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File No. 71989

December 10, 2021

VIA E-MAIL

Santa Barbara County Board of Supervisors
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101-2058

**Re: Santa Barbara Ranch – Inland Development Agreement Compliance Appeal:
Case No. 21APL-00000-00017 – December 14, 2021 Hearing**

Dear Chair Nelson & Members of the Board of Supervisors:

SBRHC, Inc. (“SBRHC”) is the Developer under the Inland Development Agreement for Santa Barbara Ranch (“IDA”). SBRHC has designated Standard Portfolios Asset Management Co. LLC (“Standard Portfolios”) as its agent and has authorized Standard Portfolios to carry out the Developer’s obligations under the IDA on its behalf. Standard Portfolios has been carrying out the Developer’s obligations in that capacity since January 29, 2015. We have been representing Standard Portfolios in this regard.

This letter concerns the appeal of the Planning and Development Director’s (“Director”) determination that SBRHC, as the Santa Barbara Ranch Developer, is in compliance with the IDA. Our client supports the Director’s determination and requests that the Board reject this appeal.

1. Overview

IDA Section 10.04 requires the Director to conduct a “Periodic Review” of the Developer’s good faith compliance with the IDA upon a request by the Developer to be made 60-days prior to the anniversary of the April 8, 2014 IDA Effective Date. Starting with the first anniversary of the IDA in 2015, SBRHC has annually requested a good faith compliance determination. Each year, we provided the Director detailed information regarding SBRHC’s compliance over the preceding year. Each year, the Director determined that SBRHC’s current efforts constituted good faith compliance with the terms of the IDA.

Until this year, no one ever appealed or objected to any of the Director’s previous six annual compliance determinations. The time to appeal those determinations has long since expired, and those determinations are final.

This appeal only concerns SBRHC's compliance with the IDA between March 2020 and March 2021. It does not and cannot pertain to prior annual IDA compliance determinations which were not appealed (or challenged), and which are now final.

By way of background, the IDA imposes three basic requirements on the Developer regarding Dos Pueblos Creek restoration. In the six prior annual compliance determinations, the Director properly found the Developer complied in good faith in meeting those obligations. Those IDA obligations and now final Director determinations are as follows:

- Payment of \$100,000 to a qualified independent non-profit organization and offer of all reasonable assistance to that organization to complete a Creek Restoration Plan for Dos Pueblos Creek by April 8, 2015.

In 2015, the Director determined, without an objection or appeal, the Developer met this requirement by: (i) depositing \$100,000 with the California Rangeland Trust, a non-profit conservation organization fully independent from the Developer; (ii) managing and funding preparation of the Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan; (iii) submitting to Santa Barbara County the completed Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan; and, (iv) receiving peer review by the County biological resources consultant, Storrer Environmental, which found the Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan to be acceptable.

- Payment of \$300,000 to a qualified independent non-profit organization to implement the Creek Restoration Plan by April 8, 2019, subject to terms that would require the non-profit to expend the funds elsewhere on the Gaviota Coast in the event the Creek Restoration Plan was not implemented by April 8, 2019 for any reason, subject to the County's written consent to the alternative project, and completion of the alternative project by the non-profit by April 8, 2021.

In 2018, the Director determined that consistent with the IDA's requirement, the Developer had 1) deposited \$300,000 with the California Association of Resource Conservation Districts (CARCD); and, 2) entered into an agreement with CARCD for CARCD to use the funds for creek restoration. The Director's determination was not contested or appealed and is final.

- Offer all reasonable assistance to CARCD, as the nonprofit, to fully implement the Creek Restoration Plan for Dos Pueblos Creek.

Under the terms of the IDA, CARCD had until April 8, 2019 to implement the Dos Pueblos Creek Restoration, at which point CARCD was required to expend the funds for restoration projects elsewhere on the Gaviota

Coast. The Developer spent years actively assisting CARCD and other non-profits in their efforts to carry out the restoration, which was to occur on land the Developer did not own or control. In every annual compliance determination, the Developer's efforts were found to be good faith compliance with the IDA in decisions that are now final.

In 2019, at the Developer's request, the Director afforded CARCD an additional year to carry out the Dos Pueblos Creek Restoration Plan as a result of CARCD having received a \$222,104 grant from the California Department of Fish and Wildlife. The Director found that the Developer's actions demonstrated good faith compliance with the IDA. The Director's now final determination was not contested or appealed.

As part of the 2020 compliance review, the Developer informed the Director that the Dos Pueblos Ranch North owners did not consent to the implementation of the Dos Pueblos Creek Restoration Plan on its property. Accordingly, the Developer assisted CARCD to formalize a request for the County's consent to use the remaining funds for alternative restoration in accordance with the terms of the IDA. In 2020, the Director determined that the Developer's actions in this regard, constituted good faith compliance with the IDA.

The Appellants make unfounded claims about the Director's 2020 determination. However, the Appellants did not contest or timely appeal the Director's 2020 determination. The Director's 2020 determination is now final and not subject to appeal.

The current appeal only concerns the County's 2021 compliance determination concerning the Developer's actions between March 2020 and March 2021, which is after the funds the Developer paid to CARCD could no longer be used to restore Dos Pueblos Creek. Under the IDA, the Developer's obligation to offer all reasonable assistance only related to implementing the Dos Pueblos Creek Restoration Plan. Once CARCD was required to abandon the Dos Pueblos Creek Restoration Plan and engage in creek restoration work elsewhere on the Gaviota Coast, the Developer's obligation to offer reasonable assistance to implement the Creek Restoration Plan in Dos Pueblos Creek ended.

Nevertheless, the Developer continued to offer assistance to CARCD between March 2020 and March 2021. The Developer assisted CARCD in formalizing a request for the County's consent to use the remaining funds for alternative restoration in accordance with the terms of the IDA. CARCD began working directly with the County after that request was made. The Developer periodically responded to requests for information from the County over the course of the year and regularly communicated with CARCD regarding whether the Developer could provide assistance.

Given, the Developer has no continuing obligation under the IDA to render assistance to CARCD now that the Dos Pueblos Creek Restoration Plan is not going forward, the assistance the Developer has provided was more than reasonable. CARCD identified more than one restoration project elsewhere on the Gaviota Coast, which it was unable to carry out as a result of intervention by stakeholders who are affiliated with the appeal.

The appeal is based on a misreading of the IDA and an inaccurate recitation of the facts. The appeal asserts objections to prior Director determinations that are untimely and now barred. Our client supports the Director's recommendation that the appeal must be denied.

2. The Developer's Dos Pueblos Creek Obligations

Contrary to the Appellants' claim, the Developer was never obligated to carry out the restoration of Dos Pueblos Creek and CARCD is not the Developer's contractor. The IDA is clear that the restoration work was to be performed by an independent non-profit conservation organization. The Developer's obligation was to pay a total of \$400,000 to an independent non-profit conservation organization to initiate planning and restoration work by the independent non-profit and condition the independent non-profit's receipt of the funds on the non-profit's commitment to comply with the terms of the IDA.

The Developer's obligations are contained in Section 2.02(a) of the IDA. With respect to the Developer's obligation to provide reasonable assistance, Section 2.02(a) states that the independent non-profit conservation organization would "use its best faith efforts *to fully implement the Creek Restoration Plan* within three (3) years of after [sic] the Effective Date of this Agreement, and *the Developer shall offer all reasonable assistance to accomplish this outcome.*" (Emphasis added.)

Under the foregoing provision, the Developer's obligation was to offer all reasonable assistance with respect to the independent non-profit's work to accomplish implementation of the Dos Pueblos Creek Restoration Plan.

The IDA is also clear that the Developer's financial obligation was limited to initiating the planning and restoration efforts for the Dos Pueblos Creek restoration, which was to be carried out by an independent non-profit organization. In this regard, Section 2.02(a) states:

The expressed intent of this subsection and the Developer's obligation hereunder is to initiate planning and restoration efforts with the expectation that the Developer's financial contribution will be used to attract other resources to complete the Creek Restoration Plan.

Contrary to the Appellants' claim, the County always contemplated that the Dos Pueblos Creek Restoration Plan might not be carried out. First, the IDA established four pre-conditions for implementation of the restoration, which were not within the Developer's control to satisfy. Section 2.02(a) states:

Implementation of the Creek Restoration Plan shall be subject to and shall not occur until (i) the approval and permitting of the Creek Restoration Plan by governmental agencies as required by law, (ii) final approval and recordation of an Agricultural Conservation Easement from the California Department of Conservation with respect to the Inland Project Site, (iii) withdrawal of the Notice of Violation issued by the California Department of Fish & Game and the claims asserted in that notice, and (iv) **consent of Dos Pueblos Ranch with respect to the activities that occur on Dos Pueblos Ranch.** (Emphasis added.)

Second, the IDA required the Developer to condition payment of the \$300,000 on CARCD expending the funds elsewhere on the Gaviota Coast if the Dos Pueblos Creek Restoration plan was not implemented within five years of the effective date. In this regard, Section 2.02(a) states:

Developer shall condition the payment of the foregoing sums to the non-profit organization to require the non-profit organization to: (i) expend the funds for creek restoration elsewhere-on the Gaviota Coast in the event that the Creek Restoration Plan is not implemented within five (5) years of the Effective Date for any reason, (ii) obtain the County's written consent as to the alternative creek restoration project prior to expending said funds, and (iii) complete the alternative creek restoration project with [sic] seven (7) years of the Effective Date.

Under the IDA, if any of the four conditions were not in place and the plan was not implemented within 5 years after the effective date, the non-profit is required to abandon the Dos Pueblos Creek restoration and engage in restoration elsewhere on the Gaviota Coast.

These provisions are in Section 2.02(a) because the County and the Developer recognized when they entered into the IDA in 2008 that the Dos Pueblos Creek restoration might not occur despite the Developer's good faith compliance.

As a result of the North Dos Pueblos Ranch owners refusal to consent to the restoration work and the fact that CARCD could not implement the Dos Pueblos Creek restoration within the time required by the IDA, and the one-year extension the Developer requested and the County granted, CARCD is now required to expend the remaining funds elsewhere on the Gaviota Coast, as required by the IDA.

Everything that has occurred to date has been in compliance with the terms of Section 2.02(a). The Developer did everything the IDA required. The Developer's obligations to render reasonable assistance, ended when CARCD was required to abandon the Dos Pueblos Creek restoration prior to the Director's now final 2020 compliance determination. All of the Developer's assistance to CARCD when the Dos Pueblos Creek Restoration Plan work was still viable occurred prior to the now final 2020 Director compliance determination.

This appeal only concerns assistance the Developer continued to provide after the Director's 2020 compliance determination, which the Developer was not obligated to provide, but which the Developer provided nonetheless.

The fact that the Developer continued to offer and provide assistance to CARCD after its obligation to do so ended demonstrates that the Developer has continued to proceed in good faith under the IDA and that the Director's determination is justified.

3. The Developer's History of IDA Compliance

SBRHC's compliance with the IDA over the past seven years is well documented. The Director had ample basis to make its prior good faith compliance determinations, which were not appealed and are now final.

We detailed how the Developer offered all reasonable assistance to accomplish the Dos Pueblos Creek restoration in our letters dated March 19, 2015, April 21, 2015, January 29, 2016, February 6, 2017, February 2, 2018, February 5, 2019, February 20, 2019, February 7, 2020 and January 21, 2021. The following provides an overview of the efforts made by and on behalf of the Developer to carry out the creek restoration plan in Dos Pueblos Creek which has been set out in the foregoing letters.

In 2008, California Rangeland Trust ("CRT") was designated by the Developer (at that time Vintage Communities and related entities) to be the independent non-profit resource organization in connection with the preparation of a creek restoration plan for Dos Pueblos Creek. In 2009, pursuant to the IDA, the Developer entered into a written Contribution Agreement with CRT, pursuant to which the Developer paid CRT \$100,000 for the preparation of a creek restoration plan. Pursuant to the Contribution Agreement, CRT agreed to hold the funds pending a further agreement governing the expenditure of those funds.

However, because the Naples Coalition, EDC and Surfrider Foundation had filed suit challenging the County approval of the Inland Project to which the IDA applies, the IDA effective date and performance under the IDA were tolled. IDA Section 6.03 states the term of the IDA and other Inland Project Approvals does not include any period of time during which a development moratorium is in effect. A development moratorium exists "during the period that any lawsuit is pending concerning this Agreement, any Inland Project Approval or any Subsequent Inland Approval." The litigation challenging the approval was pending until April 8, 2014, when the Court of Appeal issued a remittitur affirming the trial court's decision upholding the County approvals.

As a result, the time to perform the work under Section 2.02(a) of the IDA commenced on April 8, 2014.

In early 2015, Standard Portfolios acquired title to the Inland Project Site (as defined in the IDA) and, on behalf of SBRHC, immediately focused on providing all reasonable assistance to CRT to complete a creek restoration plan for Dos Pueblos Creek. Preliminary work

on a creek restoration plan was begun in 2010. After closing escrow, Standard Portfolios orally authorized CRT to expend the \$100,000 to pay the costs to complete a creek restoration plan. Standard Portfolios helped CRT locate technical consultants to assist in assembling the data and completing a creek restoration plan. A team of technical consultants was assembled by Ken Marshall at Dudek, which prepared a draft creek restoration plan for CRT. Standard Portfolios engaged Matthew Osgood and our firm to pursue its interests on Santa Barbara Ranch. Mr. Osgood and I had access to a considerable amount of information about Dos Pueblos Creek and the water system on Dos Pueblos Ranch, which was developed in connection with pursuing the 2008 approvals and in connection with the initial work on the plan. We made that information available to CRT and the consulting team. Mr. Osgood and I worked with Dos Pueblos Ranch to assure that CRT and the consulting team had all necessary access to Dos Pueblos Creek and surrounding areas for purposes of preparing a creek restoration plan. Through this effort, CRT and the consulting team had all needed access to Dos Pueblos Ranch to complete a creek restoration plan. I met with CRT and the consulting team on Dos Pueblos Ranch and gave them an extensive tour of the creek and the water system, so that they would have the benefit of everything I learned about the creek and water system over the years, and we promptly responded to inquiries that arose.

In April 2015, Standard Portfolios informed the Director that a Creek Restoration Plan for Dos Pueblos Creek, as specified in IDA Section 2.02(a), had been completed. At the Director's request, the Developer paid an additional sum for the County's consulting biologist to conduct a peer review of the Creek Restoration Plan. On May 31, 2015, the County's consulting biologist submitted a letter, which concluded:

In summary, the Plan is comprehensive, provides thorough descriptions of restoration objectives, and is a feasible approach to restore habitat value and hydrologic functions to the Dos Pueblos Creek drainage. The implementation program is appropriate, performance standards are attainable, and long-term maintenance, monitoring, and reporting objectives are described.

The May 31, 2015 letter included comments to refine the Creek Restoration Plan. Standard Portfolios worked with CRT and Dudek to have those comments added into the Plan.

After the Creek Restoration Plan was completed, CRT requested that the Developer partner with additional independent non-profit conservation organizations in connection with implementing the Creek Restoration Plan. In that regard, Standard Portfolios began working with the Land Trust for Santa Barbara County ("Land Trust") to implement the Creek Restoration Plan, including discussions about entering into an agreement, pursuant to which the Developer would pay the sum of \$300,000 to the Land Trust.

The discussions with the Land Trust focused on developing an approach that would attract grant money to fund the restoration. The Creek Restoration Plan identified numerous impediments in Dos Pueblos Creek that were anticipated to cost in excess of \$10 million to address. The Land Trust informed the Developer that the sources of grant money to

undertake a restoration of the magnitude that would be required in Dos Pueblos Creek would prioritize restoration projects that are likely to result in a viable steelhead habitat in the creek. The Land Trust informed Standard Portfolios that before entering into an agreement regarding the \$300,000, the Land Trust wanted Dudek and other consultants to provide additional information to support a grant proposal that would show how the restoration work could result in establishing a viable steelhead habitat. Standard Portfolios, on behalf of the Developer, agreed to pay an additional sum for this additional work.

In consultation with the Land Trust, Dudek developed a detailed proposal to perform additional hydrologic, geomorphic and aquatic resource field evaluations in Dos Pueblos Creek. This was a complicated proposal, which took Dudek several months to complete.

Dudek and various sub-consultants completed the field work in October 2016. Dudek provided the results of its work at the end of November 2016. Dudek's report concluded that a viable fish habitat could be established and maintained in the upper reaches of Dos Pueblos Creek above the weir and that implementation of the Creek Restoration Plan would entail establishing a viable fish channel connecting the upper reaches of Dos Pueblos Creek to the ocean. In mid-December 2016, the Land Trust provided Dudek with a detailed set of questions based on its review of the Dudek report. Dudek responded to the Land Trust's comments in early January 2017.

Over the same period, there were ongoing discussions with the owners of Dos Pueblos Ranch north and south about obtaining their consent to implementation of the Creek Restoration Plan and recordation of the ACEs. In 2017 alone, I spent over 100 hours in meetings with the landowners, Dudek and the Land Trust and working on draft terms and agreements with the Land Trust and the landowners to implement the Creek Restoration Plan.

In early 2017, the Land Trust informed the Developer that it was concerned that the magnitude of the work needed to restore Dos Pueblos Creek was beyond its staff resources to provide. This was an unexpected and disappointing development, particularly after Standard Portfolios spent an enormous amount of time and money to meet the Land Trust's conditions for entering into an agreement for the \$300,000 payment for a project, which, as it turned out, the Land Trust did not have the staff resources to implement. However, the Land Trust was helpful in bringing in Cachuma Resource Conservation District ("CRCD") and South Coast Habitat Restoration ("SCHR"), who have been carrying out the restoration work through CARCD.

Standard Portfolios worked with both CRCD and SCHR to achieve an agreement to implement the Creek Restoration Plan under the auspices of CARCD. SBRHC and CARCD entered into a Creek Restoration Implementation Funding Agreement, pursuant to which, SBRHC paid \$300,000 to CARCD for the sole purpose of implementing the Creek Restoration Plan subject to the conditions set forth in IDA Section 2.02(a). Standard Portfolios then made a considerable effort to help CRCD and SCHR to carry out the restoration.

On March 4, 2017, Standard Portfolios facilitated a meeting at Dos Pueblos Creek with the Dos Pueblos Ranch owners and CRCD, SCHR, and engineers from Waterways, who

have worked with CRCDD on other fish passage projects. On March 15, 2017, Standard Portfolios facilitated another meeting with SCHR and the owners of Dos Pueblos Ranch at Dos Pueblos Creek. On April 6, 2017, Standard Portfolios set up a meeting with CRCDD and SCHR to discuss steps to implement the Creek Restoration Plan. On May 5, 2017, Standard Portfolios facilitated a meeting with CRCDD, SCHR and consultants who have studied the hydrological characteristics of Dos Pueblos Creek in the past. On July 6, 2017, Standard Portfolios facilitated a meeting between CRCDD, SCHR and the Dos Pueblos Creek owners at Dos Pueblos Creek to review each of the restoration locations in the creek and discuss approaches to addressing the restoration of those areas. On August 2, 2017, Standard Portfolios arranged to have CRCDD and SCHR attend a meeting of the holders of the water rights in Dos Pueblos Creek to discuss implementing the Creek Restoration Plan.

CRCDD and SCHR informed the Developer after the August 2017 meeting that they were identifying potential funding sources for the Dos Pueblos Creek restoration implementation and were communicating with engineering firms to assess interest in working on the implementation. They informed the Developer they had been communicating with grant funding sources to determine parameters for applications and had been raising grant funding source interest in the project.

In March, April and July 2018, Standard Portfolios, on behalf of the Developer, coordinated meetings with the landowners and the restoration team to go over logistical issues and to assist the restoration team in securing grants to implement the Creek Restoration Plan. On September 18, 2018, CARCD's restoration team informed the Developer that they received a grant in the amount of \$222,104 from the California Department of Fish and Wildlife's Proposition 1 Watershed Restoration Grant Program. Under the grant, the restoration team would develop conceptual-level designs for the eleven restoration areas identified in the Creek Restoration Plan. The grant would pay for the restoration team to hire an engineering firm to develop conceptual designs and to evaluate alternatives. The grant included funding to conduct topographic surveys and research and to conduct hydrologic and hydraulic modeling.

In the meantime, there were continuing discussions between Standard Portfolios, on behalf of the Developer, and Dos Pueblos Creek owners regarding implementing the items in IDA Section 2.02(a) that are required to occur prior to implementation of the Creek Restoration Plan. Understandably, the owners did not want to commit to satisfying those conditions until the restoration team had finalized a plan of action. However, we were optimistic that the owners would agree to the conditions necessary to carry out the Restoration Plan under the terms of the IDA.

For that reason, on February 20, 2019, the Developer asked the Director to allow CARCD to continue to expend the funds it received from the Developer for Dos Pueblos Creek past the April 8, 2019 five-year anniversary. The Developer reported at that time that the owners of Dos Pueblos Creek north and Dos Pueblos Creek south were engaged in the process of implementing the Creek Restoration Plan. There continued to be ongoing meetings and discussions between the creek restoration team and the owners, who continued to allow SCHR and CRCDD access to their properties to carry out the Creek Restoration Plan. The owners had

not yet seen the product that would result from the work under the grant and from the regulatory approvals and had not yet consented to those aspects of the implementation.

The Director found that all of the foregoing actions constituted good faith compliance with the IDA in the determinations made in the six years preceding the determination that is the subject of this appeal. The Director's determinations were not appealed. They are final and are not the subject of this appeal.

In 2019, SCHR executed the grant and contracted with Waterways Consulting to perform conceptual design work. Standard Portfolios, on behalf of the Developer, facilitated a number of meetings with the owners of Dos Pueblos Ranch North and Dos Pueblos Ranch South to go over the work that would occur under the grant and to secure agreements to carry out the work on Dos Pueblos Ranch. Standard Portfolios coordinated with the property owners to allow SCHR, CRCO and Waterways to tour Dos Pueblos Creek, including the locations identified in the Creek Restoration Plan. On June 5, 2019, Standard Portfolios facilitated a meeting with SCHR and the landowners to provide further clarification regarding the implementation of the restoration plan and to discuss the work under the grant. Standard Portfolios also facilitated a second meeting with the landowners on September 4, 2019 and had follow up conversations and meetings with the landowners in this regard.

In the course of the meetings with the landowners in 2019, at the end of 2019, the owners of Dos Pueblos Ranch North informed Standard Portfolios that it did not consent to implementation of the Dos Pueblos Creek Restoration Plan on its property. In the 2020 annual compliance review, we informed the Director that, in light of the fact that the five-year anniversary of the Effective Date was April 8, 2019 and that a condition to the implementation of the Creek Restoration Plan was not met, the Developer was prepared to render reasonable assistance to CARCD to expend the remaining funds for alternative restoration work on the Gaviota Coast.

The Appellants falsely claim that the Developer learned that the Dos Pueblos Ranch North owners did not consent in mid-2019 but did not tell the Director until the compliance review in 2020. In fact, the Developer did not learn that Dos Pueblos Ranch North did not consent until the end of 2019. In fact, the February 7, 2020 compliance review request letter states:

On June 5, 2019, Standard Portfolios facilitated a meeting with SCHR and the landowners to provide the further clarification regarding the implementation of the restoration plan and to discuss the work under the grant. **Standard Portfolios also facilitated a second meeting with the landowners on September 4, 2019, and had follow up conversations and meetings with the landowners in this regard.** (Emphasis added.)

Prior to submitting the 2020 annual review request, I spoke to Planning and Development staff to alert the Director that CARCD would be seeking to have funds expended elsewhere on the Gaviota Coast. At staff's request, my February 7, 2020 letter stated how much

of the \$300,000 was unexpended. At the time the February 7, 2020 letter was submitted, the Developer was working with CARCD to formalize a request for the County to approve use of the funds in an alternative site, which is described in the letter.

The Director found that all of the foregoing actions constituted good faith compliance with the IDA in the Director's 2020 determination. The Appellants did not contest or appeal that determination, which, once again, is now and not appealable.

The foregoing shows that the Developer made a concerted effort to implement the Dos Pueblos Creek Restoration Plan. In more than one instance, the Developer advanced sums that were over and above what the Developer was required to expend under the IDA. Through those efforts CARCD went so far as to obtain a grant to implement the Dos Pueblos Creek Restoration Plan. The plan was ultimately not implemented for reasons that were beyond the Developer's control.

Although the IDA limits the Developer's reasonable assistance obligation to implementation of the Dos Pueblos Creek Restoration Plan, which is no longer possible, as detailed above, SBRHC through Standard Portfolios continues to offer such assistance to CARCD and the County. The Director has found that the Developer has continued to comply with the IDA in good faith in this regard. The Director's determination is well founded and should be upheld. The appeal should be rejected.

Sincerely,

Cox, Castle & Nicholson LLP



Stanley W. Lamport

SWL:rsf

cc: Supervisor Bob Nelson, Chair
Supervisor Joan Hartmann, Vice Chair
Supervisor Das Williams
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