure on LDTAC, will defer to Wendy. Seems she should formally withdraw or formally request we cease processing, rather than draw us into her water company conflicts.

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From: Michael Draper <mdraper@mono.ca.gov>
Sent: Thursday, September 16, 2021 8:24:08 AM
To: Wendy Sugimura <wsugimura@mono.ca.gov>; Scott Burns <sburns@mono.ca.gov>
Subject: FW: Site Plan Uses Reference

Good morning,
Below is the response I received from Paula in regards to re-accepting her application.

She states, "the entire project should be on hold until we all get some clarity about LRCMWC and the access issue", so that sounds like we should not proceed with LDTAC acceptance. This was the only agenda so I think we can cancel the meeting?

-Michael



me Sep 16, 2021

to Louis, Scott, Jon, Neill, Lawrence, Rhonda, Tim, lahontan@waterboards.ca.gov, susan@calmutuals.org



See below...

On Thu, Sep 16, 2021 at 11:17 AM Louis Molina <lmolina@mono.ca.gov> wrote:

Paula-

Just to be clear, many of the statements below are not accurate, although we touched upon many of the points you noted. As of now, there is no violation that this department is requiring the LRCMWC to resolve.

I filed a violation/complaint with the state clean drinking water a few days ago. It should be part of the public record. My contact person was Jared- he also indicated that LRCMWC is Mono County's jurisdiction.

They have not been directed by our department to resolve the access issue,

I misunderstood you then. I gathered that you would be speaking with LRCMWC to specifically get them to resolve the access issue because without working it out with us they could not get temporary permission from DWP/BLM. You even mentioned getting someone else from the board or someone from the community.

although not having permanent access to their water tanks is an obvious problem that needs to be resolved before maintenance of the tanks becomes a regulatory issue.

I also understood that LRCMWC is legally required to have access to their system or this would be a violation.

Our department is currently researching any funding options that exist (if applicable) and will forward that information and contacts to the water company so that they can explore them further.

Yes.

I have spoken to Clifford Beshers and he is exploring options to resolve this issue and he will communicate those options with you when he gathers more information. He mentioned he has legal representation that he is working with.

Good to know.

I'll be sure to keep you up to date with whatever new information that I receive, and I'm confident that the LRCMWC will do the same.

Good to know. Tim and I, and our legal representation look forward to hearing from them soon.

Wendy Sugimura

From: Wendy Sugimura
Sent: Tuesday, September 21, 2021 8:20 AM
To: Scott Burns; Michael Draper; Paul Roten
Subject: FW: LRCMWC, DWP Road closure

FYI

Wendy Sugimura
Community Development Director
760.924.1814

From: Wendy Sugimura
Sent: Tuesday, September 21, 2021 8:20 AM
To: 'Clifford Beshers, President' <lowerrockcreekmwc@gmail.com>
Subject: RE: LRCMWC, DWP Road closure

Hi, Cliff,

I thought you were metaphorically referring to this situation as the hornet's nest. Sorry to hear you encountered a real hornet's nest – I've had that experience and it's not fun.

Yes, I don't think this is an easy situation and it doesn't surprise me that it can't be resolved quickly or easily. The root problem appears to go back much farther in time than either you or Ms. Richards' involvement. Unfortunately, the County has no role in the access issue. If the water company doesn't have adequate legal access, the County cannot unilaterally grant it. I would suggest both legal advice and a design/engineering team to assist with solutions.

Good luck,

Wendy Sugimura
Community Development Director
760.924.1814

From: Clifford Beshers, President <lowerrockcreekmwc@gmail.com>
Sent: Monday, September 20, 2021 7:08 PM
To: Wendy Sugimura <wsugimura@mono.ca.gov>
Subject: Re: LRCMWC, DWP Road closure

[EXTERNAL EMAIL]

Well, I returned from a lovely day of hiking to discover a hornets' nest. I regret that I do not think this issue will be off your desk anytime soon.

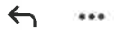
However, I can assure you that I am enlisting reinforcements to put a stop to this.

Cliff



Wendy Sugimura Sep 23, 2021

to me, Michael, Neill, Scott, Tim ▾



Paula,

Just to be clear, many of the statements made below are not accurate or are misconstrued. I stand by my previous summary and provide the following additional points of clarification:

- County staff's role is to assist with the processing of your application. We do not design your project. Your design team needs to review the applicable regulations and use them to design a proposal, which County staff will then evaluate and provide feedback or corrections.
- LDTAC application acceptance is only to determine that all the appropriate application components have been submitted and ask any clarifying questions of the applicant at that time. County staff is not expected to know all of the applicable regulations or plans that may apply at application acceptance nor does staff provide any analysis at this time. The analysis occurs during the evaluation of the project.
- No pressure is being applied. You may submit an application modification whenever you are ready and we will review it, then schedule it for the next available LDTAC meeting. The Thursday deadline was only for the Monday LDTAC meeting, as we assumed you wanted to move forward with the modification you submitted. If you are not ready to move forward with a project modification, please do not submit it as it creates confusion about what you want to do and what should be evaluated.

As you have not specifically requested a hold on processing your specific plan amendment application, we will continue work on it which will continue to incur staff time expenses. If you would like to suspend processing due to potential changes you are contemplating, please send us an email requesting suspension.

Regarding a potential grading permit for a road, staff would like to advise you that the existing, adopted Specific Plan contains the following requirement:

X.A SUBDIVISION REQUIRED No development of the property shall occur, nor shall any permit related to such development (e.g., building permit, grading permit) be issued unless and until the property is subdivided in accordance with this Specific Plan.

Based on this requirement, a tentative tract map to subdivide the 10 lots in the existing specific plan must be submitted and finalized prior to the submittal of any development applications, including a grading permit for the road. Again, it is the responsibility of you and your design team to read and understand the requirements and then submit a compliant application. Staff happened to come across this provision and are informing you as a courtesy.

I will also reiterate again that Mono County does not have authority over the access issues in dispute between you and the LRCMWC.



Kalen Dodd

To: Paula Cc: Dale, Steven, Brent, Cecilia, Matt & 2 more

5/8/23

RE: Road for Rock Creek Ranch project

Hi Paula,
A few clarifications below...

Kalen Dodd, PE
County Engineer
Mono County Public Works
[760-932-5452](tel:760-932-5452)

From: Paula Richards <paularichards@sierradeloro.biz>
Sent: Saturday, May 6, 2023 9:02 AM
To: Kalen Dodd <kdodd@mono.ca.gov>
Cc: Dale Schmidt <skymeadowranch@schat.net>; Steve Hynes <steven.hynes@fire.ca.gov>; Drent Calloway <bcalloway@mono.ca.gov>; Cecilia Jaroslowsky <cjaroslowsky@migcom.com>; Matt Edmiston <matt.edmiston@fire.ca.gov>; john.toon@fire.ca.gov; steve.elenburg@fire.ca.gov
Subject: Re: Road for Rock Creek Ranch project

[EXTERNAL EMAIL]

Hello Kalen-

Thank you for returning my phone call yesterday.

Here is the recap of our phone call:

1. Cecilia from MIG will be representing Mono County in discussions with CalFire, Dale Schmidt and SdO for the length of the new road.
Yes, the purpose of the call was to tell you that MIG will represent the County in these sorts of communications, and that I wasn't planning on attending your conference call with CalFire. If CalFire has any specific questions for Public Works, they are welcome to contact me directly.

2. Even though Mono County expects some sort of access to LRCMWC's (Licensing agreement), Mono County cannot specify the location and type of access on the TTM. - This will have to be sorted out between SdO and LRCMWC at a later date because it is a Civil matter.
No. My understanding is that your new map will need to provide public utility easements.
The easements will need to provide reasonable ways for public utility companies to access their existing facilities, and any future facilities that will be constructed and owned by them as a part of your project, with their vehicles and construction equipment for repair, maintenance or replacement.

3. SdO, Dale Schmidt and CalFire will work on the "Request for Exception" to complete the application for LDTAC- which will be deemed complete with Cecilia/MIG guidance.
I really don't know what the CalFire process or criteria are for granting an exception, which is why I'd rather not be involved. Like I said, if CalFire has specific questions for me, I'll be happy to reply.

4. Mono County Public Works will only review the TTM after it has been accepted as complete at LDTAC.
Yes.

5. If Dale Schmidt or CalFire have questions, they may contact you directly.
Certainly.

If this is not your understanding of yesterday's phone conversation, please correct for the record.

Thanks,

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer
Rock Creek Ranch Mutual Water Co. President
Rock Creek Ranch Rural Electric Co. President
DeCasa Catering
Paularichards@sierradeloro.biz
[\(310\)869-8159](tel:(310)869-8159)



From: Paula Richards >

To: Kalen Dodd >

Cc: Dale Schmidt > Steven Hynes > Brent Calloway >

Cecilia Jaroslowsky > Matt Edmiston > john.toon@fire.ca.gov >

steve.elenburg@fire.ca.gov > Gerry Le Francois > Emily Fox >

Rhonda Duggan > Wendy Sugimura >

May 8, 2023 at 10:25 AM

Kalen-

My suggestion would be to move this to be agendized at a Mono County Board of Supervisors mtg.

Before we began engineering of the TTM in October, we asked ALL agencies to walk on the parcel so that ALL interests could be applied to the new TTM.

Southern California Edison (Tim Rafferty and Thomas)

CAL FIRE (Oct 15, 2022)

Paradise FPD (no response)

Dale Schmidt representing Paradise FPD (July 2020 and Oct 2022)

LRCMWC, LRCMWC legal (Greg James), and their engineer (no response)

BLM (Sept 2022-Larry Primosch)

Mono County Planning (Michael Draper & Wendy Sugimura declined), (Scott Burns July 2022 with Sandra Bauer to review amendment application)

Mono County Public Works (Paul Rotten no response)

Mono County Environmental Health (Louis Molina no show- declined repeated requests)

Lenders (SBA, USDA and others- repeated visits)

Insurance companies (repeated visits)

Contractors (Kendall Engineering- repeated visits)

Engineers (Eastern Sierra Engineering- Sept 2022)

Legal (Rudderlaw, Tidus & Jackson, and JMBM- Oct 2022)

Planners (Geode Environmental- repeated visits)

Paradise Community members (declined)

Swall Meadows Community members (declined)

And so on . . .

We did not have to do this but felt the need to because of the complexity of the road and how it will impact the greater community. It is NOT our intent to cut off LRCMWC- but how are we to plan anything without their input? And their agreement to a contract? Part of the planning involves costs that LRCMWC is unable to pay. Did you know that we offered LRCMWC a new utility easement to run a 8" pipe along the new access road- which would have given them access, repaired their system and improved their access? They declined. So without their input we cannot do anything.

We wanted to hear from everyone to incorporate their requests, including LRCMWC.

The TTM that was designed was based on all the input that we received from those that chose to participate in the planning of the TTM. LRCMWC never responded to any of our requests.

We even reached out to the BOS on two occasions and got a letter of support for the new access road to demonstrate to the USDA Rural Development loan and Mono LAFCO. But without LRCMWC joining with us- there is no moving forward with the money to build the road.

At this time, we are unable to provide any access to LRCMWC because:

1. It is not included in the RCR SP, we cannot plan access for LRCMWC without their input. Providing any new access would trigger an amendment to the RCR SP.

2. LRCMWC is a PRIVATE UTILITY company that has existing utility easements with secondary access- so it is a Civil matter. SCE is the only PUBLIC UTILITY on the parcel and the parcel will be served by RCRMWC (PRIVATE UTILITY company). Lenders will only loan according to the project description.

3. LRCMWC is unwilling to cooperate because said access would cost them a substantial amount of money that they have already said they cannot afford. And they are unable to get loans because they are a penurious Mutual Water Company.

4. The banks will not lend us any money for LRCMWC's access- as Tonja Galentine (USDA Rural Development Loan Agent) has already stated to the board. LRCMWC would have to do its own application.

5. They do not support the project- required for the USDA RD loan.

6. They have been unable to maintain their existing utility easements and secondary access easement.

7. The lenders and insurance companies require that LRCMWC is willing to pay its fair share for any type access through a licensing agreement if SdO creates access for LRCMWC. We have informed LRCMWC that the Lenders require a proposal from them for the amount.

8. LRCMWC is unwilling to pay the current invoices to maintain the existing dirt road (over \$150,000). Lenders require that there is a good faith contract that is demonstrated for 5 years.

9. LRCMWC is unwilling to indemnify SdO- Lenders and Insurance companies require that for access.

10. LRCMWC is unwilling to provide the insurance documents to show that they have sufficient coverage for the \$3 million liability that they created by the lack of maintenance of their water infrastructure and condition of the easements- Lenders and Insurance companies require that for access.

So, please clarify the situation with the BOS and LRCMWC. It would be nice to have a clear position to work from for the TTM, which what SdO has been requesting since 2019. SdO would like to work with all parties, including LRCMWC, to move the project forward. But in terms of access for LRCMWC- our hands are tied by legal, insurance and LRCMWC's inability to come to the table.

Thank you,

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer
Rock Creek Ranch Mutual Water Co. President
Rock Creek Ranch Rural Electric Co. President



From: **Wendy Sugimura** >
To: **Paula Richards** > **Cecilia Jaroslowsky** >
Cc: **Kalen Dodd** > **Brent Calloway** > **Emily Fox** > **Rhonda Duggan** >
Gerry Le Francois >
May 15, 2023 at 10:10 AM

RE: LRCMWC

Paula,

Just to be clear, all the Mono County staff cc'd are not reviewing your multiple emails. Cecilia is your point of contact to work through pre-application issues. Other County staff from other departments will begin reviewing your project when we have a complete submittal that has been accepted for processing.

Thank you,
Wendy Sugimura
Community Development Director
(760) 924-1814



From: **Paula Richards** >
To: **Brent Calloway** >
Cc: **Cecilia Jaroslowsky** >
May 18, 2023 at 4:18 AM

Subdivision law

Hello Brent:

Because Wendy Sugimura has stated since August 2021 that the access/ easement issue with LRCMWC is a CIVIL MATTER, SdO is the sole applicant for loans and grants for the project. SdO is not able to discuss or propose any access for LRCMWC without a signed contract with LRCMWC.

Excerpt from the Subdivided Lands Law (Sections [11000 - 11200](#) of the Business and Professions Code; here in after, the Code):

"Lending Agencies

Because of the vital role played by financing in the success of a subdivision, the subdivider will endeavor to include the proper safeguards to insure appropriate financing. The subdivider and the engineer must be just as familiar with the requirements of the lending agencies as with those of local, state and federal control agencies."

Kalen Dodd, in a written statement that was reviewed by the Lenders, changed the entire situation.

SdO immediately asked for clarification from the different departments of Mono County and to agendize the issue that Kalen Dodd had created.
Wendy Sugimura's response:

"Paula,

Just to be clear, all the Mono County staff cc'd are not reviewing your multiple emails. Cecilia is your point of contact to work through pre-application issues. Other County staff from other departments will begin reviewing your project when we have a complete submittal that has been accepted for processing.

Thank you,
Wendy Sugimura
Community Development Director
(760) 924-1814"

Because Cecilia is unable to clarify Mono County's position, Wendy Sugimura's response has been interpreted that Mono County considers LRCMWC a PUBLIC UTILITY company under the jurisdiction of the CPUC. And as such requires an easement for access to utility existing easements for construction of new facilities and more. Such an easement has been estimated at \$2 million just for the land and will also affect the value of the subdivision which SdO would also have to be compensated for (valued around \$20 million). This creates a situation in which LRCMWC would be the dominant easement holder of the new access road and would be financially responsible for construction and also responsible for a maintenance entity/HOA to manage repairs and maintenance. This then triggers an amendment to the approved 2014 RCR SP and a new EIR. Please remember that LADWP requires that SdO is actively working on access that does not include their property. LRCMWC is held to the same standard.

The road is essential to the subdivision.

Without consulting with the other departments of Mono County or it seems LRCMWC, Kalen Dodd has in affect triggered an avalanche of costs and responsibilities onto LRCMWC for which they are not interested in assuming because they have had a copy of the Licensing Agreement since December 2021.

The Lenders require that the TTM can only be submitted by the party or parties that have the financial responsibility to construct and manage the project/subdivision. The road is essential to the subdivision. Without having absolute autonomy of the road, SdO does not have the authority to submit a TTM application.

SdO is requesting that Mono County formally confirm and state that the LRCMWC access/easement issue is a Civil Matter and thus restoring SdO's power to be the sole applicant for loans and grants, as understood as a bona fide purchaser and confirmed on the Title.



Paula Richards
Sierra del Oro Trading Company LLC Chief Officer



From: Paula Richards >
To: Cecilia Jaroslowsky >
Cc: Paula Richards > Brent Calloway >
May 17, 2023 at 11:19 AM

Because of Karen's email about access/easements in response to the question about LRCMWC's issues:

2. Even though Mono County expects some sort of access to LRCMWC's (Licensing agreement), Mono County cannot specify the location and type of access on the TTM. - This will have to be sorted out between SdO and LRCMWC at a later date because it is a Civil matter.

No. My understanding is that your new map will need to provide public utility easements.

The easements will need to provide reasonable ways for public utility companies to access their existing facilities, and any future facilities that will be constructed and owned by them as a part of your project, with their vehicles and construction equipment for repair, maintenance or replacement.

The Lenders are now requiring that if Mono County is expecting the TTM to reflect what Kalen stated- then LRCMWC will have to be part of the application to the County with an agreement. And any loan applications will have to be done separately by SdO and LRCMWC. This was confirmed by Tonja Galentine USDA RD Loan Agent to Emily Fox and Stacey Simon last year- which is the reason that the BOS agendized the issue and write the letter of support. Without a Special District, the applicants for money would be SdO (10%) and LRCMWC (90%) responsibility for the new access road. And 100% responsibility of access from new access road to LRCMWC's easements.

We cannot submit an application unless the County confirms that access/easements is a civil matter (confirmed in emails with Wendy Sugimura August 2021), allowing us to be responsible financially and responsible for the maintenance, repairs and construction of the IMPROVEMENTS to the EXISTING DIRT ROAD. Please understand that the new access road is an improvement to the existing dirt road, which qualifies for construction loans.

See below . . .

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer
Rock Creek Ranch Mutual Water Co. President
Rock Creek Ranch Rural Electric Co. President

On May 17, 2023, at 11:03 AM, Cecilia Jaroslowsky
<cjaroslowsky@migcom.com> wrote:

Hi Paula:

Per our phone meeting this morning, you informed me and requested the following:

1. A call from Brent directly, confirming the access easement to the LRCMWC need not be on the map application submittal;

Please have Brent call with verbal confirmation so that I can continue with FEMA and not misrepresent the project of the improvements to the existing dirt road.

2. Written confirmation from the County that the access easement to the LRCMWC need not be on the map application submittal;

Because all of the departments of the County have been giving different degrees on the spectrum of access to LRCMWC's easements- we need a letter from the BOS at this point so that the position is absolutely clear.

3. Written confirmation this access easement is a civil matter;

Yes from the Brent's department to continue with the application and from the BOS to go into negotiations with all other entities.

4. Written confirmation from the Board of Supervisors on the above;
and

Yes

5. No additional submittals from you are forthcoming, until the above-mentioned information is sent to you.

The Lenders and SBA mentors do not want any applications to move forward with the County until their position has been made crystal clear. We need assurances that we can submit applications for loans as responsible for finances, construction, maintenance and so on.



From: Paula Richards >

To: Cecilia Jaroslowsky >

May 15, 2023 at 4:23 PM

Hello Cecilia-

Setting up the mtg this week and just checking in to see if you have gotten Mono County's position clarified on the following:

1. What form of documentation does the County expect from CalFire for the "Exception"? Would a letter from CalFire suffice?
2. Brent and Kalen both stated that the street length is under CalFire's jurisdiction. But Brent then also mentioned that the "Request for Exception" decision could be appealed. CalFire would like that clarified. Appealed by whom to whom? And in what forum?
3. You mentioned that the TTM application must be submitted concurrently while CalFire reviews the "Request for Exception" (new access road 2900 ft long, instead of the 1320 ft allowed). But Brent mentioned in the email that the County cannot review a TTM application for completeness if the new access road is longer than 1320 ft. The two are opposites. Could the County clarify its position as to when the application can be submitted to LDTAC?

"I wanted to clear up the road issue. If the submittal shows a road longer than 1,360 feet it will not be consistent with development standards in the General Plan and will not be reviewable. If a longer road is requested through the "Exceptions to the Standards" process. That exception will need to come from CalFire. It is a little unclear to me how the exception is requested, but there is zero chance the County will grant an exception to the road length. That is CalFire's regulation and they are the experts on fire regulations and the County is not going to open up that kind of liability. So the process could be 1. Request exception from Calfire first, or 2. Request exception from the County, receive denial, then appeal to CalFire. I can check with County Counsel about the process, but just want to be very clear that the County cannot make an exception for the road length, only Calfire could. And even if they grant an exception, their decision could be appealed. In fact, it was appealed in the past by a group of citizens."

4. Does the TTM need to include a new proposed access to the LRCMWC's utility easements and any future LRCMWC facilities that will be constructed and owned by them? Doesn't that trigger an amendment to the RCR SP because access to LRCMWC facilities is not in the project description of the RCR SP? Will it then also trigger a new EIR because LRCMWC facilities improvements and access is not in the RCR SP EIR project description? And because we cannot make these improvements to the facilities or their access, does LRCMWC need to submit the application, and pay for the EIR?

5. Again, please take into consideration that SdO is unable to clearly define access for LRCMWC on the draft TTM renderings, the "Request for Exception", the TTM application or in any conversations with Mono County without the following required items by Insurance and Lenders per the project description and with the assurances that it would not trigger an amendment to the RCR SP:

1. A signed licensing agreement between SdO and LRCMWC. Contract recorded in the business plan with the Lenders and Mentors.
2. Resolution of the outstanding invoices for maintenance of the existing dirt road and for the monthly security of the parcel between SdO and LRCMWC.
3. Documentation from LRCMWC indemnifying SdO that satisfies the insurance companies.
4. Insurance documentation from LRCMWC that satisfies SDO's Lenders and Insurance companies.
5. LRCMWC public support of the RCR project and for all the members of SdO.

Our intent is to provide access to LRCMWC, only after all the requirements have been satisfied and the TTM map has been approved by the County. Please note that ANY NEW ACCESS for LRCMWC facilities will only be possible on non-driveways; be on the new private access road that is an improvement to the existing private dirt road; costs will be calculated by the Lenders for a per month cost that begins in the region of \$28,000/month; and be reviewed by Lenders and Insurance to see if LRCMWC has complied with the intents of the Licensing Agreement as well as supports the project and SdO.

Thanks,

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer

RE: Checking in about agendized issue

Hi Paula--

The Board can discuss the option to be itself responsible for the creation of a special district during the March 7 item. It has not been able to discuss yet because it has not been a properly agendized item yet. The Board would likely need more indications of support for the special district from the affected community--homeowners, the HOA, PFPD, LRCMWC--before taking on the initiative to start a special district on behalf of the community.

Thanks,
Emily

-----Original Message-----

From: Paula Richards <paularichards@sierradeloro.biz>

Sent: Tuesday, February 28, 2023 10:13 AM

To: Emily Fox <efox@mono.ca.gov>

Subject: Re: Checking in about agendized issue

[EXTERNAL EMAIL]

I realized that I was not completely clear about the USDA Rural Development Loan.

I cannot apply for the loan because I do not qualify as the applicant.

The applicant has to be the Special District- which Tonya explained to me in detail.

It will be about four years before the USDA Rural Development Loan application can be processed.

Grant application will take 12-18 months until funds are available to begin the process. SdO has received two grants for the project and both took 2 years from submission of application to receiving a guarantee of the funds. My main job at SdO is applications for grants/loans. I have applied for 12. One is pending and the other 9 SdO did not qualify to be the applicant in the end. It is a full-time job for applications and then to remain in good standing with the grant agent.

So, after about 2 years of work and the grant has been received and a team of about 10-20 ppl has been contracted . . .

First- Exploration for viability of Special District
12-18 months

Second- Application with Mono LAFCO
18-24 months

Third- Review process with CA LAFCO
6-12 months

Fourth- Elections/appointments for the Special District Board
6-12 months

Fifth- Engineering and planning of road
6 months

Sixth- USDA Rural Development Loan application
6-18 months

Seventh- Construction of Road
18-24 months

72 months at the earliest for the project to be completed- which cannot begin until the grant application and funds have been distributed within the next 2 years.

114 months at the latest. My hope is that it falls somewhere in between.

And then, I have no idea how our development of the parcel will be affected. I am risking a substantial amount by going through this way. But, in all the discussions with private lenders and the USDA- there is no other path forward.

I hope that helps.

Also, the County can take over and be responsible for the whole thing- creation of a Special District. Has the Board discussed the viability of that option?

Paula Richards



Paula Richards
To: Emily Fox >

2/28/23

Hi Emily-

Thanks for letting me know that the mtg is still on.

Sounds like there has to be some outreach on the part of the BOS to the community to see what the options are:

1. Special District and a road
2. No Special District and no road.

Questions:

- How does LRCMWC plan to reach the water cisterns?
- How does LRCMWC plan to maintain the single pipe?
- Does LRCMWC have engineers' assessments providing proof of their ability to maintain their system that is located on the parcel without a new access road?
- What affect does this have on the Paradise FPD?
- What happens to the Paradise Community?

If the BOS needs the support of the community for the Special District, then if there is no support- the community and governing agencies should supply the BOS with a plan on how they will continue to operate with no new access road.

In all the discussion with USDA, it was repeated that SdO cannot be the applicant for loans to build the road. Nor can Paradise FPD. Nor can LRCMWC. They do not have the ability to repay the loans, maintain the roads, nor manage the roads' construction.

Because current access through LADWP/BLM is dependent on "actively working" on the New Access Road, if there is no action- there is no temporary permission to use the LADWP/BLM road.

I have been told that the only way the road can move forward by ALL the lenders (Private and USDA) is by the creation of a Special District, absent Mono County taking responsibility.

SdO will continue to move forward with the development of the parcel. And absent a licensing agreement, LRCMWC does not and will not be able to access the parcel on the dirt road.

We are in this mess because LRCMWC and the community would not even consider the amendment to the Specific Plan for a single lot- which would make the road a private Rural Residential Road. LRCMWC would have been able to use the new road with a licensing agreement.

So, SdO was forced to pivot to the approved 2014 Specific Plan of 10-lots. Wendy Sugimura stated that without LRCMWC and ourselves having an agreement- we could not move forward with the amendment application.



Emily Fox

To: Paula Richards >

3/1/23

RE: LRCMWC

Hi Paula—

As to #s 1 and 2: I do not know what legal or statutory options Lower Rock Creek Mutual Water Company believes it has available to it or will pursue, nor do I have any opinion regarding the legal validity of any such option. I only know that it is Lower Rock Creek Water Company's obligation to maintain and service their infrastructure and it is their responsibility to secure necessary access to be able to do so. It would be the responsibility of a court to decide any legal claims for access.

As to #3: The Specific Plan provides at section V.I.1.a.ii. requires "[a]ppropriate dedications for rights-of-way and/or easements shall be required on the Subdivision Map for project streets, **utilities**, drainage, snow storage, etc., in conjunction with the project phases." Because the Specific Plan objectives at section IV.D. (and in the EIR section 3.3.2) state that the private water supply (through your mutual water company) for the Project will be connected to "water supplies serving the community at large (which are provided by LRCMWC)," that will likely require some access for LRCMWC to reach its infrastructure or whatever new interconnection is developed as part of the Project under the Specific Plan, and for their easements to be a part of the tract map.

Community Development would be able to advise on the requirements of a tract map pursuant to the Specific Plan. In the alternative to developing a tentative tract map, an amendment to the Specific Plan can be sought, as we discussed.

Thanks,
Emily

 **Paula Richards**
To: Emily Fox >

3/1/23

See below

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer
Rock Creek Ranch Mutual Water Co. President
Rock Creek Ranch Rural Electric Co. President
DeCasa Catering
Paularichards@sierradeloro.biz
[\(310\)869-8159](tel:(310)869-8159)

On Mar 1, 2023, at 3:35 PM, Emily Fox <efox@mono.ca.gov> wrote:

Hi Paula—

Show Quoted Content

infrastructure and it is their responsibility to secure necessary access to be able to do so. It would be the responsibility of a court to decide any legal claims for access.

That is my understanding as well. The fact that we have offered numerous opportunities to work out an agreement about access should satisfy the courts. Also, the rights of LRCMWC to proceed with eminent, as ill advised as it is, also opens them up to inverse condemnation. We have supplied LRCMWC with invoices for the damages caused to our property by their abuse, as well as filed them with the county. They cannot both claim that they need the access and also not take responsibility in paying for the maintenance and repairs of the currant access. For their claim of eminent domain, they would need to show that they are a responsible company. Which they have failed utterly to do for the past three years.

As to #3: The Specific Plan provides at section V.I.1.a.ii. requires "[a]ppropriate dedications for rights-of-way and/or easements shall be required on the Subdivision Map for project streets, utilities, drainage, snow storage, etc., in

Show Quoted Content

some access for LRCMWC to reach its infrastructure or whatever new interconnection is developed as part of the Project under the Specific Plan, and for their easements to be a part of the tract map.

In regards to LRCMWC utilities- because they will not be servicing the property they are not considered utilities for this project. They have an easement on the west end that the LADWP lawyers clearly referenced as their access to the infrastructure.

Also, the interconnections were removed by Dale Schmidt, 10/15/22 at 12pm. There is no longer any connection, which was requested by LRCMWC as well. Any inter-tie would have required LRCMWC to build a new facility for the mixing of the waters. And to also dramatically improve their infrastructure. This was cost prohibitive for LRCMWC (a rough estimate by engineers and lenders was approximately in the zone of \$500,000).

We satisfied Paradise FPD (Dale Schmidt) and Cal Fire by creating a new hydrant at the base of the parcel. We had invited representative of LRCMWC to participate in all the planning, especially the walk through with the engineers, planners, Cal Fire and Dale Schmidt. There has never been a response except for that "anything in the Specific Plan does not pertain to LRCMWC infrastructure."

From: Paula Richards <paularichards@sierradeloro.biz>
Sent: Wednesday, March 1, 2023 2:09 PM
To: Emily Fox <efox@mono.ca.gov>
Subject: LRCMWC

[EXTERNAL EMAIL]

Hello Emily-

Thanks for today's conversation.

I have several additional points that I would like for you to be aware of that can add to our phone conversation.

1. LRCMWC cannot do eminent domain on our property for an access road. This is an access issue- not a water issue. Though a mutual water company has the legal power to proceed in that direction it needs to satisfy one main criteria- it can only be on land that they service. Per the approved 2014 Specific Plan, the development/ parcel is serviced by Rock Creek Ranch Mutual Water Company.

<~WRD0004.jpg>

2. The power of eminent domain comes with great responsibility.

In considering what you should be paid in an eminent domain matter, the highest and best use of the entire property should be considered in the before-taking condition and the after-taking condition.

At this time, the highest and best use is the 10-lot Specific Plan. If they were to use the expired Tentative Tract Map of 2014, the dirt road passes through 6 lots. If they were to use the TTM that we are working on, they would be responsible for the entire road and its price tag of \$6 million. And this does not include the driveway from the new access road to their cisterns. Nor the property taxes, nor the maintenance of the road. Remember, the monies to build and maintain the road and driveways is coming from a lender that requires a minimum of 5 years of business financials and all contracts. It is stated that . . .

"The subdivider shall construct improved roads within the subdivision in accordance with the County Road Improvement Standards for a Typical Section for a Rural Subdivision (Plate No. 8 Typical Section Rural Subdivision--Mono County Road Improvement Standards, 1981). All road improvement costs, including design, plans and specifications, permitting, testing, inspections, and any related reports shall be the responsibility of the subdivider. Engineered plans, specifications and cost estimates shall be submitted to the Department of Public Works for review and approval. A subdivision agreement shall be executed with the County to guarantee construction."

And LRCMWC cannot do prescriptive easement either. We have offered them temporary permission to use the road as long as they satisfy our insurance and lenders- which they have refused.

3. Because the approved 2014 Specific Plan makes no mention of LRCMWC's access to their easements, unfortunately there is nothing that compels either party to work with the other. Nor does any state agent have the authority to compel the parties to come together. A mutually beneficial relationship is dependent on good faith and a real effort to resolve the issue. Both of which are severely lacking from LRCMWC.

At this time, SdO will continue to work on the TTM/Director Review application. We hope to have it submitted in the next 2 weeks to CDD. At that time, my focus will be on the financing for the project.

Thanks again for your time today and I am always available to answer any questions.

Paula Richards

10 LOTS FULLY BUILT OUT, ESTIMATED VALUE AT \$3.5 MILLION
SUBDIVISION ESTIMATED AT \$37.5 MILLION

- SURFACE WATER RIGHTS 100 acre ft
- GROUND WATER RIGHTS AT OVER 300 gpm
- ECO-BUILD HOME DESIGN
- SOLAR SYSTEM DESIGN MICRO-GRID
- AQUAPONIC GREENHOUSE ON EACH LOT
- PERMACULTURE DESIGN
- SET UP OF GOVERNING BODIES
- SET UP OF CONSERVATION EASEMENTS/LAND TRUSTS
- FORMATION OF COMMUNITY SERVICE DISTRICT

RE: LRCMWC

Hi Paula—

As to #s 1 and 2: I do not know what legal or statutory options Lower Rock Creek Mutual Water Company believes it has available to it or will pursue, nor do I have any opinion regarding the legal validity of any such option. I only know that it is Lower Rock Creek Water Company's obligation to maintain and service their infrastructure and it is their responsibility to secure necessary access to be able to do so. It would be the responsibility of a court to decide any legal claims for access.

As to #3: The Specific Plan provides at section V.I.1.a.ii. requires "[a]ppropriate dedications for rights-of-way and/or easements shall be required on the Subdivision Map for project streets, **utilities**, drainage, snow storage, etc., in conjunction with the project phases." Because the Specific Plan objectives at section IV.D. (and in the EIR section 3.3.2) state that the private water supply (through your mutual water company) for the Project will be connected to "water supplies serving the community at large (which are provided by LRCMWC)," that will likely require some access for LRCMWC to reach its infrastructure or whatever new interconnection is developed as part of the Project under the Specific Plan, and for their easements to be a part of the tract map.

Community Development would be able to advise on the requirements of a tract map pursuant to the Specific Plan. In the alternative to developing a tentative tract map, an amendment to the Specific Plan can be sought, as we discussed.

Thanks,
Emily



Paula Richards
To: Emily Fox >

3/1/23

See below

Paula Richards
Sierra del Oro Trading Company LLC Chief Officer
Rock Creek Ranch Mutual Water Co. President
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Paularichards@sierradeloro.biz
[\(310\)869-8159](tel:(310)869-8159)

On Mar 1, 2023, at 3:35 PM, Emily Fox <efox@mono.ca.gov> wrote:

Hi Paula—

Show Quoted Content

infrastructure and it is their responsibility to secure necessary access to be able to do so. It would be the responsibility of a court to decide any legal claims for access.

That is my understanding as well. The fact that we have offered numerous opportunities to work out an agreement about access should satisfy the courts. Also, the rights of LRCMWC to proceed with eminent, as ill advised as it is, also opens them up to inverse condemnation. We have supplied LRCMWC with invoices for the damages caused to our property by their abuse, as well as filed them with the county. They cannot both claim that they need the access and also not take responsibility in paying for the maintenance and repairs of the currant access.
For their claim of eminent domain, they would need to show that they are a responsible company. Which they have failed utterly to do for the past three years.

As to #3: The Specific Plan provides at section V.I.1.a.ii. requires "[a]ppropriate dedications for rights-of-way and/or easements shall be required on the Subdivision Map for project streets, **utilities**, drainage, snow storage, etc., in

Show Quoted Content

some access for LRCMWC to reach its infrastructure or whatever new interconnection is developed as part of the Project under the Specific Plan, and for their easements to be a part of the tract map.

In regards to LRCMWC utilities- because they will not be servicing the property they are not considered utilities for this project. They have an easement on the west end that the LADWP lawyers clearly referenced as their access to the infrastructure.

Also, the interconnections were removed by Dale Schmidt, 10/15/22 at 12pm. There is no longer any connection, which was requested by LRCMWC as well. Any inter-tie would have required LRCMWC to build a new facility for the mixing of the waters. And to also dramatically improve their infrastructure. This was cost prohibitive for LRCMWC (a rough estimate by engineers and lenders was approximately in the zone of \$500,000).

We satisfied Paradise FPD (Dale Schmidt) and Cal Fire by creating a new hydrant at the base of the parcel. We had invited representative of LRCMWC to participate in all the planning, especially the walk through with the engineers, planners, Cal Fire and Dale Schmidt. There has never been a response except for that "anything in the Specific Plan does not pertain to LRCMWC infrastructure."

From: Paula Richards <paularichards@sierradeloro.biz>
Sent: Wednesday, March 1, 2023 2:09 PM
To: Emily Fox <efox@mono.ca.gov>
Subject: LRCMWC

[EXTERNAL EMAIL]

Hello Emily-

Thanks for today's conversation.

I have several additional points that I would like for you to be aware of that can add to our phone conversation.

1. LRCMWC cannot do eminent domain on our property for an access road. This is an access issue- not a water issue. Though a mutual water company has the legal power to proceed in that direction it needs to satisfy one main criteria- it can only be on land that they service. Per the approved 2014 Specific Plan, the development/ parcel is serviced by Rock Creek Ranch Mutual Water Company.

<~WRD0004.jpg>

2. The power of eminent domain comes with great responsibility.

In considering what you should be paid in an eminent domain matter, the highest and best use of the entire property should be considered in the before-taking condition and the after-taking condition.

At this time, the highest and best use is the 10-lot Specific Plan. If they were to use the expired Tentative Tract Map of 2014, the dirt road passes through 6 lots. If they were to use the TTM that we are working on, they would be responsible for the entire road and its price tag of \$6 million. And this does not include the driveway from the new access road to their cisterns. Nor the property taxes, nor the maintenance of the road. Remember, the monies to build and maintain the road and driveways is coming from a lender that requires a minimum of 5 years of business financials and all contracts. It is stated that . . .

"The subdivider shall construct improved roads within the subdivision in accordance with the County Road Improvement Standards for a Typical Section for a Rural Subdivision (Plate No. 8 Typical Section Rural Subdivision--Mono County Road Improvement Standards, 1981). All road improvement costs, including design, plans and specifications, permitting, testing, inspections, and any related reports shall be the responsibility of the subdivider. Engineered plans, specifications and cost estimates shall be submitted to the Department of Public Works for review and approval. A subdivision agreement shall be executed with the County to guarantee construction."

And LRCMWC cannot do prescriptive easement either. We have offered them temporary permission to use the road as long as they satisfy our insurance and lenders- which they have refused.

3. Because the approved 2014 Specific Plan makes no mention of LRCMWC's access to their easements, unfortunately there is nothing that compels either party to work with the other. Nor does any state agent have the authority to compel the parties to come together. A mutually beneficial relationship is dependent on good faith and a real effort to resolve the issue. Both of which are severely lacking from LRCMWC.

At this time, SdO will continue to work on the TTM/Director Review application. We hope to have it submitted in the next 2 weeks to CDD. At that time, my focus will be on the financing for the project.

Thanks again for your time today and I am always available to answer any questions.

Paula Richards

 **CA Galentine Tonja - RD**
To: Paula Richards >

1/18/23

RE: [External Email]Board of Supervisors letter of support

Paula,

I did receive your voice mail this morning, I am on multiple webinars/ meetings today.

To be able for us to move forward - we will need the basic information requested below from the applicant or the entity that is in control/ authorized to assume debt for the project and property.

If you have specific question, please formulate your questions in writing and I can get back to you much quicker.

Thank you,

Tonja K. Galentine
Community Programs Specialist
Modesto, CA Rural Development
United States Department of Agriculture
3800 Cornucopia Way, Suite E | Modesto, CA 95358
Phone: 209-287-3626| Fax 844-206-6987
<http://www.rd.usda.gov/ca>

"Together, America Prospers"

CAPITAL IMPROVEMENTS UPDATED TO RCR SP

RCR SP

VIII.A

CAPITAL IMPROVEMENT PLAN

Project improvement costs, exclusive of land acquisition, are estimated by the project applicant to be \$1,729,623 (in 2014 dollars). Cost components include \$205,000 for earthwork and erosion control, \$270,720 for paving, \$155,000 for drainage improvements, \$573,300 for water improvements, \$300,000 for underground utilities, and a 15% contingency reserve of \$2.25,603. Private financing will cover the cost of most project improvements.

CAPITAL IMPROVEMENT COSTS UPDATED 2023:

Estimates:

\$3.5 million for earthwork and erosion control, excluding the New Access Point

\$1.2 million for engineering, design and construction of the New Access Point

\$550,000 for rock crushing and engineering for fill

\$1 million for paving of the New Access Road and eco-pavers for all driveways and turn-arounds

\$2.5 million for trail design, engineering, temporary irrigation, landscaping, construction

\$1.2 million for drainage system design, engineering and construction

\$3.5 million for water facilities engineering, design, screening, fencing, security and construction

\$1.8 million for underground utilities

\$3.75 million for RCRREC micro-grid substation and solar system

\$1 million cell tower

\$20 million Sub-Total

\$3 million 15% Contingency Reserve

\$23 million Total estimated for Phase 1 of infrastructure

Private financing will cover the cost of most project improvements with grants (30%) and loans (70%). This does not include the costs for permits, application fees, legal, planning, maintenance and repairs to the existing dirt road and well areas and pre-development costs. Estimates are that these costs will add \$1.8 million before Phase 1.

These are the estimated costs that Lenders and Insurance companies are working with for the development project of 10-lot subdivision. Any Licensing Agreements must begin at 1% of costs determined by the Lenders.

The governing agencies and others that will manage loan and grant application:

- Sierra del Oro Land Trust
- Sierra del Oro Community Service Association
- Rock Creek Ranch Mutual Water Company
- Rock Creek Ranch Rural Electric Company
- Sierra del Oro Trading Company LLC

The governing body Sierra del Oro Community Service District formation is proposed after the approval of the Final Map:

The formation of a Community Service District with the sphere of influence of the parcel per the RCR Specific Plan- application submission pending. Estimated resources: 18-24 months and \$300,000- \$500,000 costs.

\$15 million estimated for Phase 2 of development of Buildings on all 10 LOTS

MONO COUNTY BOARD OF SUPERVISORS



Jennifer Kreitz - District One Rhonda Duggan - District Two Bob Gardner - District Three
John Peters - District Four Lynda Salcido - District Five

BOARD OF SUPERVISORS COUNTY OF MONO

P.O. BOX 715, BRIDGEPORT, CALIFORNIA 93517
(760) 932-5530
BOS@mono.ca.gov

Scheereen Dedman, Clerk of the Board

January 3, 2022

SENT VIA EMAIL TO:

Mono County Local Agency Formation Commission
Kelly Karl (kkarl@mono.ca.gov)

United States Department of Agriculture,
Rural Development Loan and Grant Program
Tonja Galentine (tgalentine@usda.gov)
Monica Telles (mtelles@usda.gov)

To Whom it May Concern:

The Mono County Board of Supervisors (the "Board") writes this letter to offer its recognition of the need to create a New Access Road illustrated in Exhibit 3-5 of the 2014 Rock Creek Ranch Amended Specific Plan ("2014 Specific Plan") and for an improvement to a portion of an Existing Dirt Road (the "Project") on Assessor's Parcel No. 026-330-002-000 (the "Property"). The Project would provide the sole public vehicular access to the Property.

The Board supports the Project as specified in the 2014 amendment to the Rock Creek Ranch Specific Plan (the "2014 Specific Plan"). The Board has found that the Project will benefit Sierra del Oro Trading Company LLC ("SDO") and the broader community of Paradise, including the Rock Creek Canyon Subdivision, the Paradise subdivision, and other properties, by improving health and safety of this area by providing public vehicular access to the Property, which does not currently exist. As stated in and required by the 2014 Specific Plan, the Project will reduce erosion, scenic impacts, and water quality impacts to the surrounding environment by providing the sole point of vehicular access onto the Property.

The Board supports the proposed Project pursuant to the 2014 Specific Plan Amendment as the sole access road to the Property. The proposed New Access Road will be constructed to County standards and offered for dedication as a public road to the County under the 2014 Specific Plan. If the County does not accept the dedication, the New Access Road would be maintained as a private street as specified in the 2014 Specific Plan.

Sincerely,


Rhonda Duggan (Jan 10, 2023 16:01 PST)

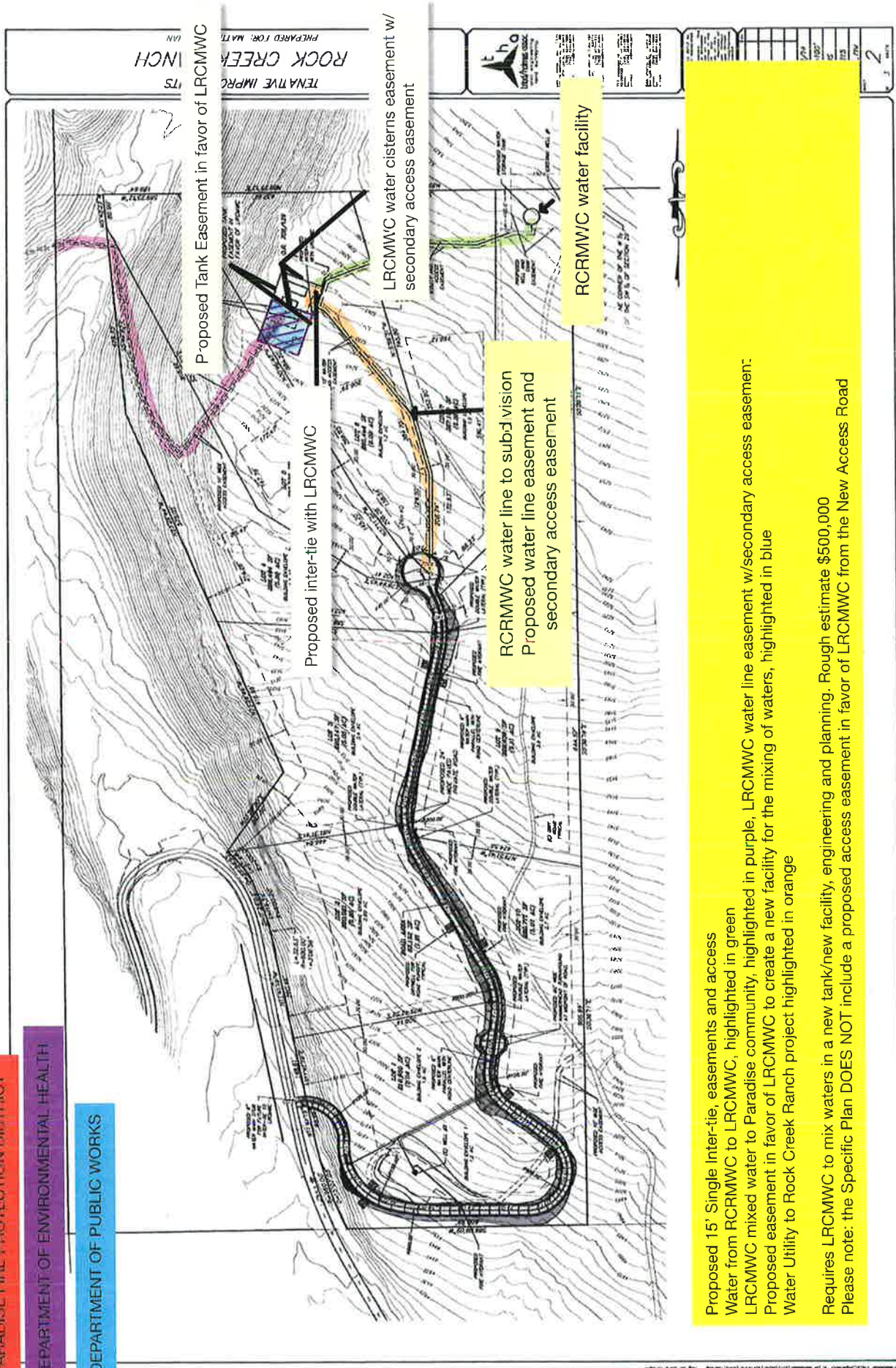
Rhonda Duggan, Chair
Mono County Board of Supervisors

**PARADISE DETERMINATION TO REMOVE INTER-TIE
REQUEST FOR EXCEPTION
EXPIRED TTM
PROPOSED TTM**

PARADISE FIRE PROTECTION DISTRICT

DEPARTMENT OF ENVIRONMENTAL HEALTH

DEPARTMENT OF PUBLIC WORKS



Proposed 15' Single Inter-tie, easements and access Water from RCRMWC to LRCMWC, highlighted in green LRCMWC mixed water to Paradise community, highlighted in purple, LRCMWC water line easement w/secondary access easement: Proposed easement in favor of LRCMWC to create a new facility for the mixing of waters, highlighted in blue Water Utility to Rock Creek Ranch project highlighted in orange

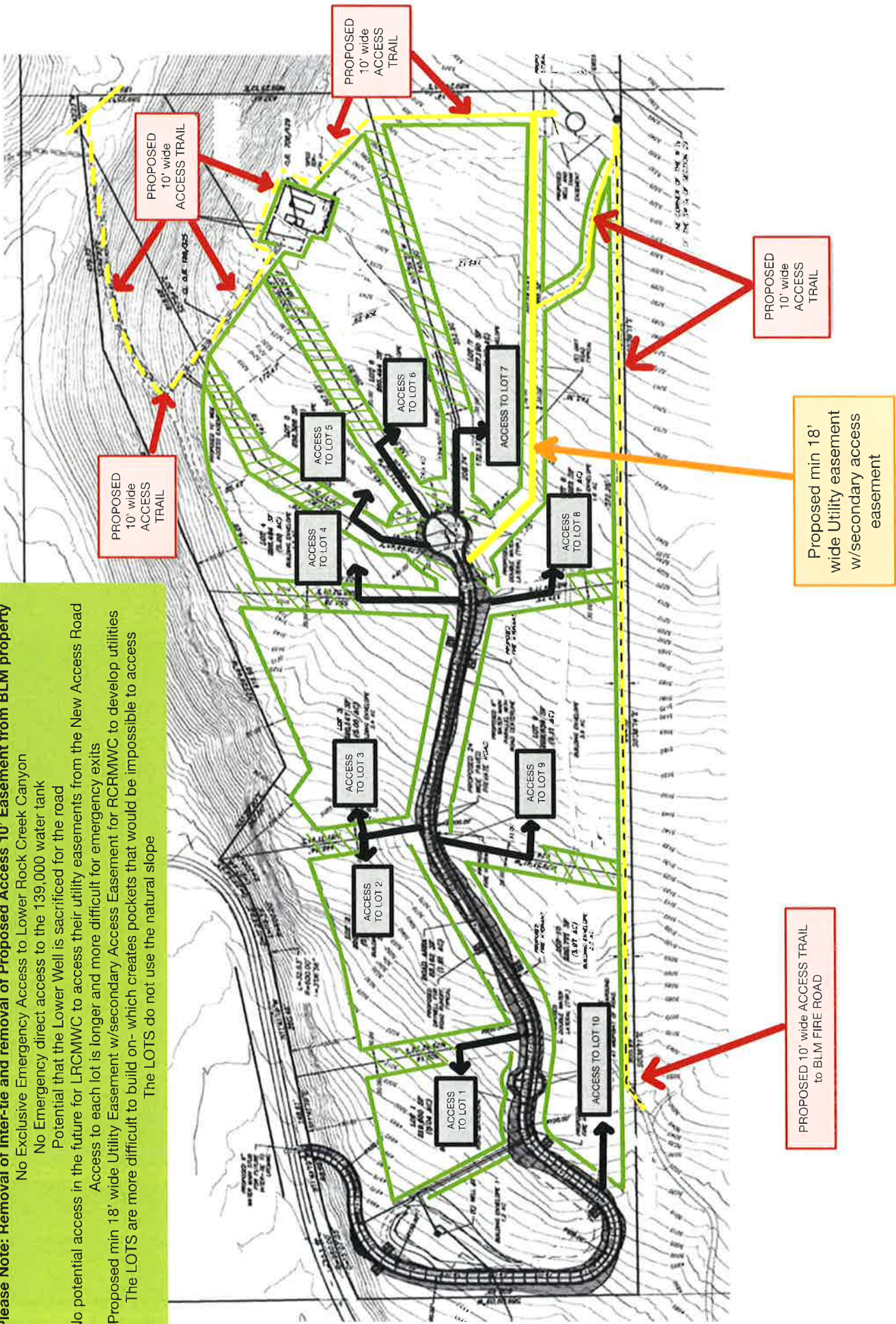
Requires LRCMWC to mix waters in a new tank/new facility, engineering and planning. Rough estimate \$500,000 Please note: the Specific Plan DOES NOT include a proposed access easement in favor of LRCMWC from the New Access Road

Exhibit 3.6

2,640 ft Road, USING EXPIRED TTM ALTERNATIVE

Please Note: Removal of Inter-tie and removal of Proposed Access 10' Easement from BLM property

- No Exclusive Emergency Access to Lower Rock Creek Canyon
 - No Emergency direct access to the 139,000 water tank
 - Potential that the Lower Well is sacrificed for the road
 - No potential access in the future for LRCMWC to access their utility easements from the New Access Road
 - Access to each lot is longer and more difficult for emergency exits
 - Proposed min 18' wide Utility Easement w/secondary Access Easement for RCRMWC to develop utilities
 - The LOTS are more difficult to build on- which creates pockets that would be impossible to access
- The LOTS do not use the natural slope




RE: Consultant for Mono County

Hi Paula,

I called the Mono County Planning Department to discuss the project with them and it turns out there was already a specific plan, TTM, and EIR for this parcel that had been accepted and approved by the County and CAL FIRE: <https://www.monocounty.ca.gov/planning/page/rock-creek-ranch-specific-plan-draft-eir-and-final-eir-2008>. The TTM appears to still be in compliance with SRA Fire Safe Regulations (14 CCR 1270 - 1276), so an Exception to the regulations wouldn't even be necessary.

I understand these documents have "expired" (for lack of a better word), but why are we going through all of this when an acceptable option has already been identified?

David Haas
CAL FIRE
Unit Forester – San Bernardino Unit
3800 N. Sierra Way, San Bernardino, CA 92405
(909) 881-6955 Office
(909) 253-6632 Cell

 Paula Richards
To: David, Cecilia, Dale, Steven, steve.elenburg@fire.ca.gov, Matt >

5/22/23

Hello:

Excellent questions that I am more than happy to answer. To begin, it seems that the expired TTM was centered on the interconnection that would benefit LRCMWC. Unfortunately, LRCMWC does not have the funds to make improvements to its current system that would be more than \$2 million. SdO is unable to borrow the funds and thus cannot make any improvements to benefit LRCMWC's utility easements. Secondly, when we were meeting with all the different entities on the property in October 2022- we designed and engineered the TTM according to what was asked of us by all the different agents.

- no homes along the East boundary line so as to limit access to BLM property
- access to each lot with emergency vehicles
- access to Lower Rock Creek Canyon for emergency vehicles
- access to as much water that could be stored
- access to the main water tank
- access to each lot must be private
- access to public trail to Lower Rock Creek must accessible to all 10 lots
- access to BLM dirt road must accessible to all 10 lots
- control storm water drainage to hold it on the property
- natural planting to mitigate view of the homes from scenic highway and community
- build the homes from East to West to use the wind and for solar- Eco build along the contours of the slope
- build the homes closer to the new access road
- potential access for LRCMWC to reach their utility easements from the new access road.

These were some of the issues with the expired TTM that we proposed to fix with the new TTM:

1. The expired TTM has no potential access to LRCMWC's utility easements. We sincerely hope that at some point in the future LRCMWC will sign a licensing agreement with SdO to secure the health and safety of the greater community.
2. The expired TTM may remove the lower well entirely. ESE cannot guarantee that the expired TTM's slope easement does not make the lower well unusable. The proposed TTM shows that the slope easement is over an acre, with 40 ft retaining walls.
3. The expired TTM creates 10-lots that are mostly unbuildable or would make building on them cost prohibitive and difficult to access. The impact to the land is more higher with the expired TTM. The lot lines and division of the expired TTM do not take into account the slope and contours of the parcel.
4. The expired TTM has no direct access to the 139,000 gallon water storage tank. This makes the maintenance of the water utility system more difficult and a water system that is not using gravity to its advantage.
5. The expired TTM has no direct exclusive access to the Lower Rock Creek Canyon.



Request for Exception for Rock Creek Ranch project TTM

Hello Chief David-

Chief Dale and I had a mtg and discussed the TTM. He made the suggestion to have a "potential" access to LRCMWC's water cisterns. Legally [per the Subdivision Map Act (Government Code Sections 66410, et seq.) and the Subdivided Lands Law (Sections 11000 - 11200 of the Business and Professions Code; hereinafter, the Code)], access to the water cisterns cannot be on a private access point intended to service the LOTS. But, because we do not even want the appearance that we are not giving LRCMWC every opportunity to work out a contract for access to their utility easements- we agree with Chief Dale that this is an improvement to the TTM.

Access is a civil matter between the private parties and Paradise FPD and CalFire has no involvement. The request for exception nor the decisions of the inspection authorities is influenced by the civil matter. But for Paradise FPD and Cal Fire, appropriate maintenance of LRCMWC's water system is critical to ensure a reliable supply of water for firefighting purposes for the greater community. The maintenance of the water system, including the necessary access to provide that maintenance is the exclusive responsibility of LRCMWC. We sincerely hope that at some point in the future LRCMWC will come to the table to discuss a Licensing Agreement. And at all times, SdO endeavors to work with LRCMWC on an agreement with just compensation approved by the Lenders and which can be implemented in the subdivision per the Code.

The TTM has been slightly modified with Chief Dale's suggestion, allowing for a potential access point to LRCMWC's water cisterns. You will notice that the access w/terminus square was removed on LOT line 8/9. Now there are six LOTS that share three access/terminus squares. This reduces the value of those six lots but allows for a potential second access from the new road to LRCMWC's utility easements. The removal of the terminus square on LOTS 8/9 will not affect the unobstructed traffic circulation during a wildfire emergency.

This morning, I had a mtg with the engineers to discuss this change. They will have the new drawings prepared by Monday next week- with the plan to submit the TTM application on June 9th. Is it possible to have CalFire's determination by that date?

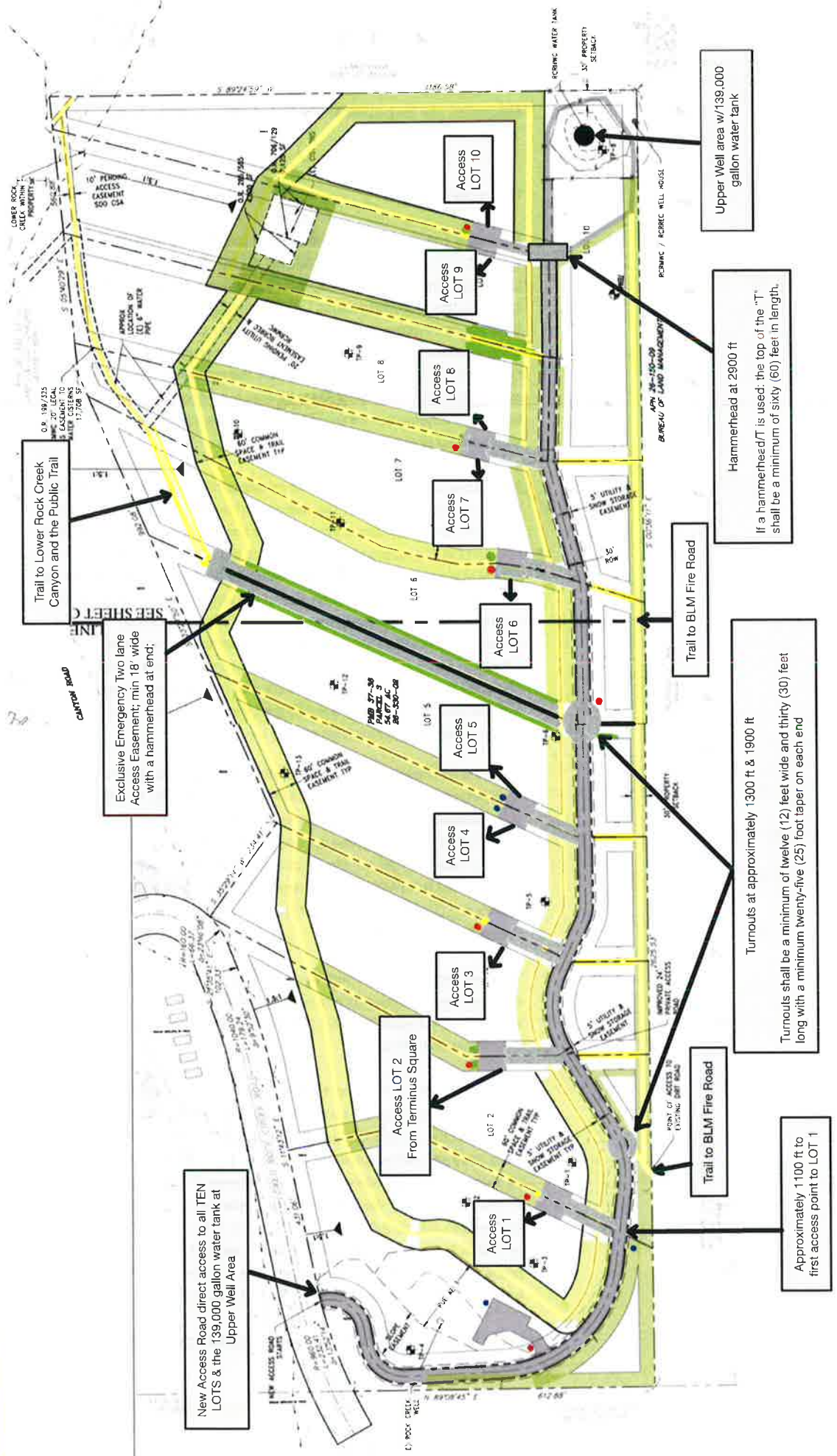
Furthermore, during the mtg, the expired TTM was discussed as a possible option if the proposed TTM were not acceptable. Again, the engineers stated that the expired TTM was approved without any engineering- it is not a likely alternative option for several reasons: the slope easement would be so much greater making LOT 1 compromised to build on; we would have to remove the Lower Well because of the retaining walls; and 70% of the lots are unbuildable (LOTS 1, 4, 5, 6, 7, 8, and 10) or cost prohibitive to build on (LOTS 2, 3 and 9). Unfortunately, the expired TTM was not engineered properly which is why no slope easement is included in the RCR SP and has been rejected as a viable option by the ESE engineers.

I hope that answers any questions as to why the expired TTM cannot be used moving forward.

Attached is the TTM draft that the engineers are working with for the final TTM to be submitted in the application. If CalFire has anything to add, please do not hesitate to reach out.

Exhibit 3.5 Proposed TTM w/2900 feet New Access Road

- New Access Road from Lower Rock Creek Rd; 30' right of way; two 12' lanes w/3' rock lined drainage on either end
- Direct access to ALL TEN LOTS & 139,000 gallon water tank at Upper Well Area, utility easement 18' wide, two lane
- Approximate 1100 ft to first LOT access point; two-lane; min 18' wide w/3' rock lined drainage on either end; eco-pavers for permeability
- Min 18' wide two-lane Access to each LOT and Open Space w/60'x60' Terminus Square for Turnaround; w/fire hydrant or 10,000 gallon water tank
- Exclusive 18' wide Emergency Access to Lower Rock Creek Canyon; eco-pavers for permeability, slope stability and access of heavy emergency vehicles
- Turnouts at 1300 ft and 1900 ft
- Hammerhead at 2900 ft; 60' in length, top of "T"
- Because LOT LINES follow the ridge line, it allows for the New Access Road, the trails and the Exclusive Emergency to use the parcel more effectively; maintain slope erosion, drainage off site, access across parcel and maintenance of access and utilities.



LEGEND

LEGEND

- Pending Access Easement (Access-Paved)
- 20 x 150' x 60' Turnaround: Sierra del Oro Community Service Association
- Pending Utility Easement w/secondary access easement (Access-Paved)
- 20 x 150' x 60' RCRW&C & RCRREC
- Pending Access Easement (Access-Paved): min. 15' wide; Sierra del Oro Community Service Association
- Pending Trail Access Easement (Access-Paved) for emergency vehicles and OHV's (for use of emergency vehicles): min. 15' wide with 10' turnaround on each side with 10' wide; Sierra del Oro Community Service Association, Sierra del Oro Land Trust
- Pending Conservation Easement (Native Hedgerow): Sierra del Oro Land Trust; min. 15' wide; COFA
- Pending Conservation Easement (Native Hedgerow): Sierra del Oro Land Trust; min. 15' wide

PROPERTY LINE
30' SETBACK
WATER FACILITY FENCE
DISTURBED AREA
TEST PIT LOCATION

PUE AE 1 - PENDING UTILITY EASEMENT W/SECONDARY ACCESS EASEMENT (1.2AC) 500 CSA, RCRW&C & RCRREC
AE 1 - DDC #202003108 ACCESS EASEMENT RCRW&C & RCRREC
PUE AE 2 - 30' PENDING ACCESS EASEMENT 500 CSA RCRW&C & RCRREC
PUE AE 3 - PENDING UTILITY EASEMENT W/SECONDARY ACCESS EASEMENT (0.7AC) 500 CSA, RCRW&C & RCRREC

- Proposed Fire Hydrant
- Proposed 10,000 gallon water tank
- 60' x 60' Turnaround Square for Emergency Access Vehicles and Residents Safe Exit in cases of emergency; Access for each lot; Lot line centered
- Turnout

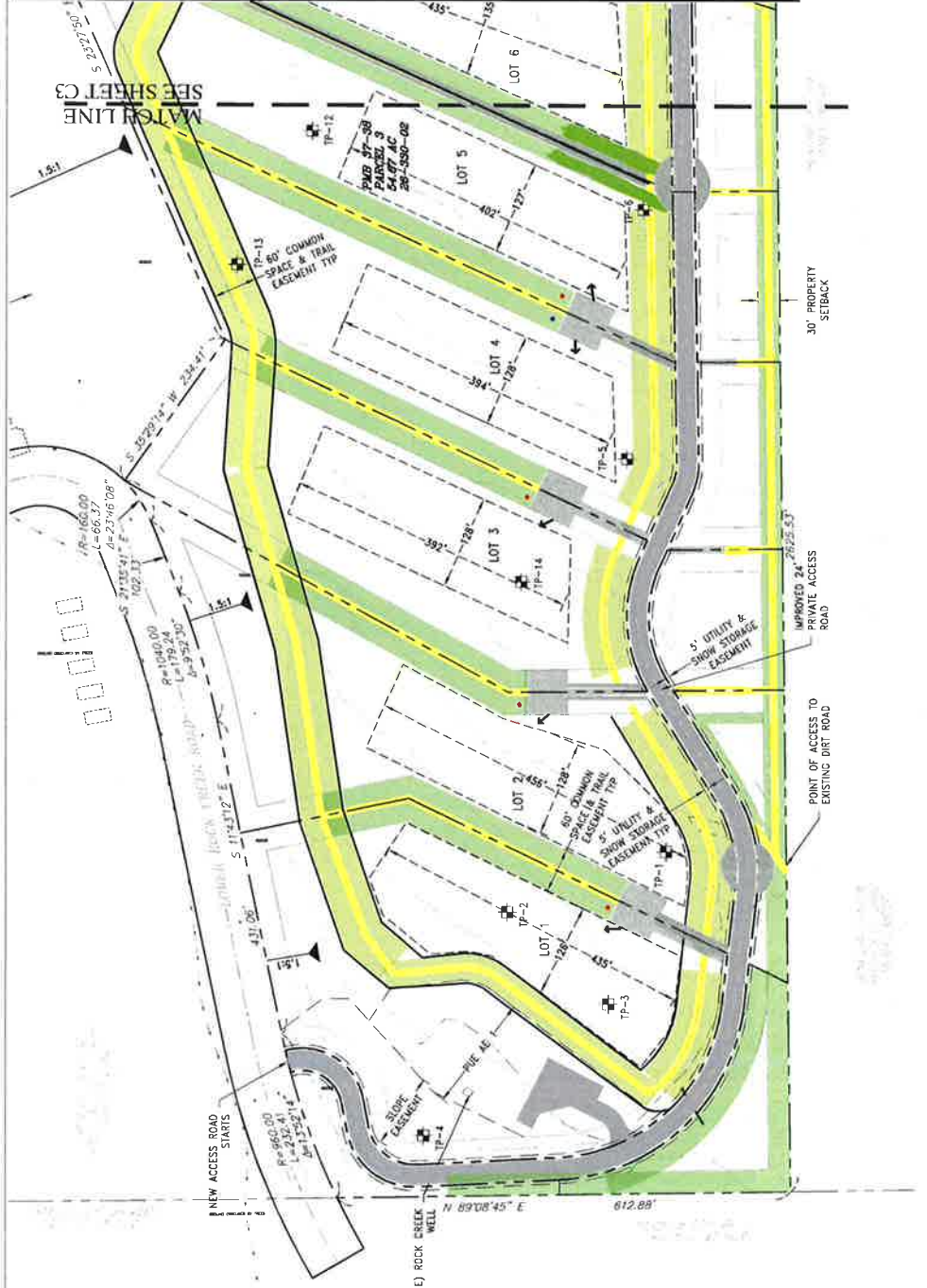
TITLE
ROCK CREEK RANCH
VESTING TENTATIVE TRACT MAP
SITE PLAN SOUTH

PROJECT
SIERRA DEL ORO
LOS ANGELES, CA
APN 26-330-02
MINO COUNTY

- NO TREES > 12" DIAMETER EXIST ON THE PROPERTY
- ROCK CREEK FENCE OF THE LOWER ROCK CREEK TRANSECTS THE NORTH WEST CORNER OF THE PARCEL WITHIN LOTS 9 & 10.
- THERE ARE NO 115KV TRANSMISSION LINES WITHIN 25 FEET OF THE PARCEL, HOWEVER THERE IS ONE 115KV TRANSMISSION STEEP TERRAIN THAT VARIES UP TO 15% SLOPE.

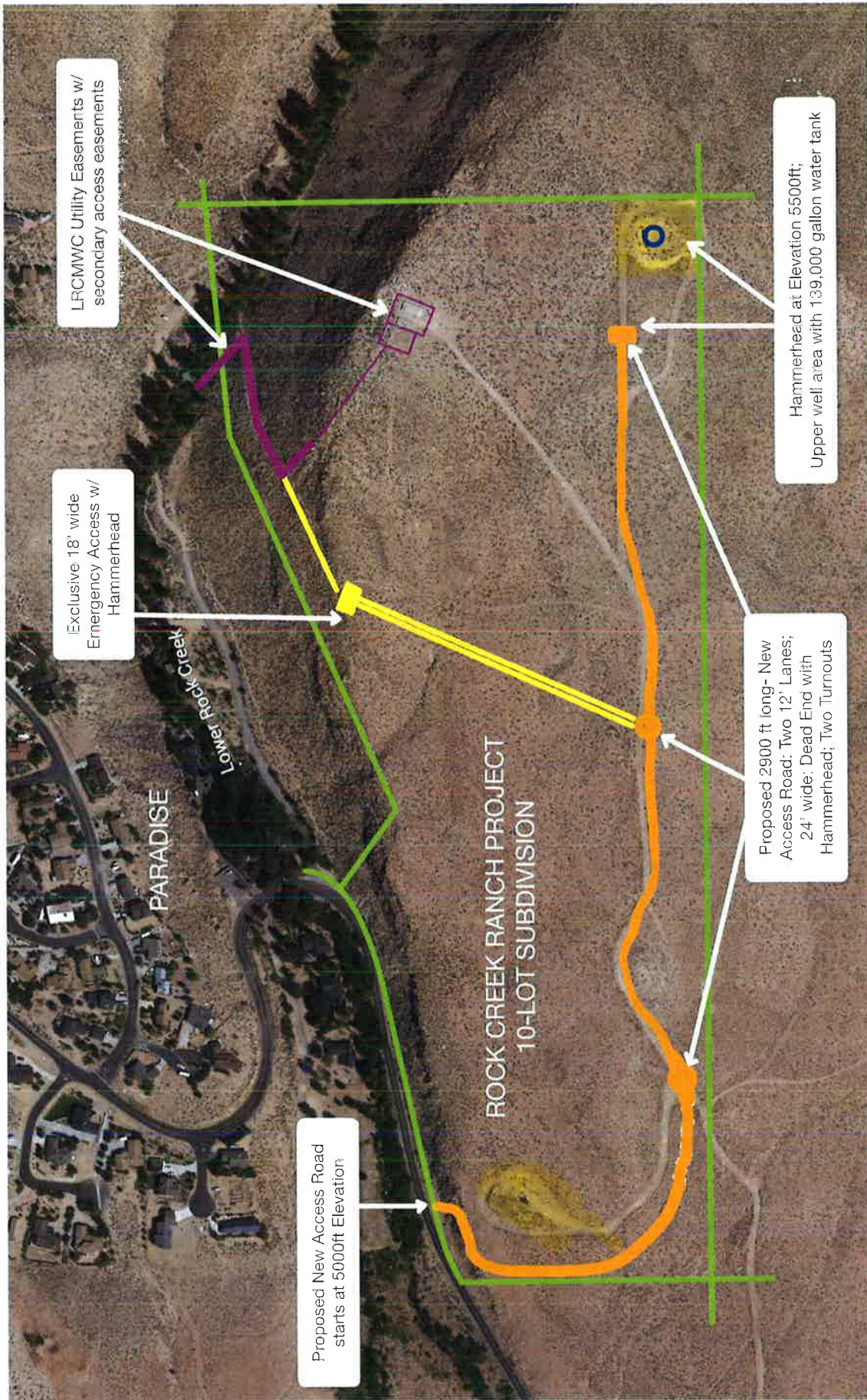
Scale: 1" = 100'-0"
Contour Interval = 5'

**FOR REVIEW
NOT FOR
CONSTRUCTION**
DATE: 01-30-2023



LOT NO.	TOTAL AREA		CURRENT USE	UTILITY EASEMENT		SLOPE EASEMENT	UNBUILDABLE AREA		BLDG ENVELOPE		NET AREA		PROPOSED NET DISTURBED AREA		PROPOSED USE		PROPOSED LANDSCAPING			
	(SF)	(AC)		(SF)	(AC)		(SF)	(AC)	(SF)	(AC)	(SF)	(AC)	(SF)	(AC)	(%)	(%)	(SF)	(AC)	(%)	(%)
1	273,827	6.28	VACANT/UTILITY	44,290	1.02	45,838	1.05	64,518	1.48	154,646	3.55	229,137	5.36	57,284	1.32	25	SINGLE-FAMILY RESIDENTIAL/UTILITY	41,014	0.94	15
2	229,998	5.28	VACANT					117,255	2.70	102,843	2.36	220,298	5.06	55,150	1.27	25	SINGLE-FAMILY RESIDENTIAL	33,090	0.76	15
3	200,318	4.61	VACANT				109,094	2.50	91,659	2.11	200,749	4.61	50,187	1.15	25	SINGLE-FAMILY RESIDENTIAL	30,112	0.69	15	
4	204,860	4.71	VACANT				116,002	2.66	98,740	2.25	204,460	4.69	60,896	1.39	25	SINGLE-FAMILY RESIDENTIAL	30,072	0.69	15	
5	230,125	5.29	VACANT				83,764	1.92	144,552	3.36	230,125	5.29	57,841	1.32	25	SINGLE-FAMILY RESIDENTIAL	30,743	0.71	15	
6	200,884	4.60	VACANT				99,786	2.29	130,278	2.99	230,164	5.28	57,541	1.32	25	SINGLE-FAMILY RESIDENTIAL	34,549	0.79	15	
7	202,995	4.65	VACANT				105,458	2.42	87,033	2.21	202,995	4.65	50,524	1.16	25	SINGLE-FAMILY RESIDENTIAL	30,374	0.70	15	
8	201,373	4.62	VACANT				117,648	2.70	83,725	1.92	201,373	4.62	50,524	1.16	25	SINGLE-FAMILY RESIDENTIAL	30,266	0.69	15	
9	313,699	7.26	VACANT/UTILITY	30,379	0.70		138,276	3.17	138,605	3.17	303,150	6.96	79,830	1.74	25	SINGLE-FAMILY RESIDENTIAL/UTILITY	50,055	1.15	15	
10	88,114	1.99	VACANT/ROADWAY				128,206	2.93	88,114	1.99	88,114	1.99	88,114	1.99	-	ROADWAY, UTILITY AND DRAINAGE				
TOTAL	2,981,238	68.67	VACANT	74,669	1.71	45,838	1.05	1,052,001	24.15	1,248,106	28.65	2,306,965	52.95	555,864	12.76	-	-	-	-	-

* NET AREA = TOTAL AREA - UTILITY EASEMENT



LFCMWC Utility Easements w/ secondary access easements

Exclusive 18' wide Emergency Access w/ Hammerhead

Proposed New Access Road starts at 5000ft Elevation

Hammerhead at Elevation 5500ft; Upper well area with 139,000 gallon water tank

Proposed 2900 ft long- New Access Road: Two 12' Lanes; 24' wide; Dead End with Hammerhead; Two Turnouts

Exhibit 3.5
2,900 ft Road overlay onto site

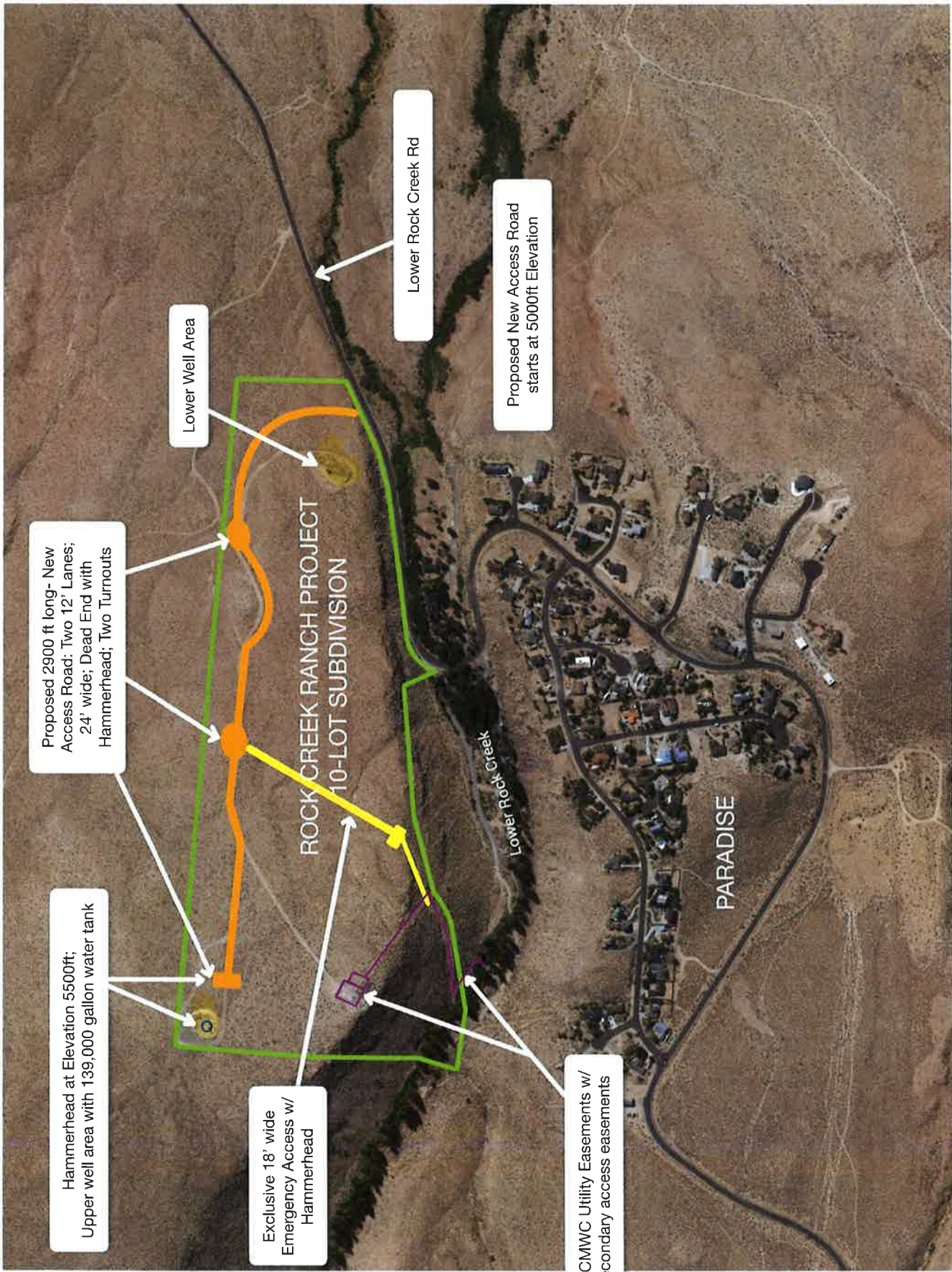


Exhibit 3.6
 2,900 ft Road overlay onto site
 View of altitude from 5000 ft to 5500 ft

New
Access
Road
Start



NO.	DATE	REVISIONS	BY	APP'D
1				
2				
3				
4				
5				

TITLE
 ROCK CREEK RANCH
 VESTING TENTATIVE TRACT MAP
 GRADING PLAN SOUTH

PROJECT
 SIERRA DEL ORO
 LOS ANGELES, CA
 APN 26-330-02

MONO COUNTY

EASTERN SIERRA ENGINEERING

140 WHITNEY ALLEY
 BIRMGHP, CA 92512
 MAIN: (951) 228-5049
 FAX: (951) 888-7221

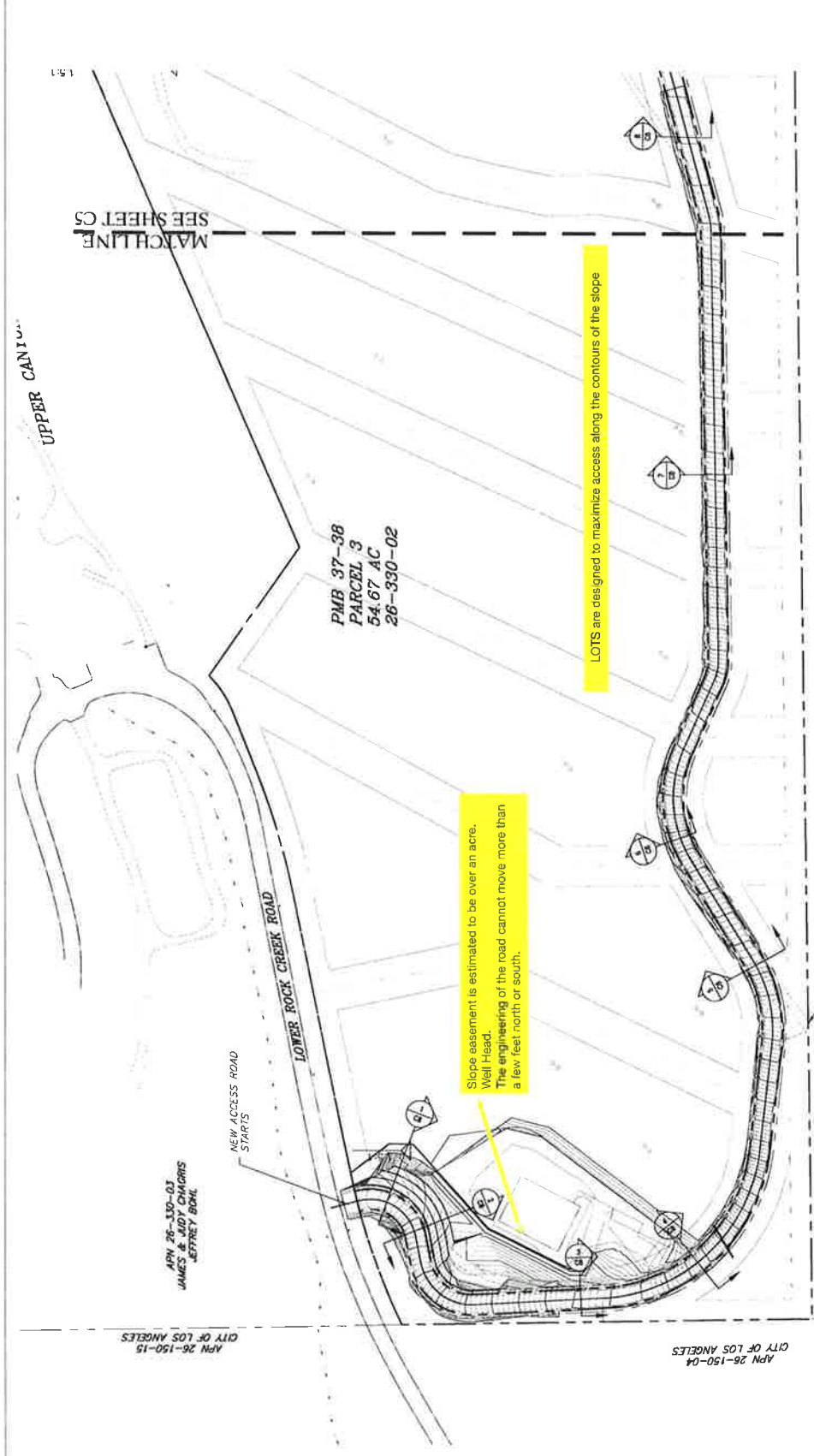
PROFESSIONAL ENGINEER
 STATE OF CALIFORNIA
 No. C 097235
 Exp. 12-31-23

03-31-2023

Drawn By: HUI DIRM
 Approved By: HUI DIRM
 Job No.: 21527
 Scale: AS SHOWN
 Date: 03/31/2023

SHEET NO.

C4 of 9



**FOR REVIEW
 NOT FOR
 CONSTRUCTION**

DATE: 03-31-2023

NO.	DATE	REVISIONS	BY	APP'D
1				
2				
3				

ROCK CREEK RANCH
VESTING TENTATIVE TRACT MAP
SECTION VIEWS 1-3
SIERRA DEL ORO
LOS ANGELES, CA
APN 26-330-02
 MONO COUNTY

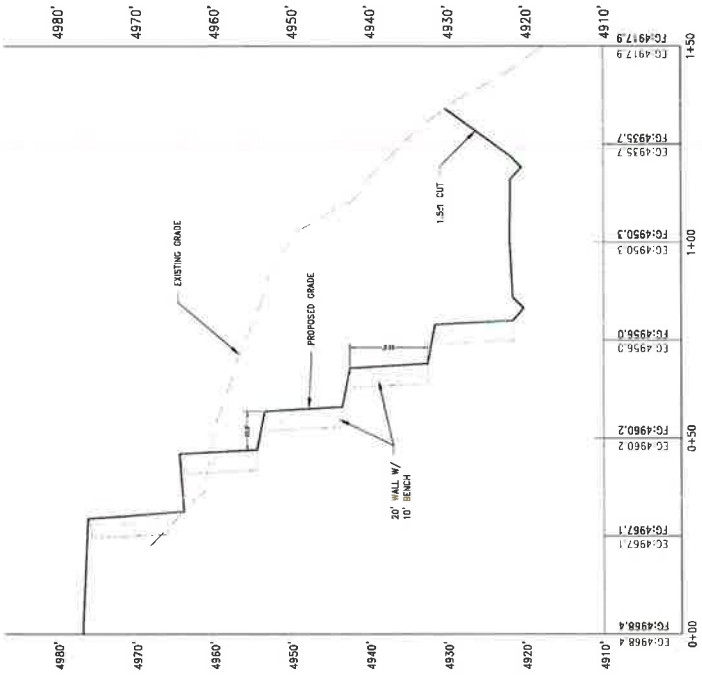
SIERRA EASTERN ENGINEERING
 140 WHITNEY ALLEY
 BERKELEY, CA 94701
 FAX: (775) 828-7221
 MAIN: (442) 228-9049



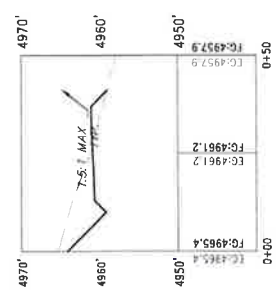
03-31-2023
 Drawn By: BE, DRB
 Checked By: JG, SJS
 Scale: AS SHOWN
 Title: 03/12/23

SHEET No.
C8 of 9

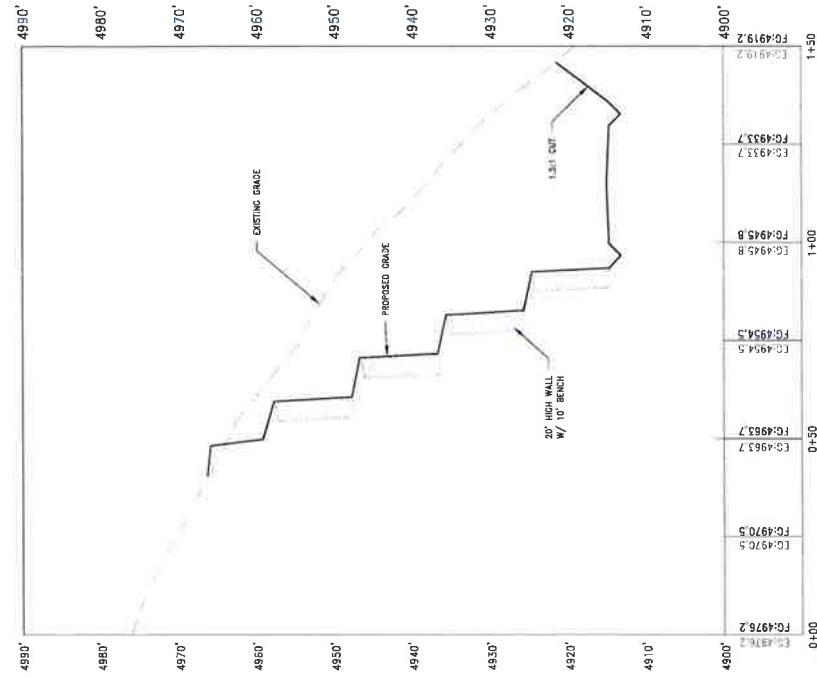
FOR REVIEW
NOT FOR
CONSTRUCTION
 DATE: 03/31/2023



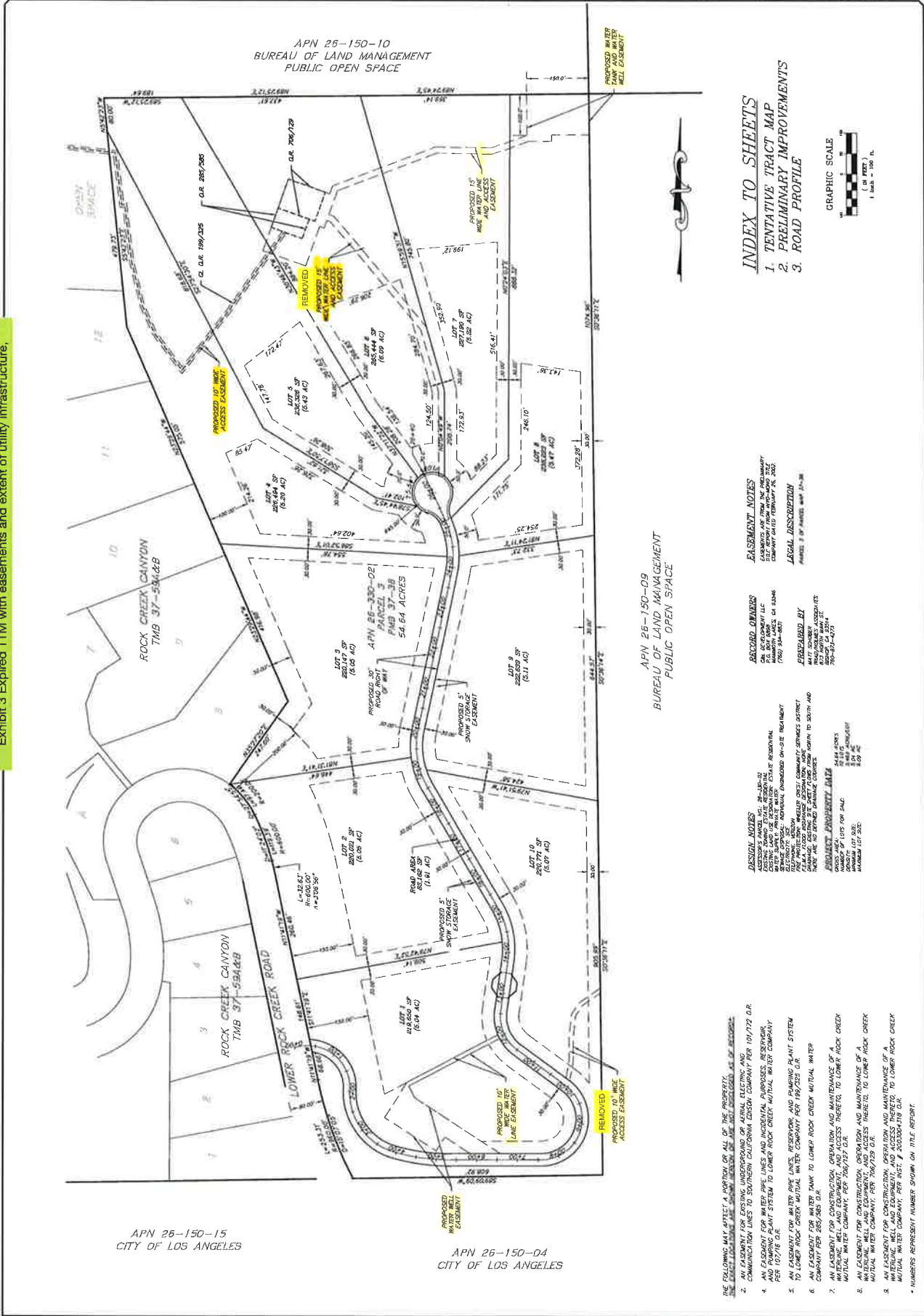
SECTION VIEW #2
 SCALE: HORIZ: 1"=20' VERT: 1"=10'



SECTION VIEW #3
 SCALE: HORIZ: 1"=20' VERT: 1"=10'



SECTION VIEW #1
 SCALE: HORIZ: 1"=20' VERT: 1"=10'



INDEX TO SHEETS
 1. TENTATIVE TRACT MAP
 2. PRELIMINARY IMPROVEMENTS
 3. ROAD PROFILE

DESIGN NOTES
 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 2. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES.
 3. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES WITH THE WORD "EASEMENT" THEREIN.
 4. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES WITH THE WORD "EASEMENT" THEREIN.
 5. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES WITH THE WORD "EASEMENT" THEREIN.
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 9. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES WITH THE WORD "EASEMENT" THEREIN.
 10. ALL EASEMENTS ARE TO BE SHOWN AS DASHED LINES WITH THE WORD "EASEMENT" THEREIN.

RECORD OWNERS
 ON BEHALF OF THE
 COUNTY OF LOS ANGELES
 COUNTY CLERK
 (780) 546-6001

PREPARED BY
 MATTHEW LEHMAN
 CIVIL ENGINEER
 (780) 546-6001

EASEMENT NOTES
 EASEMENTS ARE FROM THE PRELIMINARY IMPROVEMENTS MAP TO THIS TENTATIVE TRACT MAP. SEE SHEET 2215-170-02 FOR EASEMENT DETAILS.

LEGAL DESCRIPTION
 PARCEL 1 OF PARCELS MAP 71-88

- THE FOLLOWING MAY AFFECT A PORTION OR ALL OF THE PROPERTY, AND THE RECORDS OF THE COUNTY OF LOS ANGELES SHOULD BE CHECKED FOR THE FOLLOWING:
1. AN EASEMENT FOR WATER PIPE LINES AND INCIDENTAL PURPOSES, RESERVOIR, AND PUMPING PLANT SYSTEM TO LOWER ROCK CREEK MUTUAL WATER COMPANY PER 10/17/12 O.R.
 2. AN EASEMENT FOR WATER PIPE LINES, RESERVOIR, AND PUMPING PLANT SYSTEM TO LOWER ROCK CREEK MUTUAL WATER COMPANY PER 10/17/12 O.R.
 3. AN EASEMENT FOR WATER PIPE LINES, RESERVOIR, AND PUMPING PLANT SYSTEM TO LOWER ROCK CREEK MUTUAL WATER COMPANY PER 10/17/12 O.R.
 4. AN EASEMENT FOR WATER PIPE LINES, RESERVOIR, AND PUMPING PLANT SYSTEM TO LOWER ROCK CREEK MUTUAL WATER COMPANY PER 10/17/12 O.R.
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 10. AN EASEMENT FOR WATER PIPE LINES, RESERVOIR, AND PUMPING PLANT SYSTEM TO LOWER ROCK CREEK MUTUAL WATER COMPANY PER 10/17/12 O.R.
- * NUMBERS REPRESENT NUMBER SHOWN ON TITLE REPORT.

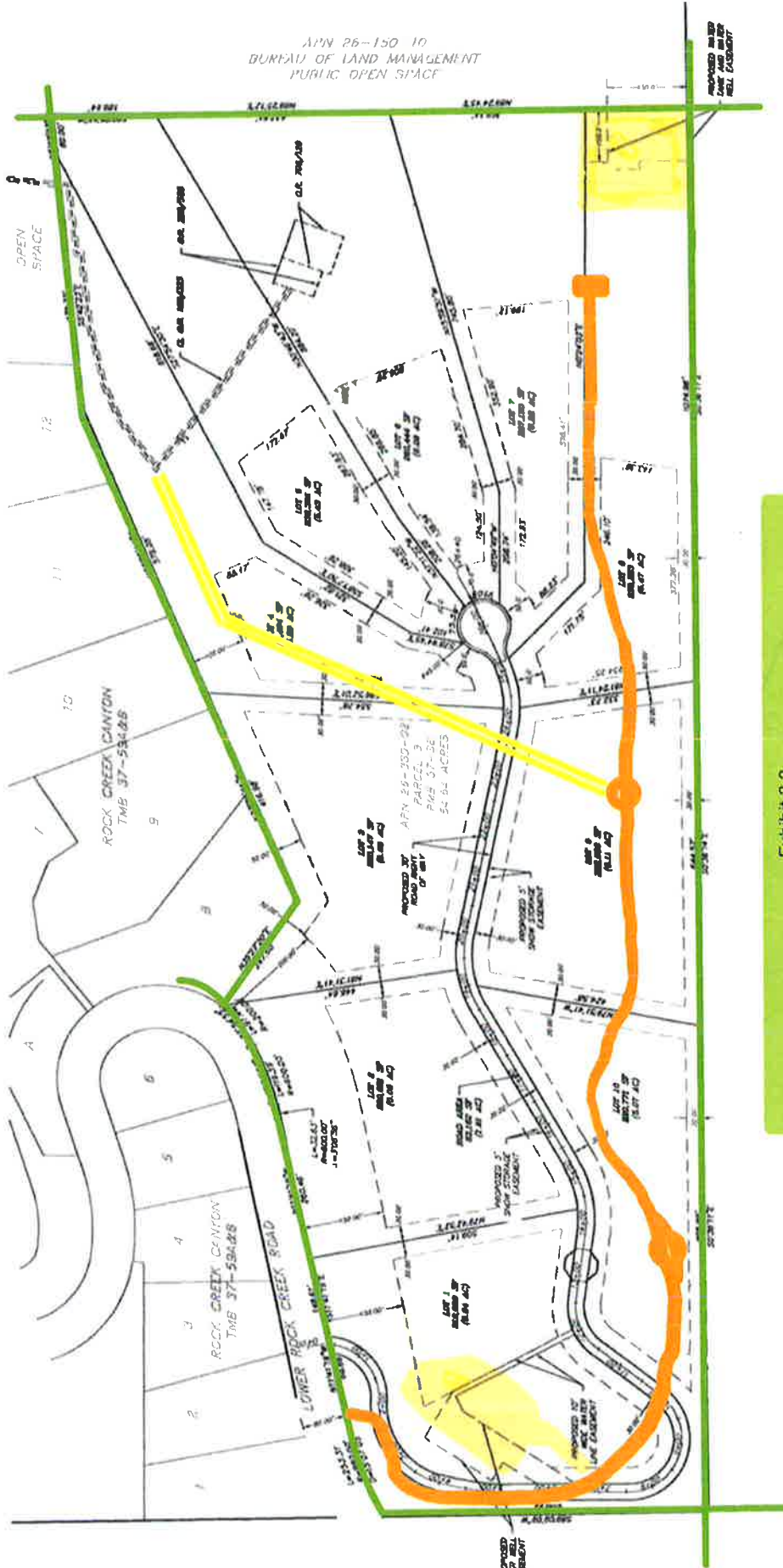


Exhibit 3.3
2,900 ft NEW ACCESS ROAD on Expired TTM

**LADWP
EXISTING DIRT ROAD
RESPONSIBILITY FOR MAINTAINING ACCESS**



CUSTOMERS FIRST

Eric Garcetti, Mayor

Board of Commissioners

Mel Levine, President

Cynthia McClain-Hill, Vice President

Jill Banks Barad

Nicole Neeman Brady

Susana Reyes

Susan A. Rodriguez, Secretary

Martin L. Adams, General Manager and Chief Engineer

July 29, 2020

DEPARTMENT OF ENVIRONMENTAL HEALTH

DEPARTMENT OF PUBLIC WORKS

PARADISE FIRE PROTECTION DISTRICT

Mr. James Moyer
Lower Rock Creek Mutual Water Company
245 Upper Canyon Road
Bishop, CA 93514

Dear Mr. Moyer:

Subject: Request for Permission to Use Access Road for Lower Rock Creek Mutual Water Company

The Los Angeles Department of Water and Power (LADWP) is in receipt of Greg James's letter dated May 19, 2020, to Clarence Martin, requesting an easement on behalf of the Lower Rock Creek Mutual Water Company (Water Company) over and across LADWP property for additional access to Water Company facilities located on an adjacent private parcel of land.

LADWP has reviewed the request and cannot grant an easement or other formal access across LADWP land for Water Company purposes. Our research indicates the Water Company has an existing easement for its water tanks and access across the private parcel, owned by Tim and Paula Richards (Richards), where the tanks are located. There appears to be a dispute between the Water Company and the Richards with regard to this use and access by the Water Company. This is a private property matter between the Water Company and the Richards. Although the Water Company claims to have previously used an existing road across LADWP land for access, this was done without formal authorization or approval by LADWP.

Earlier this year, LADWP received requests from both the Water Company and the Richards for permission to use the LADWP road for access. As a courtesy, LADWP offered temporary use of the road to both parties while the Richards constructed a new access road on their property. Neither the Water Company nor the Richards would accept LADWP's offer as proposed. LADWP has encouraged the parties to communicate and reach an understanding regarding the Water Company's access rights over the Richards parcel.

In addition, it should be noted that the existing LADWP road does not provide direct access to the Richards property. The road in question leads to United States

Mr. Moyer
Page 2
July 29, 2020

Department of the Interior Bureau of Land Management (BLM) property, which LADWP has no authority over and no knowledge of access rights held by the Water Company or the Richards.

LADWP must deny the request for an easement and again encourages the private parties to resolve the matter exclusive of use of LADWP lands, however, LADWP remains willing to discuss terms to allow temporary access, if they can be negotiated to the satisfaction of the parties and LADWP and consented to or otherwise authorized by BLM.

If you have any questions regarding this matter, please write to the office at 300 Mandich Street, Bishop, California 93514-3449, attention Real Estate, or you may contact Mr. Scott Cimino, Senior Real Estate Officer, at (760) 873-0369, (760) 873-0370, or by email at scott.cimino@ladwp.com.

Sincerely,



Adam Perez
Manager of Aqueduct

SC:vg
c: Mr. Greg James

Mr. & Mrs. Tim and Paula Richards
United States Department of the Interior
Bureau of Land Management
Mr. Scott Cimino
Mr. John O. Beanum
Real Estate



May 18th, 2022
Greg James:

EMAIL SENT TO LRCMWC BOD, GREG JAMES (LRCMWC LEGAL COUNSEL)

My clients and their partners are open to an agreement; however, LRCMWC should understand the ability to negotiate, at this time, is constrained. As I told you prior to and in March, my clients' ability to negotiate an agreement on their own became severely limited in April when the loan application review process began. As a result, any agreement will now require scrutiny and approval by my clients' lenders (3 separate institutions) and the team preparing the applications. We understand the lenders are in the process of completing their own appraisal, and have received the estimates from the different contracts for the work on the road and infrastructure, and will evaluate LRCMWC's proposed monetary terms accordingly. As of the beginning of this month, the current estimate totals \$7 million for the infrastructure- \$3.5 million for the road alone. As the lenders' hard deadline for all remaining submittals for the applications has been set for September 1st, LRCMWC must submit any proposal at least 30 days before that date.

Based on discussions, the lenders will require:

1. A proposed agreement, including payment terms and the form of the licensing agreement. The Richards are not in a position to assist with terms or the writing of the agreement, but will review those terms. The terms of the licensing agreement should include the frequency of use, proposed limitations on use, and proposed terms regarding maintenance and repair;
2. If LRCMWC wishes an easement (even a non-exclusive easement) the loan process will have to include LRCMWC as co-applicants. The work to this date will need to be discarded and a new business plan, proposal, and deadlines will be set up and include LRCMWC as co-applicants. This also includes all the applications for grants and loans with the USDA for the road with deadlines late 2022 and early 2023. The Richards are working on 3 different proposals for all the different aspects of the road/infrastructure with an extensive team of experts, all at considerable expense. The working capital for the team has been established at \$200,000/year.

The lenders have also requested that LRCMWC demonstrate it is working in good faith with the Richards, that the relationship between the two parties is positive and workable, and that LRCMWC can fulfill its existing and future obligations. Based on discussions with the lenders, we suggest that before the proposed agreement is submitted, LRCMWC should do the following:

3. A plan for improvements to LRCMWC's existing easements and other facilities should be written out and professionally surveyed. These should include details such as a trail designed, to the standards of state and federal regulations, to access the water cisterns and improve accessibility for emergency personnel; an engineered plan showing a security enclosure around the two water cisterns, which separate LRCMWC's system from the Richards' development; parking only on their easement for when they drive up the road; an approved landscaping plan filed with the county to mitigate the view of the water cisterns from the property as well as from the community, Lower Rock Creek Rd, and Highway 395; a fire protection plan and access to emergency water approved by CalFire; and any plans for the easement for the third water cistern. The agreement must provide for completion of all improvements to LRCMWC's easements prior to construction of the Richards' development, as required by the approved Specific Plan, as amended in 2014. And it is important to note that no work can begin until after the Amended Specific Plan application has been approved. It is critical that LRCMWC's improvements correlate to the proposed development of the Richards for that area, including the time needed for LRCMWC to complete its improvements. We suggest working closely with the Richards on this issue and all others, because the two interties (a total of 60,000 gallons of water reserved for LRCMWC and the Paradise Community) have been removed from the proposed project because it is no longer a requirement from CalFire; and portions of the Richards' project (Homestead Farm) are adjacent to LRCMWC's easements.
4. The lenders have suggested that LRCMWC make an effort to pay for the Richards' legal fees related to the agreement to date, which we estimate at approximately \$20,000. Again, the lenders would like to see that LRCMWC is willing to work with the Richards by setting up a payment plan or to pay in full. Invoices can be provided upon request.
5. A proposed support letter for the project, also indicating LRCMWC's willingness to work with the Richards to be submitted in the packet for the CEQA consultant by June 1st- will demonstrate to the lenders LRCMWC's willingness to support the project.
6. A copy of the statement that will be part of LRCMWC's annual shareholder's meeting in July showing full support for the project and openness to work closely and harmoniously with the Richards on all development issues currently and in the future, submitted by June 1st; also to include the Richards in a monthly Board meeting to iron out any issues that may arise during development so as to not incur any more legal fees. This will demonstrate to the lenders that LRCMWC is actively exhibiting support for the project and the Richards to the community and any objections can be worked out positively.

Please let me know when we may expect a proposed agreement that we can provide to my clients' lenders for review, and if we may expect any movement on the other suggestions.

Best regards,
—Neill Brower,

DEPARTMENT OF ENVIRONMENTAL HEALTH

PARADISE FIRE PROTECTION DISTRICT

DEPARTMENT OF PUBLIC WORKS

March 29, 2023



Scott Cimino

To: Paula, Emily, Stacey, Wendy, Greg & 10 more... >

Yesterday

**RE: [EXTERNAL] LRCMWC temporary access on APN#
026-300-002-000**

All,

To be clear and confirm what is stated below, LADWP has not given LRCMWC permission to access LADWP property or use the road. The letter dated December 22, 2021, states our position that we would further consider the request, if consent from all other affected land owners is received.

Thanks,
Scott

Scott Cimino
Senior Real Estate Officer
Los Angeles Department of Water and Power
300 Mandich Street, Bishop, CA 93514
(760) 873-0369 Office
(760) 878-8097 Mobile

PARADISE FIRE PROTECTION DISTRICT

DEPARTMENT OF ENVIRONMENTAL HEALTH

DEPARTMENT OF PUBLIC WORKS

MARCH 29, 2023 EMAIL TO: GREG JAMES, LRCMWC BOD, MONO COUNTY COUNSEL, CDD,
ENVIRONMENTAL HEALTH, LADWP, SDO TEAM

Hello-

There has been extensive chatter in regards to LRCMWC's use of the existing dirt road on the parcel to access their utility easements. With all the storms it is completely understandable. The current status of the existing dirt road on the parcel is such that any access for nonmembers of the SdO team will have to be after repairs have been made. For SdO to grant temporary permission for access to LRCMWC's easements the following would also need to be satisfied:

A. Lenders' requirements:

- letter of support for SdO and the project
- reimbursement or payment plan for their portion for security of the parcel and maintenance of the existing dirt road (invoices have been given to LRCMWC)
- plan for long term access
- plan of capital improvements and how they may impact the project's development
- proof that they have satisfied the insurance companies requirements
- reference Licensing Agreement 12/2021 and terms for all requirements
- because LRCMWC has claimed that they are a penurious company, they must provide a guarantee that they can financially afford any maintenance/repairs to their system without burdening the project's development

B. Insurance companies' requirements:

- engineered report of the status of the health and safety of LRCMWC's infrastructure on the property
- indemnification
- proof of insurance
- plan for long term access
- plans for maintenance, number of vehicles, time to complete, personnel
- plans of capital improvements and how they may impact the parcel's and the project's health and safety
- documents for all LRCMWC's third party contracts for repairs and maintenance with indemnification, licenses and insurance.
- reference Licensing Agreement 12/2021 and terms for all requirements

Once this has been satisfied for the Lenders and Insurance companies with a formal temporary permission and all the repairs to the existing dirt road have been made (estimated to be \$500,000 and completed in 2 years), then SdO can inform Scott Cimeno, Senior Real estate Officer at LADWP of its consent.

Clifford Beshers had stated that LRCMWC had permission from LADWP in BOS mtg Jan/2023. LRCMWC does not have any permission at this time. Everyone at the SdO team looks forward to the possibility of working with LRCMWC in the future. Permission has always been available only after they have satisfied the requirements which have been clearly stated since Dec/2021.

Again, this would only be for a temporary permission and until the parcel has been subdivided. The Rock Creek Ranch Specific Plan does not include any other access for LRCMWC, other than the secondary access on the LRCMWC utility easements.

SdO has made many attempts to work with LRCMWC on the engineering of the TTM. Recognizing that efforts have been unsuccessful, the engineering of the TTM is for the benefit of the 10-lot subdivision. The Rock Creek Ranch Specific Plan was followed closely.

Thank you,

Paula Richards
Sierra del Oro Trading Company LLC
RCRMWC
RCRREC

PARADISE FIRE PROTECTION DISTRICT

DEPARTMENT OF ENVIRONMENTAL HEALTH

DEPARTMENT OF PUBLIC WORKS



Los Angeles
Department of
Water & Power

BUILDING A STRONGER L.A.

December 22, 2021

Mr. Clifford Beshers, President
Lower Rock Creek Mutual Water Company
245 Upper Canyon Road
Bishop, CA 93514

Dear Mr. Beshers:

Subject: Request for Temporary Use of Existing Road – Paradise Area, Mono County

The Los Angeles Department of Water and Power (LADWP) is in receipt of the letter from Mr. Greg James dated November 9, 2021, requesting permission on behalf of the Lower Rock Creek Mutual Water Company (Water Company) for temporary use of an existing dirt road located on City of Los Angeles (City) property in the vicinity of the community of Paradise, Mono County.

The City road in question links to a section of United States Department of the Interior Bureau of Land Management (BLM) road and then leads to private property, owned by Tim and Paula Richards (Richards), where the Water Company tanks are located. LADWP is willing to consider the request for access and temporary use of the City's portion of the road while a permanent access road is developed, however, we would require consent from the other land owners that may be affected. BLM has indicated to LADWP that they have no issues with the Water Company's use of their road as it is public lands. Please provide written consent from the Richards regarding the proposed temporary use of the road to access their property. Upon receipt of such consent, LADWP will continue its review of your request.

If you have any questions regarding this matter, please write to our office at 300 Mandich Street, Bishop, California 93514-3449, attention Real Estate, or you may contact Mr. Scott Cimino, Senior Real Estate Officer, at (760) 873-0369, (760) 873-0370, or by email at scott.cimino@ladwp.com

Sincerely,

Adam Perez
Manager of Aqueduct

SC:fm

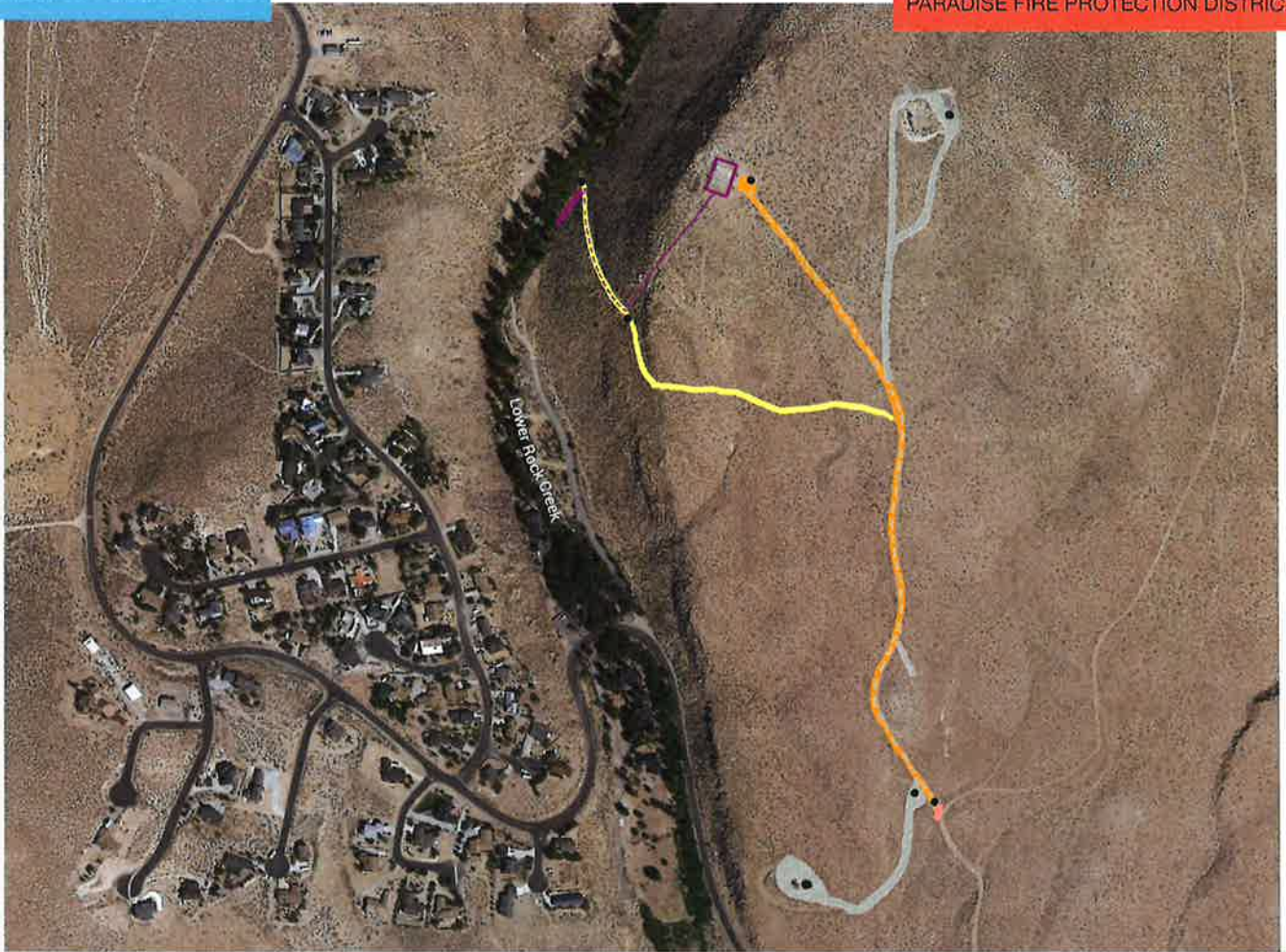
c: Mr. Greg James
Mr. & Mrs. Tim and Paula Richards
United States Department of the Interior
Bureau of Land Management
Mr. Scott Cimino
Mr. John O. Beanum

PARADISE FIRE PROTECTION DISTRICT









DEPARTMENT OF ENVIRONMENTAL HEALTH

DEPARTMENT OF PUBLIC WORKS

Eric Garcetti, Mayor
Board of Commissioners
Cynthia McClain-Hill, President
Susana Reyes, Vice President
Jill Banks Barad-Hopkins
Mia Lehrer
Nicole Neeman Brady
Yvette L. Furr, Acting Secretary
Martin L. Adams, General Manager and Chief Engineer



Legend

-  Invoiced-Improvements/Maintenance made to: Existing Dirt Road to LRCMWC easements, formal permission approved by Lenders and Insurance needed
-  Improvements/Maintenance made to: Dirt Road Access to Well Areas-RCRMWC
-  Invoiced-Improvements/Maintenance made to: Trail to Lower Rock Creek
-  LRCMWC easement for waterline and access thereto
-  LRCMWC easement for waterline and water tanks and access thereto
-  Invoiced-Security Cameras, required by Insurance companies
-  Invoiced-Chain w/smart lock, required by Insurance companies
-  Invoiced-Smart lock at LADWP gate at Lower Rock Creek Rd, required by Insurance companies



VIA U.S. MAIL AND EMAIL (clifford.beshers@gmail.com; gregjames@earthlink.net)

Board of Directors, c/o Clifford Beshers
Lower Rock Creek Mutual Water Company
245 Upper Canyon Rd.
Bishop, CA 93514

Greg James, Esq.
1839 Shoshone Dr.
Bishop, CA 93514

Re: Notice of Dangerous Conditions Prohibiting Entry

Dear LRCMWC Board members and Mr. James:

Our firm represents the Rock Creek Ranch Mutual Water Corporation that was formed to supply water to the project that will be developed on the Sierra del Oro Trading Co., LLC ("SDO") property. We hope the Paradise Estates community weathered the recent storms well. Unfortunately, the SDO property was severely damaged by the storms.

The Paradise Estates community's water supplier, Lower Rock Creek Mutual Water Company ("LRCMWC"), has a recorded easement on the SDO property for LRCMWC's water cisterns and transmission pipeline. In the past, instead of using its easement, LRCMWC has accessed its facilities using a dirt road on parcels owned by the Bureau of Land Management ("BLM") and by the Los Angeles Department of Water and Power ("LADWP"), connecting to a dirt road that LRCMWC graded across the SDO property. The entire length of the road was severely damaged in the recent storms, resulting in a dangerous condition to persons and vehicles.

This letter serves as formal notice that LRCMWC's entry onto SDO's property outside of LRCMWC's easement area will not be permitted without a written contract for temporary permission (pending construction of the new access road) that satisfies certain requirements. The storms have caused deep ruts, large rocks and unstable dirt in what is left of the roadway. It is no longer possible to safely access the LRCMWC cisterns and pipeline by way of the roadway. Under the circumstances, any unpermitted entry by LRCMWC onto the SDO property outside of the LRCMWC easement area presents a significant risk of personal injury and will cause additional damage to SDO property, exposing LRCMWC to risk of liability.

Long before the storms, LRCMWC forfeited its ability to lawfully use the portion of the road that crosses the BLM and LADWP parcels by refusing to cooperate with SDO in a licensing agreement for the existing dirt road and furtherance of a new access road that will serve to discontinue private use of the BLM/LADWP portion of the dirt road. That portion of the road has now been washed out by the storms and cannot not be relied on to access the property or LRCMWC easement. SDO's limited permission to use the BLM/LADWP road does not allow SDO to make repairs to that portion of the road and both agencies have informed SDO that they do not intend to repair the road. Also, there is an existing Stop Work Order from Mono County on the SDO property preventing any work to repair the hazardous

conditions on the SDO property until after the tentative tract map is approved per the Specific Plan.

Now that the LRCMWC facilities are not safely accessible by the roadway, there is no reason for LRCMWC to request to use the road or otherwise enter onto the SDO property outside of the LRCMWC easement area.

For clarity, LRCMWC's entry onto the SDO property outside of the LRCMWC recorded easement without SDO's prior written consent will be considered an illegal trespass. Any permission to access the SDO property will require:

1. Documentation evidencing SDO as an additional insured on LRCMWC's insurance policy, LRCMWC's indemnification of SDO and technical assurance that LRCMWC's existing easement and water facilities on the SDO property are safe and structurally sound, including a licensed contractor's assessment of the conditions of the access easement, engineered plans of the facilities, and a permitted holding pond for discharges from the LRCMWC's water cisterns if deemed necessary by the contractor/engineer.

2. LRCMWC's letter of support for the new access road to be included in SDO's loan and grant applications with the USDA to fund the new access road, including support for the SDO project in meetings with Mono County and with the general public.

3. LRCMWC's fair share financial contribution to the costs of maintenance and improvements to make the dirt road usable pending completion of the new access road as well as the costs of SDO's repairs of LRCMWC's damage to SDO's property resulting from _____; and

4. LRCMWC assisting and cooperating with SDO in the application process with Mono LAFCO to form a mutually beneficial special district for the Paradise Estates community, and helping with the outreach to the community in finding effective potential board members for the Special District.

The storm damage to the existing roadway makes it imperative to construct the new access road because of the dangerous condition now existing for vehicular access to the SDO parcel and LRCMWC water facilities. We urge the Paradise Estates community to cooperate in SDO's efforts to create a special district and secure funding for the new access road. We invite participation on the formation of the special district's board so that the community's concerns, health and safety are addressed and preserved. This is an opportunity for LRCMWC to have a positive impact in the community by including a water supplier in the formation of the Special District which would help LRCMWC's operations.

Please contact me if you have any questions.

Sincerely,

Michelle A. Staples

Irvine Office 2030 Main Street, 12th Floor Irvine, California 92614 t 949.752.8585 f 949.752.0597	Westlake Village Office 2815 Townsgate Road, Suite 200 Westlake Village, California 91361 t 805.230.0023 f 805.230.0087	www.jacksontidus.law
--	--	----------------------



March 17, 2023

Direct Dial: 949.851.7409
Email: mstaples@jacksontidus.law
Reply to: Irvine Office
File No: 10334-128297

VIA U.S. MAIL AND EMAIL

(lowerrockcreekmwc@gmail.com; gregjames@earthlink.net)

Board of Directors, c/o Clifford Beshers
Lower Rock Creek Mutual Water Company
245 Upper Canyon Rd.
Bishop, CA 93514

Greg James, Esq.
1839 Shoshone Dr.
Bishop, CA 93514

Re: Invoices for Repairs

Dear LRCMWC Board members and Mr. James:

This letter follows up on our January 25, 2023 correspondence on behalf of our client, Rock Creek Ranch Mutual Water Corporation, that was formed to supply water to the project to be developed on the Sierra del Oro Trading Co., LLC ("SDO") property. Enclosed are invoices for Lower Rock Creek Mutual Water Company's ("LRCMWC") share of repairs made by SDO to the road leading to LRCMWC's water facilities on the SDO property, and security for LRCMWC's water facilities on the parcel.

Before the road was destroyed in the recent rains, LRCMWC had used the road, instead of LRCMWC's recorded access easement, for vehicular access to LRCMWC's water facilities within its easement area. LRCMWC did so without compensating SDO for the privilege. LRCMWC had accessed the SDO property by using a dirt road across properties owned by the Bureau of Land Management and the Los Angeles Department of Water and Power.

Payment of the enclosed invoices will compensate SDO for LRCMWC's use of the road on SDO's private property outside of the LRCMWC easement area and for the security for LRCMWC's water facilities on the parcel. This will avoid LRCMWC and its shareholders unfairly benefitting at SDO's expense for necessary repairs to the road used by LRCMWC before it was washed out, and the security to the parcel. Payment is due within 30 days.

Irvine Office
2030 Main Street, 12th Floor
Irvine, California 92614
t 949.752.8585 f 949.752.0597

Westlake Village Office
2815 Townsgate Road, Suite 200
Westlake Village, California 91361
t 805.230.0023 f 805.230.0087

www.jacksontidus.law

Board of Directors, c/o Clifford Beshers
Greg James, Esq.
March 17, 2023
Page 2

As noted in the January 25, 2023 letter, LRCMWC's entry onto SDO's property outside of LRCMWC's easement area will not be permitted without a written contract for temporary permission (pending construction of the new access road) on the terms listed in that letter.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Michele A. Staples". The signature is fluid and cursive, with a long horizontal flourish at the beginning.

Michele A. Staples

MAS/

Enclosures

Sierra del Oro Trading Co

1532 Bentley Ave
Los Angeles, CA 90025 US
paularichards@sierradeloro.biz

INVOICE

BILL TO
Lower Rock Creek Mutual Water Company
164 Summit Rd
Bishop, CA 93514

INVOICE 1021
DATE 02/28/2023
TERMS Net 30
DUE DATE 03/30/2023

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
09/30/2022	Services	Repairs to road leading to LRCMWC water cisterns.	1	112,912.50	112,912.50
10/30/2022	Services	Repairs to access trail leading to LRCMWC easement.	1	15,637.50	15,637.50
02/28/2023	Late fee	Interest- 1.5% - Oct 2022 to present.	1	1,797.62	1,797.62
02/28/2023	Late fee	Interest- 1.5% - Oct 2022 to present.	1	704.36	704.36

Thank you for your payment!
We accept Credit Cards and Zelle.
Checks can be mailed to
Sierra del Oro
1532 S. Bentley Ave
Los Angeles, CA 90025
Payments payable to Sierra Trading Co LLC
Terms net30
Late Fee: 1.5%/month - 18%/year
Credit Card Surcharge: 3%

BALANCE DUE

\$131,051.98

Questions should be directed to
Paula Richards - (310)869-8159
paularichards@sierradeloro.biz

Sierra del Oro Trading Co

1532 Bentley Ave
 Los Angeles, CA 90025 US
 paularichards@sierradeloro.biz

PARADISE FIRE PROTECTION DISTRICT

INVOICE

BILL TO
 Lower Rock Creek Mutual Water Company
 164 Summit Rd
 Bishop, CA 93514

INVOICE 1022
 DATE 02/28/2023
 TERMS Net 30
 DUE DATE 03/30/2023

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
08/30/2021	Services	Padlock: Igloo Home Security	1	64.35	64.35
08/30/2021	Services	Security Cameras	1	357.07	357.07
09/10/2021	Services	Concrete for new gate poles.	1	225.00	225.00
09/10/2021	Services	Cut and prep posts, welded chain.	1	695.54	695.54
10/09/2021	Services	Review of security footage.	1	500.00	500.00
11/13/2021	Services	Review of security footage.	1	500.00	500.00
12/10/2021	Services	Review of security footage.	1	500.00	500.00
01/07/2022	Services	Review of security footage.	1	500.00	500.00
02/11/2022	Services	Review of security footage.	1	500.00	500.00
03/04/2022	Services	Review of security footage.	1	500.00	500.00
04/08/2022	Services	Review of security footage.	1	500.00	500.00
05/06/2022	Services	Review of security footage.	1	500.00	500.00
06/03/2022	Services	Review of security footage.	1	500.00	500.00
07/01/2022	Services	Review of security footage.	1	500.00	500.00
08/05/2022	Services	Review of security footage.	1	500.00	500.00
08/17/2022	Services	Padlock: Igloo Home Security	1	64.35	64.35
09/03/2022	Services	Review of security footage.	1	500.00	500.00
10/01/2022	Services	Review of security footage.	1	500.00	500.00
10/11/2022	Services	Security Cameras	1	799.35	799.35
11/04/2022	Services	Review of security footage.	1	500.00	500.00
12/03/2022	Services	Review of security footage.	1	500.00	500.00
01/07/2023	Services	Review of security footage.	1	500.00	500.00
02/04/2023	Services	Review of security footage.	1	500.00	500.00

Thank you for your payment!
 We accept Credit Cards and Zelle
 Checks can be mailed to:
 Sierradel Oro
 1532 S. Bentley Ave
 Los Angeles, CA 90025

BALANCE DUE

\$10,705.66

LICENSING AGREEMENT PROPOSED

October 10, 2022

Sierra del Oro Trading Co., LLC (SDO) seriously desires to avoid litigation as well and hopes that both parties can reach an amicable resolution. Even though SDO is constrained in some part to negotiate a licensing agreement due to the business plan, applications for loans and grants, and fiduciary duty to its members, it is in everyone's best interest to work towards an outcome that does not involve litigation.

The problem is complex because there are extensive circumstances with short-term and long-term goals. In the short term, LRCMWC needs temporary access in the form of a licensing agreement on the unimproved road to their water cisterns on the Parcel. In the long term, LRCMWC needs access in the form of a licensing agreement on the new access road to reach the water cisterns on the Parcel. Further complicated by the fact that the unimproved road on the Parcel does not reach the county road (Lower Rock Creek Rd.) but passes through the lands of LADWP and BLM, who require that any temporary permission be based on actively pursuing a long-term solution for access. An access easement for LRCMWC has been identified by LADWP, Mono County, and others. And most importantly, LRCMWC does not and will not service the Parcel in the project's future development.

Other issues that have been identified in detail in this document must also be resolved that are more pressing than short-term temporary access. SDO has been compelled to pivot to the 10-lot plan of the approved 2014 Specific Plan due to the lack of a working relationship with LRCMWC. The approved 2014 Specific Plan requires LRCMWC to integrate its system into the project development. For this, LRCMWC must be willing to examine the current system and make capital improvements where needed, as well as support SDO in the project to Mono County and the public, and work with the approved 2014 Specific Plan, which up to this point, LRCMWC has vehemently resisted.

The members of SDO have come to the conclusion that the Dec. 14, 2021 Draft Licensing Agreement should remain the document that both parties should work from. The members reviewed the Dec. 14, 2021 Draft Licensing Agreement more closely and cannot make the changes suggested in Greg James's letter dated Sept. 26, 2022. SDO understands that LRCMWC is a company with severely limited funds. Federal funds should be available to LRCMWC to make capital improvements to their system, and SDO urges LRCMWC to begin the application process. The health and safety of 145 shareholders depend on LRCMWC improving the infrastructure and easements on the Parcel.

The licensing fees for temporary access on the unimproved road can be negotiated with SDO, but only after LRCMWC: publicly supports Sierra del Oro LLC's members and project to the communities of Swall Meadows and Paradise Estates, Mono County, LADWP, BLM, Rhonda Duggan, Dale Schmidt, Paradise and Wheeler Crest FPD, and others, as described in #13 of Dec. 14, 2021 Draft Licensing Agreement; completes #6 and #7 of the Dec. 14, 2021 Draft Licensing Agreement; and files a claim with their insurance that covers the complaint of Oct. 3, 2022.

Negotiations for the licensing agreement for the new access road, will only be done with the lenders, for which a comprehensive proposal must be submitted. Previous communications to Greg James explain in detail the expectations of the Lenders.

To reach an agreement, the following concerns must also be addressed and resolved in a proposed plan put forth by LRCMWC to SDO:

1. Access will only be granted in a licensing agreement on the unimproved road until the new 30' wide access to the county road is built. LRCMWC's access easement from 1969, will remain their only access easement, for which LRCMWC is solely financially responsible for the maintenance and repair. Once the new 30' wide road is built from the county road, a new agreed upon licensing agreement will be implemented.

2. A licensing agreement for access shall only be for a five year period. LRCMWC will be able to renew the licensing agreement every five years- #16 of Dec. 14, 2021 Draft Licensing Agreement. LRCMWC's infrastructure, located on the Parcel, may in the future be relocated to a location that would better serve Paradise Estates community needs. LRCMWC does not service the Parcel currently, nor will the Parcel be serviced by LRCMWC when developed in the future.
3. LRCMWC's 20' access easement must be repaired and maintained as access per the approved 2014 Specific Plan. In the approved 2014 Specific Plan, the access easement is designated to be a trail. The trail must be engineered to the standards of US Forest Service Trails to provide safety and slope stability for any development required in the approved 2014 Specific Plan. The costs are the sole responsibility of LRCMWC.
4. A preliminary inspection by a team of engineers and contractor have determined that the pipes located subsurface to the access easement are in perilous state. Extensive repairs/replacement will be necessary per the approved 2014 Specific Plan. The current condition of the access easement makes any repairs/replacement costly and difficult. The access to the pipes has not been maintained since the installation. We will require #6 and #7 of the Dec 14, 2021 Draft Licensing Agreement, and documentation certification before work can begin in this area. Also to include indemnification, as well as: an engineered plan with proper survey; site inspection by Louis Molina; site inspection by Cal Fire and Dale Schmidt; site inspection by LRCMWC's insurance; site inspection and approval for LRCMWC's engineered infrastructure plan by a government oversight agency, to be determined.
5. The third water cistern/pipes easement is specifically the inter-tie to be determined by Paradise FPD, per the approved 2014 Specific Plan. LRCMWC will have to engineer, build and improve this easement per the legal description as their sole responsibility. If the inter-tie is not determined necessary for LRCMWC by Paradise FPD, the easement cannot serve any other purpose. If the inter-tie is determined by Paradise FPD to remain, the long-term licensing agreement will include fees for water supplied to LRCMWC by RCRMWC. For RCRMWC to legally avoid CPUC jurisdiction, the water delivered to LRCMWC's inter-tie needs to be accounted as an emergency water transfer. The exception to supply water to non-shareholders must be applied carefully by RCRMWC. The legal structure for the water of the inter-tie is pending until Paradise FPD makes its final determination.
6. The Design Standards of the approved 2014 Specific Plan must be followed for fencing, screening, and landscaping and correlate to the landscape and architecture plans of the Sierra del Oro LLC team.
7. Even though Clifford Beshers and the LRCMWC Board of Directors were not able to support the amendment application, mediation with Mono County, and actively engaged in opposing the project, we are willing to overlook their negative public campaign. But, at this time, LRCMWC and the Board of Directors shall implement #13 and #14 of Dec 14, 2021 Draft Licensing Agreement to move forward with any negotiations and fully publicly support the approved 2014 Specific Plan. LRCMWC's public approval per #13 and #14 of Dec. 14, 2021 Draft Licensing Agreement is non-negotiable and is required to be in place before any further dealings between LRCMWC and SDO. At this time, and because of the harassment that many members have suffered when participating in Bishop community events, Sierra del Oro LLC is unwilling to entertain anything but full public support from the LRCMWC Board of Directors.
8. The licensing fee for the unimproved road is negotiable. LRCMWC will base the licensing fee on the number of shareholders. Mutual water companies must provide water service to property owners with mutual water company shares and liability for the integrity of the water system. The cost must be shared per shareholder. Sierra del Oro LLC recommends 10% of the average yearly costs per shareholder as a starting point.
9. The licensing fee for the new 30' wide road must satisfy the lenders and is not in SDO's purview to negotiate. Discussions (for the cell tower) with Lenders have indicated that any licensing fee will be based on 1% of the cost to construct the new access road.

10. LRCMWC must assist in the process of the complaint to LRCMWC's insurance company for negligence, damages, and the known hazard.

11. SDO is required to actively work on a long term solution to build the new access road to satisfy the terms of the LADWP temporary permission. If LRCMWC does not participate in supporting, advocating and assisting in that long term access- SDO cannot negotiate terms, nor will the Lenders accept a proposal from LRCMWC. For any further discussions, LRCMWC must demonstrate they are willing and able to have a good working relationship with SDO.

12. The approved 2014 Specific Plan creates a new community independent from Paradise Estates Community. Nothing should prevent these two communities from being good neighbors. SDO has established private utility companies and will have in place an HOA, Water District and Fire Protection District by the end of the year with easements recorded for the tentative tract map as required in the approved 2014 Specific Plan Rock Creek Ranch project.

SDO urges LRCMWC and their legal counsel to review the approved 2014 Specific Plan, accessible on the Mono County website (Rock Creek Ranch Project), and to structure a comprehensive plan to be integrated with the single phase of infrastructure development of the project. It will require LRCMWC to commit substantial funds for engineering, maintenance, and implementation. LRCMWC is urged to consult with the SDO team of engineers, technicians, legal advisors, and planners to ensure the health and safety of Paradise Estates community. Everyone on the SDO team, looks forward to working on a more productive discussion, improved by transparency on the issues that have up to now prevented LRCMWC and Sierra del Oro LLC from reaching a mutually beneficial agreement.

Thank you,

All the members of Sierra del Oro Trading Co., LLC
Rock Creek Ranch Mutual Water Co.
Rock Creek Ranch Rural Electric Co.

PRELIMINARY TITLE REPORT

PRELIMINARY REPORT

SERVING INYO AND MONO COUNTIES
SINCE 1913

873 North Main Street
Bishop, CA 93514
760-872-4741 Phone
760-873-8938 Fax

www.inyomonotitle.com

Inyo-Mono Title Company
Attn: Caroline Phillips
873 N. Main Street
Bishop, CA 93514

Date Issued: November 14, 2019
Your No. Lehman Investments etal/Richards
Our No. IMT-00009079-M

Effective date of this report is: **November 11, 2019 @ 7:30 a.m.**

In response to the above referenced application for a policy of title insurance, Inyo-Mono Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of policy of title insurance contemplated by this report is:
ALTA Owners Policy (06/07/06)

Sean O'Brien, Title Officer
sobrien@inyomonotitle.com

THIS REPORT IS SUBJECT TO A MINIMUM CANCELLATION CHARGE AS REQUIRED UNDER SECTION 12404 OF THE STATE OF CALIFORNIA INSURANCE CODE.

The estate or interest in the land hereinafter described or referred to covered by this Report is: Fee

Title to said estate or interest at the date hereof is vested in:

Lehman Investments, LLC, as to an undivided 50% interest, and Capurro Mammoth, LLC as to an undivided 38.35% interest, and Jason Moore, a single man, as to an undivided 11.65% interest, subject to Exceptions No. 19 thru 22 herein

The land referred to in this Report is situated in the State of California, County of Mono, and is described as follows:

SEE EXHIBIT A ATTACHED HEREWITH FOR LEGAL DESCRIPTION.

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

- 1. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Fiscal Year:	2019-2020
1st Installment:	\$1,749.52 OPEN
2nd Installment:	\$1,749.52 OPEN
Total Amount:	\$3,499.04
Current Tax Identification Number:	026-330-002-000

- a. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.
- 2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 5. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the Public Records.
- 6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
- 7. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown in the public records.
- 8. The herein described land lies within the Paradise Community Service District and is subject to any liens or assessments thereof. N/A NO FORMATION OF COMMUNITY SERVICE DISTRICT FOR THE PARADISE COMMUNITY
- 9. The herein described land lies within the Paradise Fire Protection District and is subject to any liens or assessments thereof. "WILL SERVE" LETTER ON FILE PARADISE FIRE PROTECTION DISTRICT
- 10. The herein described land lies within the Lower Rock Creek Mutual Water Company Service Area and is subject to any liens or assessments thereof. NEW LEGAL REVIEW NEEDED CONFLICTS W/APPENDIX 7
- 11. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Southern California Edison Company, a corporation UTILITY EASEMENT
 For: Aerial and underground electric lines and communication lines

Recording Date: March 24, 1969
Recording No.: Book 101, Page 172, Official Records
Affects: As described therein

12. Covenants, Conditions and Restrictions in an instrument, but omitting any Covenants or Restrictions, if any, including, but not limited to those based upon race, color, religion, ancestry, national origin, citizenship, immigration status, primary language, disability, handicap, medical condition, genetic information, marital status, familial status, source of income, sex, sexual orientation, gender, gender identity, and gender expression.

Executed by: Wilkes' Paradise, Inc.
Recording Date: July 29, 1969
Recording No.: Book 104, Page 106, Official Records

Which provide that a violation thereof shall not defeat or render invalid the Lien of any Mortgage or Deed made in good faith and for value.

Note: Section 12956.1(b)(1) of the California Government Code provides the following: If this document contains any restriction, preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code §12955(p)) or ancestry, to the extent such Covenants, Conditions or Restrictions violate 42 U.S.C. §3604(c) or California Government Code §12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

13. Easement(s) for the purpose(s) shown below and rights incidental thereto as shown in the document

In Favor Of: Lower Rock Creek Mutual Water Company, a corporation
Recording Date: December 12, 1969
Recording No.: Book 107, Page 16, of Official Records
Purpose: Water pipe lines, reservoir, pumping plant system

The exact location and extent of said easement is not disclosed of record.

WATER LINE EASEMENT

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Lower Rock Creek Mutual Water Company, a corporation
Purpose: Water pipe lines, reservoir and pumping plant system
Recording Date: April 6, 1976
Recording No.: Book 199, Page 325, Official Records
Affects: As described therein

WATER LINE/WATER TANK EASEMENT
SEE EXHIBIT "A" LEGAL DESCRIPTION

15. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Lower Rock Creek Mutual Water Company, a corporation
Purpose: Water tank
Recording Date: December 10, 1979
Recording No.: Book 285, Page 585, Official Records
Affects: As described therein

WATER LINE/WATER TANK EASEMENT
SEE EXHIBIT "A" LEGAL DESCRIPTION

16. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Lower Rock Creek Mutual Water Company, a corporation
Purpose: Construction, operation and maintenance of a waterline, well and equipment and access thereto as described in Exhibit "A" attached hereto and made a part hereof

Recording Date: March 30, 1995
Recording No.: 0706 Page 127, Official Records
Affects: As described therein

WATER LINE EASEMENT W/SECONDARY ACCESS EASEMENT
SEE EXHIBIT "A" LEGAL DESCRIPTION

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Lower Rock Creek Mutual Water Company, a corporation
Purpose: Construction, operation and maintenance of a water reservoir site and access thereto
Recording Date: March 30, 1995
Recording No.: Book 0706, Page 129, Official Records
Affects: As described therein

WATER LINE EASEMENT W/SECONDARY ACCESS EASEMENT
SEE EXHIBIT "A" LEGAL DESCRIPTION

18. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Lower Rock Creek Mutual Water Company, a California corporation
Purpose: Water tanks and water lines, together with the right of ingress and egress
Recording Date: April 28, 2003
Recording No.: 2003004318, Official Records
Affects: As described therein

WATER LINE EASEMENT W/SECONDARY ACCESS EASEMENT
SEE EXHIBIT "A" LEGAL DESCRIPTION

19. The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: Lehman Investments, LLC

- a. A copy of its executed operating agreement, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. A copy of its filed Articles of Organization and all amendments and/or modifications thereto with the appropriate filing stamps from the State of California.
- c. A full and complete current list of all its members, certified by the appropriate manager or member.
- d. Evidence, satisfactory to the Company that said LLC is validly formed, and in good standing and authorized to do business in the State of California.
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence satisfactory to the Company of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

20. The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: Capurro Mammoth, LLC

- a. A copy of its executed operating agreement, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. A copy of its filed Articles of Organization and all amendments and/or modifications thereto with the appropriate filing stamps from the State of California.
- c. A full and complete current list of all its members certified by the appropriate manager or member.
- d. Evidence, satisfactory to the Company that said LLC is validly formed, and in good standing and authorized to do business in the State of California.
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence satisfactory to the Company of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

21. Information obtained from the California Secretary of State indicates that Capurro Mammoth, LLC,

business status is suspended. Said corporation will have to be brought back into good standing with said Secretary of State prior to closing the anticipated transaction.

22. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(ies),
Party(ies): New Owner/Record Owner

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

23. Based upon the information provided to the company when this order was opened, it is uncertain what land is to be covered by this Preliminary Report, and the Policy(ies) to be issued. The Company believes that the land described in this Preliminary Report is that which was requested, however, the Company makes no such presentations. Please verify that the description of the land in this Preliminary Report is accurate and the land which the parties wish to be covered by the Policy(ies) to be issued. Unless the Company is advised to the contrary, it will proceed on the assumption that the land described in this Preliminary Report is the land which is to be covered by the Policy(ies) to be issued pursuant hereto.

End of Exceptions

Notes:

- A. California "Good Funds" Law

Effective January 1, 1990, California insurance code section 12313.1 (chapter 598, statutes of 1989), prohibits a title insurance company, controlled escrow company, or underwritten title company from disbursing funds from an escrow or sub-escrow account. (except for funds deposited by wire transfer, electronic payment or cash) until the day these funds are made available to the deposit or pursuant to part 229 of title 12 of the code of federal regulations, (reg. cc). items such as cashier's, certified, or teller's checks may be available for disbursement on the business day following the business day of deposit; however, other forms of deposits may cause extended delays in closing the escrow or sub-escrow.

- B. The proposed Underwriter on this file will be Chicago Title Insurance Company.

- C. The policy of title insurance will include an arbitration provision. The company or the insured may demand arbitration. Arbitratable matters may include, but are not limited to, any controversy or claim between the company and the insured arising out of or relating to this policy, any service of the company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your title insurance coverage.

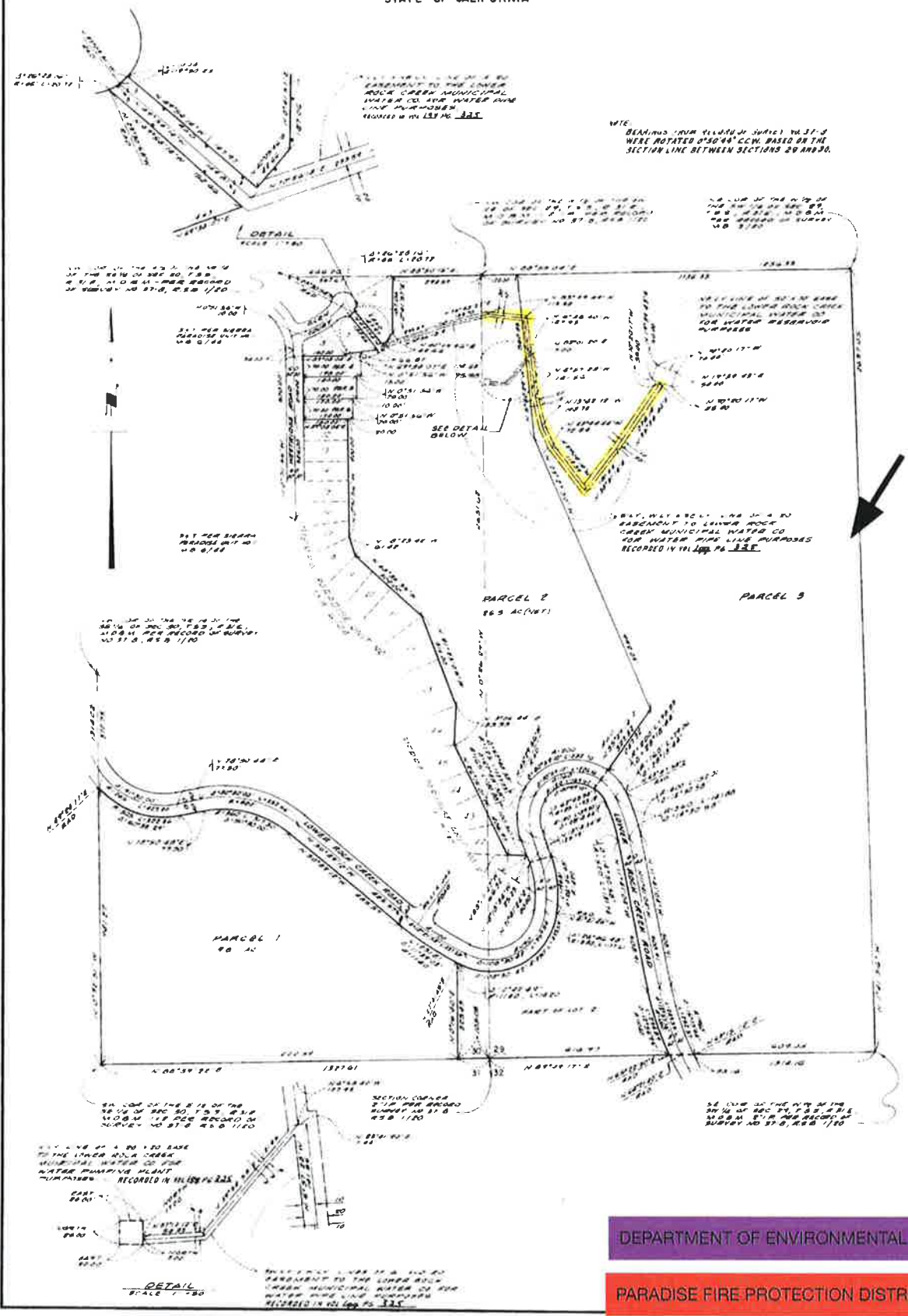
- D. Notice: Please be aware that due to the conflict between Federal and State laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving land that is associated with these activities.

EXHIBIT "A"
Legal Description

PARCEL 3 OF PARCEL MAP NO. 37-38 IN THE COUNTY OF MONO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGE 75 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL MAP NO. 37-38

IN THE COUNTY OF MONO
STATE OF CALIFORNIA



DEPARTMENT OF ENVIRONMENTAL HEALTH

PARADISE FIRE PROTECTION DISTRICT

DEPARTMENT OF PUBLIC WORKS

