RICHARD A. CAPELLA r.capella@mpglaw.com (805) 418-3121 2801 TOWNSGATE ROAD, SUITE 200 WESTLAKE VILLAGE, CALIFORNIA 91361

TELEPHONE: (805) 418-3100 FACSIMILE: (805) 418-3101 WWW.MUSICKPEELER.COM LOS ANGELES
ORANGE COUNTY
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
WESTLAKE VILLAGE

FILE No.: 13487.001

July 24, 2012

Board of Supervisors County of Santa Barbara c/o Clerk of the Board 105 East Anapamu Street, Room 407 Santa Barbara, CA 93101

Re: County of Santa Barbara Board of Supervisors

\*Item #9 Planning and Development

\*Case No 12APL-00000-00006

\*Salentine Appeal of the County Planning Commission's de novo approval of the Brown Grading and Horse Arena Project

\*Case No. 08LUP-00000-00830

\*Located at 1215 Franklin Ranch Road, Goleta, CA (APN: 077-030-013)

Dear Chairperson Farr; Supervisors Carbajal, Wolf, Gray and Lavagnino:

Our office is general counsel for the Cachuma Operation and Maintenance Board ("COMB"). Prior to your July 10, 2012 Board meeting, Ms. McCurdy of the Planning and Development Department requested that COMB's General Manager Bruce Mowry attend the meeting in order to be available to answer any questions of COMB posed by Supervisors during the appeal hearing. Dr. Mowry and I attended the hearing through remote video monitoring in Santa Barbara.

During the course of the appeal, several misstatements were made concerning COMB's role in this matter. Given the ambiguity that such misinformation creates, COMB's Board has requested that our office provide you with additional information and documents. COMB hopes the Board of Supervisors finds the following information and attachments to be of assistance to the County.

County of Santa Barbara Board of Supervisors Clerk of the Board July 24, 2012 Page 2

#### A. THE EASEMENT OVER THE BROWNS' PROPERTY

The Browns' horse arena occupies part of an easement which is owned by the United States of America. The easement specifically provides that the Browns' "right to utilize the surface of this easement may not in any way interfere with or endanger any of the structures or equipment of the United States of America..." Under COMB's pre-existing easement rights to the Real Property as set forth in the United States Bureau of Reclamation Declaration of Taking dated September 14, 1951 ("Declaration of Taking"), COMB is obligated under contract with the United States Bureau of Reclamation to operate and maintain the South Coast Conduit (SCC -48" pipeline) underlying the Browns' property, and to ensure that it is not endangered. COMB, as a public entity, undertakes these obligations seriously.

Based on the Browns' horse arena plans prepared by Penfield & Smith, potholing by COMB and the removal of approximately 4,000 cubic feet of fill by Peter Lapidus Construction, Inc. ("Lapidus"), the SCC was determined to be approximately 24 feet deep at its maximum depth. This amount of unauthorized and unpermitted fill endangered the viability of the underlying SCC, which as you are aware supplies water to a large population of southern Santa Barbara County.

Because of the excessive soil over the SCC, the unpermitted, unauthorized and overburdening soil had to be removed by all legal means. The remedy arrived at, with the assistance of County of Santa Barbara, was the issuance of an Emergency Permit for the sole purpose of removing approximately 4,000 cubic yards of soil overburden over the SCC located within COMB's easement for the South Coast Conduit and the Goleta Water District Utility Easement.

#### **B. EMERGENCY PERMIT (11EMP-00000-00007)**

Although under these circumstances COMB did not believe it is legally subject to the permitting requirements of the County of Santa Barbara, COMB nonetheless cooperated in the County's issuance of the January 10, 2012 Emergency Permit [11EMP-00000-00007] (see Attachment "A"). The entire Emergency Permit was specific and narrowly defined as to the purpose of the approval for the work contemplated at the Browns' property. The permit stated:

<sup>&</sup>lt;sup>1</sup> On a separate note, COMB respectfully requests the opportunity to meet with County staff to further discuss this issue.

County of Santa Barbara Board of Supervisors Clerk of the Board July 24, 2012 Page 3

"This is to inform you that an Emergency Permit has been approved for the following emergency work to be completed by either the property owner or COMB:

- 1. Removal of approximately 4,000 cubic yards of soil overburden located within the Cachuma Operation and Maintenance Board's (COMB) easement for the South Coast Conduit and the Goleta Water District Utility Easement. (Emphasis added)
- 2. Off-site export of all 4,000 cubic yards of removed overburden from the COMB and Goleta Water District easements or relocation and **temporary on site stock piling** of the 4,000 cubic yards of overburden." (Emphasis added)

The permit further states at page 3 of 6:

"This Emergency Permit provides <u>only temporary authorization for the proposed action and other applicable permits ... are required by law to validate the emergency work as permanent."</u> (Emphasis added).

"... This permit does not authorize any work or construction activities outside of the scope of the project as indicated in the project description, conditions of approval and approved plans."

"This permit shall not be construed to authorize any violation of County ordinance or policy, or the violation of any State or Federal regulation." (Emphasis added)

In the Findings of Approval, the permit further provides:

- "1. The approval of this project <u>shall not</u> be held to permit or to be an approval of a violation of any provision of any County ordinance or State law."
- "2. Pursuant to section 35.82.090 of the County Land Use & Development Code, an Emergency Permit may be granted if the Director makes the following finding:

County of Santa Barbara Board of Supervisors Clerk of the Board July 24, 2012 Page 4

- a. . . . An emergency exists and requires action more quickly than provided for by the procedures for permit processing.
- b. The action proposed is consistent with the policies of the Comprehensive Plan, including any applicable community or area plan and the requirements of the Development Code . . . (see page 4 of 6).

At page 5 of 6, Emergency Permit Conditions of Approval, the permit specifies:

"1. ... Any deviation from the project description or conditions must be viewed and approved by the County for conformity with this approval. Deviations without the above-described approval will constitute a violation of permit approval. . . . " (emphasis added).

Again, on page 5 of 6, the permit again states that "[t]he project involves only the following emergency work:

- "1. Removal of approximately 4,000 cubic yards of soil overburden located within the Cachuma Operation and Maintenance Board's (COMB) easement for the South Coast Conduit and the Goleta Water District utility easement.
- 2. Off-site export of all 4,000 cubic yards of removed overburden from the COMB and Goleta Water District easements or relocation and temporary on site stock piling of the 4,000 cubic yards of overburden."

It is undisputed that in complying with the Emergency Permit, the only lawful work which could occur at 1215 Franklin Ranch Road, Goleta, CA was as specified above.

The County's Planning and Development Department also issued a January 11, 2012 Grading Permit (11GRG-00000-00135) in support of the Emergency Permit. A review of the grading permit indicates its scope as "Grading-Emergency Permit for Abatement of Overburden of Materials Over COMB Pipeline Area Only." The purpose of the grading permit was to regulate grading on property within the County to safeguard life, limb, health, property and the public welfare, etc., and was a condition subsequent to the issuance of the Emergency Permit authorizing removal of approximately 4,000 cubic yards of soil overburden.

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The Browns and COMB were directly apprised that an "...approval of this project <u>shall</u> <u>not</u> be held to permit or to be an approval of a violation of any provision of any County Ordinance or State Law. (Emergency Permit, page 4 of 6) In addition, as set forth above:

"... [t]his permit does not authorize any work or construction activities outside of the scope of the project as indicated in this project description, conditions of approval and approved plans. ¶ This permit shall not be construed to authorize any violation of County ordinance or policy, or the violation of any State or Federal regulation." (Emergency Permit, page 3 of 6)

In fact, any work by COMB outside of the scope or conditions of the Emergency Permit would be unauthorized (and a violation of County ordinance or policy in light of the pending Land Use Permit on appeal as more fully described in the Emergency Permit). However, as explained below, the scope of work allowed by the Emergency Permit, COMB's Purchase Order with Lapidus, and COMB's obligation under contract with the United States Bureau of Reclamation to operate and maintain the South Coast Conduit easement, clearly indicates that COMB never violated the conditions of this Emergency Permit. Any express or implied characterizations by county staff to the contrary during the appeal hearing are inaccurate.

#### C. CONSTRUCTION CONTRACT AND PURCHASE ORDER

#### 1. Contract Between the Browns and Lapidus

On January 9, 2012, Andrew Brown, on behalf of Andy and Jessica Brown, entered into a contract with Lapidus to perform work at the 1215 Franklin Ranch Road, Goleta, California, location (APN: 077-030-013) (See Attachment "B"). The Contract's scope of services included "...[w]ork as shown on the plans by Penfield & Smith dated 10-7-11 as detailed in the scope of work." The contract goes on to specify that the Scope of Work is:

"Work involving the removal of excess soil from the COMB pipeline right of way. The work will involve keying, benching and compacting of removed soil to the South of the pipeline to create to create [sic] the fill slope as shown on the plans (i.e. Penfield & Smith plans). The Scope of Work includes grading the pad dimensions for the arena and related contouring."

#1 Excavate key bench & compact soil generated within pipeline easement. Cost \$60,300.00. (emphasis added)

County of Santa Barbara Board of Supervisors Clerk of the Board July 24, 2012 Page 6

- #2 Excavate key bench & compact soil generated within pipeline easement. Cost \* \$25,000.00. (emphasis added)
- #3 Grading for horse facility (arena and round pen). Cost \$6,700.00.
- \* This cost of #1(sic, should be #2) (\$25,000.00) represents the contribution of by [sic] COMB to the overall cost of the project.

The cost of 1 & 3 (\$60,300.00 plus \$6,700.00) represents the contractual obligation of Andy and Jessica Brown as well as any additional work required."

To address an issue raised in the Staff Report for the hearing, COMB did approve Lapidus as the contractor in order to avoid selection by the Browns of an unqualified or underqualified contractor that could damage the SCC. Once Lapidus was approved by COMB as a qualified and responsible contractor for the scope of work outlined in the Emergency Permit, the Browns entered into independent negotiations with Lapidus to arrive at the terms and conditions set forth in Attachment "B." COMB was not a party or guarantor to this agreement.

#### 2. Purchase Order Between Lapidus and COMB

In order to avoid additional delays by the Browns on removal of their soil overburden, COMB General Manager Bruce Mowry agreed to pay \$25,000.00 of COMB funds for the removal work. (See Attachment "C"). As a result, on or about December 20, 2011, COMB entered into a Purchase Order with Lapidus for such work. The Purchase Order specifies that Lapidus was to receive \$25,000.00 from COMB to:

"Remove overburden over South Coast Conduit - - 1215 Franklin Ranch Road, APN: 077-030-013 (Brown Property)".

Under the Browns' contract/agreement with Lapidus, Lapidus was to perform "...[w]ork as shown on the plans by Penfield & Smith dated 10-7-11 as detailed in the scope of work," to excavate key bench & compact soil generated within the pipeline easement, and to perform grading for the horse facility (arena and round pen). By contrast, the purchase order between COMB and Lapidus had a single purpose-----remove soil overburden from the South Coast Conduit.

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#### D. SOILS ENGINEER, SURVEYOR, AND SUPERVISION BY COMB

As noted previously, COMB is contractually obligated to operate and maintain the South Coast Conduit (SCC -- 48" pipeline) underlying the Browns' property, and to insure that it is not endangered. After the Emergency Permit was obtained, work proceeded within COMB's easement area to remove soil overburden over the SCC as detailed in the Lapidus Purchase Order and the scope of the Emergency Permit. The reasonable and prudent use of engineers and surveyors by COMB was to verify the location of the SCC and to assure that the work did not detrimentally affect the SCC. In addition, under the terms of the Emergency Permit (page 6 of 6), "[a]ll work to be completed as a part of this Emergency Permit shall be overseen by a State licensed civil engineer..." (emphasis added)

The Browns had the opportunity and the ability to hire their own surveyors and engineers during the excavation, key benching and compaction of the soil. Moreover it stands to reason that when Lapidus performed any activities outside the scope of the Emergency Permit, such as grading for the horse facility (arena and round pen), the Browns alone, by and through their plans and specifications created by Penfield & Smith, directed their contractor's activities and bear ultimate responsibility for such activities. COMB is unaware of any changes to the Penfield & Smith plans to conform to the scope, terms and conditions of the Emergency Permit.

Since the Emergency Permit restricted work to the removal of approximately 4,000 cubic yards of soil overburden located within COMB's SCC easement and the Goleta Water District utility easement and temporary stockpiling the soil, COMB could only oversee/supervise the Emergency Permit work which affected the SCC.

# E. THE BROWNS PROVIDED COMB WITH ONLY A RIGHT OF ENTRY AND REVOCABLE LICENSE AGREEMENT; NOT A TEMPORARY CONSTRUCTION EASEMENT

The staff report for the appeal hearing incorrectly stated on page 5, paragraph 1, that the Browns granted COMB a temporary construction easement to facilitate the work to be conducted by a COMB-approved contractor. Although our office prepared a temporary construction easement for the work to be performed within COMB's easement on the Browns' property, the easement was never executed by the Browns. Instead, prior to issuance of the Emergency Permit, the Browns and COMB's General Manager executed an unrecorded right of entry and revocable license agreement relative to the work.

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#### F. CONCLUSIONS

An analysis of the facts demonstrates the following:

- 1. The Emergency Permit was required because of the Browns' placement of at least 4,000 cubic yards of soil overburden over the SCC. The Browns were solely responsible for its placement. The Browns were aware of the overburden several years prior to its removal and the overburden represented a threat to the viability of the SCC. COMB has incurred significant costs in its efforts to have the overburden removed.
- 2. John Salentine, by and through his counsel of record, supported COMB's efforts to remove overburden threatening the SCC. Mr. Salentine's appeal focused on the overall project Land Use Permit and did not challenge the Emergency Permit. In a letter dated April 19, 2012 (and in similar remarks during the appeal hearing) Mr. Salentine and his counsel confirmed that the Salentine "...appeal challenges the Browns' unpermitted (illegal) activity on their property that has been the subject of several zoning and grading violations dating back to 2007" and "challenges the permitting of a new riding arena, to be created in another part of the property as a "Superpad." (April 19, 2012 letter, p.2, Attachment "D" hereto). The assertions by Mr. Salentine do not arise from COMB's "use of the [Browns'] property."
- 3. The Browns' contract with Lapidus includes work outside the scope of the Emergency Permit. The Browns' activities outside of the Emergency Permit do not arise from COMB's "use of the property."
- 4. COMB's use of the Browns' property was restricted to the terms of the Emergency Permit.
- 5. Finally, COMB's use of the property was consistent with the terms of the Emergency Permit and the easement rights of the United States of America, which specifically provides that "[Browns'] rights to utilize the surface of this easement may not in any way interfere with or endanger any of the structures or equipment of the United States of America..." The Browns' placement of the overburden endangered the SCC. COMB had a responsibility under its contract with the United States Bureau of Reclamation to protect the SCC by removing the overburden.

County of Santa Barbara Board of Supervisors Clerk of the Board July 24, 2012 Page 9

Accordingly, COMB did not violate the Emergency Permit and its use of the Browns' property was restricted to the easement. Any impermissible activity outside the scope of the Emergency Permit is the responsibility of the Browns.

Very truly yours,

Richard A. Capella
for MUSICK, PEELER & GARRETT LLP

RAC:hs Enclosures

cc: Cachuma Operation & Maintenance Board

Alice McCurdy, Deputy Director (South County) Santa Barbara County Planning and Development 123 East Anapamu St., Santa Barbara, CA 93101-2058

John Salentine

Jessica and Andrew Brown

802773.1

# ATTACHMENT A

# EMERGENCY PERMIT 11EMP-00000-00007



M	Countywide: Subject to the requirements of Section 5-82.090 or the Santa Base Section 1 Land Use &
J1	Montecito: Subject to the requirements of Section 35.472.080 of the Santa Barbara County Manager Code
Ц	Montecito:
	Land Use & Development Code

Case Name:

Brown Emergency Removal of Overburden within

COMB and Goleta Water District Utility Easements

Case Number:

11EMP-00000-00007

Site Address:

1215 Franklin Ranch Road, Goleta CA 93117

APN:

077-030-013

Applicant/Agent Name:

Andy and Jessica Brown - and -

Bruce Mowry, General Manager, C.O.M.B.

Property Owner:

Andy and Jessica Brown

South County Office 123 E. Anapamu Street-Santa Barbara, CA 93101 (805) 568-2000

Energy Division 123 E. Anapamu Street Santa Barbara, CA 93101

(805) 568-2040

North County Office 624 W. Foster Road Santa Maria, CA 93454 (805) 934-6250

#### PERMIT APPROVAL:

This is to inform you that an Emergency Permit has been approved for the following emergency work to be completed by either the property owner or COMB:

- Removal of approximately 4,000 cubic yards of soil overburden located within the Cachuma Operating and Maintenance Board's (C.O.M.B.) easement for the South Coast Conduit and the Goleta Water District utility easement.
- 2) Off-site export of all 4,000 cubic yards of removed overburden from the C.O.M.B. and Goleta Water District easements\* -or- Relocation and temporary on-site stockpiling of the 4,000 cubic yards of overburden. \*\*
- \* If soil overburden is to be exported, a receiving site and a haul route shall be identified and approved by the Grading Division of P&D prior to the commencement of grading activity. A haul permit may also be required from Public Works-Roads Division.
- \*\* If soil overburden is to remain on-site, a location and haul route shall be identified and approved by the Grading Division of P&D prior to the commencement of grading activity. Additionally, a strict one-year time limit for all temporary stockpiling will be in effect once grading activity is commenced by COMB.

As evaluated and determined by C.O.M.B. staff, the current amount of overburden soil located on top of the South Coast Conduit represents an immediate threat to the ongoing ability to provide safe and reliable drinking water to the South Coast of Santa Barbara County and must be removed. Therefore, this situation constitutes an emergency in accordance with Section 35.82.090 of the County Land Use Development Code and immediate action is warranted.

As the required findings (listed below) can be made, the emergency work is hereby approved, subject to compliance with the attached conditions of approval. This permit is not valid until signed by the owner/applicant and subsequently issued by the Department upon verification that all conditions of approval requiring action prior to permit issuance are satisfied. The proposed actions will be completed within 30 days of commencement and resolution of the associated Land Use Permit shall be obtained within one-year of commencement.

Sincerely,

DIANNE BLACK

Director of Development Services

Alice Meanly for

APPROVAL DATE:

Jan 10, 2012

#### OWNER/APPLICANT AGREEMENT:

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions of approval incorporated herein. The undersigned also acknowledges and agrees that:

- This Emergency Permit provides only temporary authorization for the proposed action and other
  applicable permits (such as a Conditional Use Permit, Coastal Development Permit, Land Use
  Permit, Building Permit) are required by law to validate the emergency work as permanent.
- Any evidence or findings contained herein, or upon which this permit relies, shall not constitute
  any limitation on the authority of the County to issue, grant, deny, rescind, or revoke this permit or
  any future permit(s) required for the activities described herein, or on the authority of the County
  to analyze, mitigate, or condition any future permit(s) required for the activities described herein.
- This permit does not authorize any work or construction activities outside of the scope of the project as indicated in the project description, conditions of approval and approved plans.
- This permit shall not be construed to authorize any violation of County ordinance or policy, or the violation of any State or Federal regulation.

Owner: Print Name  Buce Many  C.O.M.B. Representative	Signature  BRUCE MONRY  Signature	1/10/12 Date 1/10/12 Date
		F Mad at 14 years 16 gar madd 17 f 18 comm 17 gang
PERMIT ISSUANCE:		
Alice McCurdy P&D Representative	AL K M	1/10/2012 Date

#### BACKGROUND:

This property is located at 1215 Franklin Ranch Road, in the inland area of Goleta. The property currently has an existing single-family dwelling, attached garage, swimming pool and a horse riding arena. The parcel also has a number of agricultural accessory structures and grading violations that will be abated as a part of a recently approved Land Use Permit (07LUP-00000-00830) that is currently being appealed. The applicant has been working with both the Building & Safety and Development Review South Division of the Planning Department to find a solution to not only mitigate the hazardous portion of the soil overburden located within the water utility easements, but to also revise and validate site improvements that include a riding arena, horse corral, round pen, hay barn and horse stalls. Due to the inability to proceed with the approved development associated with the Land Use Permit on appeal, the applicant must abate the dangerous soil overburden under this Emergency Permit.

#### FINDINGS OF APPROVAL:

- 1. The approval of this project shall not be held to permit or to be an approval of a violation of any provision of any County Ordinance or State Law.
- 2. Pursuant to Section 35.82.090 of the County Land Use & Development Code, an Emergency Permit may be granted if the Director makes the following findings:
  - a. An emergency exists and requires action more quickly than provided for by the procedures for permit processing.
     As evaluated and determined by COMB staff, the current amount of overburden soil located on top of the South Coast Conduit represents an immediate threat to the ongoing ability to provide safe and reliable drinking water to the South Coast of Santa Barbara County and must be removed. Therefore, this situation constitutes an emergency in accordance with Section 35.82.090 of the County Land Use Development Code and immediate action is

warranted. The proposed actions would be completed within 30 days of commencement.

- b. The action proposed is consistent with the policies of the Comprehensive Plan, including any applicable community or area plan and the requirements of the Development Code. The proposed removal of soil overburden currently located within the COMB easement for the South Coast Conduit, which supplies drinking water to the Southern Santa Barbara County area, would alleviate identified public safety hazards consistent with the policies of the County Comprehensive Plan, including the Goleta Community Plan.
- 3. This action is not subject to the provisions of the California Environmental Quality Act, pursuant to State CEQA Guidelines Section 15269, statutory exemption for emergency projects.

#### EMERGENCY PERMIT CONDITIONS OF APPROVAL

1. This Emergency Permit is based upon and limited to compliance with the project description, and the conditions of approval set forth below. Any deviations from the project description or conditions must be reviewed and approved by the County for conformity with this approval. Deviations without the above-described approval will constitute a violation of permit approval. If it is determined that project activity is occurring in violation of any or all of the following conditions, the Director may revoke this permit and all authorization for development. The decision of the Director to revoke the Emergency Permit may be appealed to the Commission.

The project description is as follows:

The project involves only the following emergency work:

- 1) Removal of approximately 4,000 cubic yards of soil overburden located within the Cachuma Operating and Maintenance Board's (C.O.M.B.) easement for the South Coast Conduit and the Goleta Water District utility easement.
- 2) Off-site export of all 4,000 cubic yards of removed overburden from the C.O.M.B. and Goleta Water District easements\* -or- Relocation and temporary on-site stockpiling of the 4,000 cubic yards of overburden. \*\*
  - \* If soil overburden is to be exported, a receiving site and a haul route shall be identified and approved by the Grading Division of P&D prior to the commencement of grading activity. A haul permit may also be required from Public Works-Roads Division.
  - \*\* If soil overburden is to remain on-site, a location and haul route shall be identified and approved by the Grading Division of P&D prior to the commencement of grading activity. Additionally, a strict one-year time limit for all temporary stockpiling will be in effect once grading activity is commenced by COMB.
- 2. An application(s) for the required permits necessary to validate the emergency work as permanent shall be submitted by the applicant to the Department no later than 30 days following the issuance of this Emergency Permit. The permits required for the proposed emergency work include a Land Use Permit pursuant to Section 35.82.110 of the County Land Use Development Code and a Grading Permit from Building & Safety pursuant to Chapter 14 Grading Code (Ordinance #4766).
- 3. Any materials required for a completed application, as identified in the initial review of the original application required pursuant to Condition #2 above, shall be submitted within 90 days after written notification of the application deficiencies is provided to the applicant. This time period may be extended by the Director.
- 4. Only that emergency work specifically requested and deemed an emergency for the specific property mentioned is authorized. Any additional emergency work requires separate authorization from the Director. The work authorized by this permit must be commenced within 30 days of the date of issuance of the emergency permit.

- 5. This permit does not preclude the necessity to obtain authorization and/or permits from other Departments or agencies.
- 6. The Director may order the work authorized under this emergency permit to stop immediately if it is determined that unanticipated and substantial adverse environmental effects may occur with continued construction.
- 7. Prior to the initiation of any development activities, the applicant shall coordinate with the Grading Division of Building & Safety as to the final location (temporary stockpiling or otherwise) where the overburden will be transported.
- 8. All demolition debris, grading equipment and excavated soil overburden shall be [re]located and/or stored outside of all public and private accessways and outside of the 50-foot buffer of the mapped ESH/creek area.
- 9. This Emergency Permit is not valid until signed by the applicant and subsequently issued by Planning and Development.
- 10. All work to be completed as a part of this Emergency Permit shall be overseen by a State licensed civil engineer and shall be documented in order to be later validated by a separate follow-on Land Use Permit and Grading Permit.
- 11. If the two appeals of the associated Land Use Permit (07LUP-00000-00830) have not been resolved within one-year of the commencement of the grading activity within this EMP, all temporarily stockpiled soil shall be removed from the site, restoring it to either its natural grade or previously approved elevation.

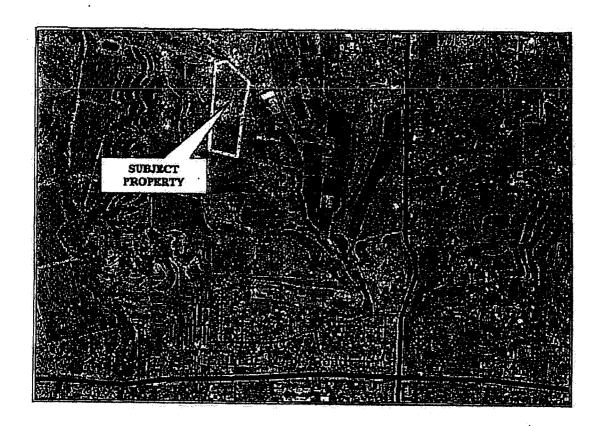
#### Attachments:

- A. Index Map
- B. Reduced Plan Sheets (approved and signed by Jeff Thomas, dated January 10, 2012)

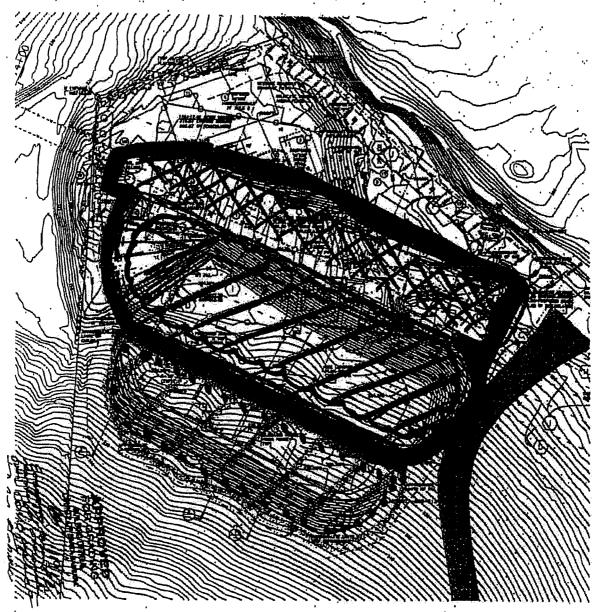
Cc: Janet Wolf, Supervisor, Second District Alice McCurdy, P&D Deputy Director Anne Almy, Supervising Planner, P&D Jeff Thomas, B&S Grading Supervisor Tony Bohnett, Grading Inspector J. Ritterbeck, P&D Planner

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#### **ATTACHMENT A**



# ATTACHMENT B



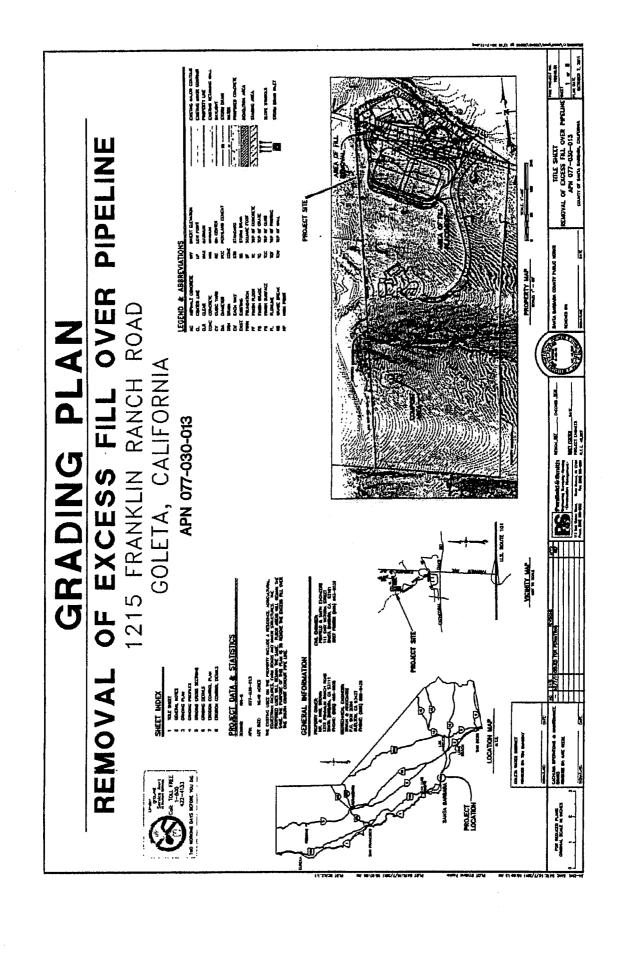
- Steging + soil mixing area (No grading allowed in this area; grubbing of

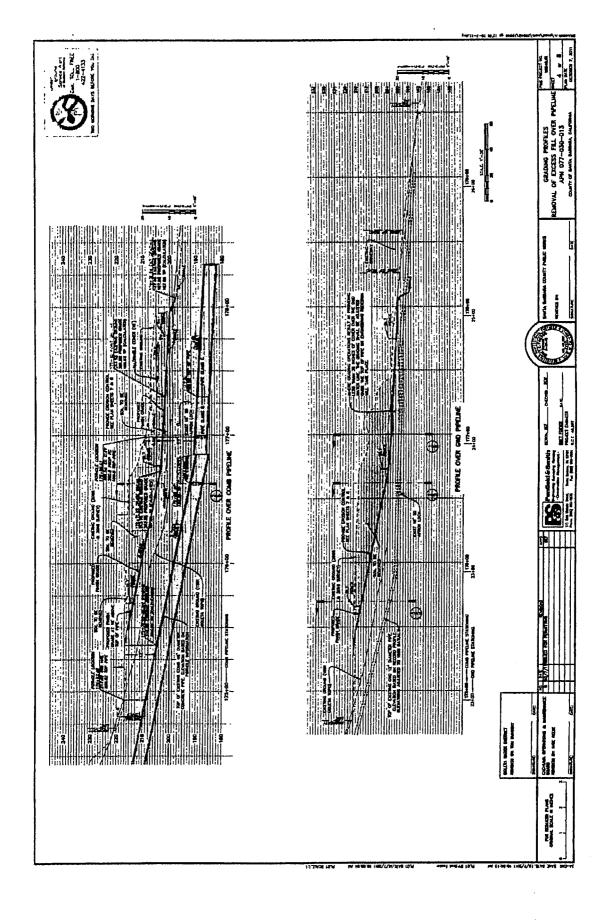
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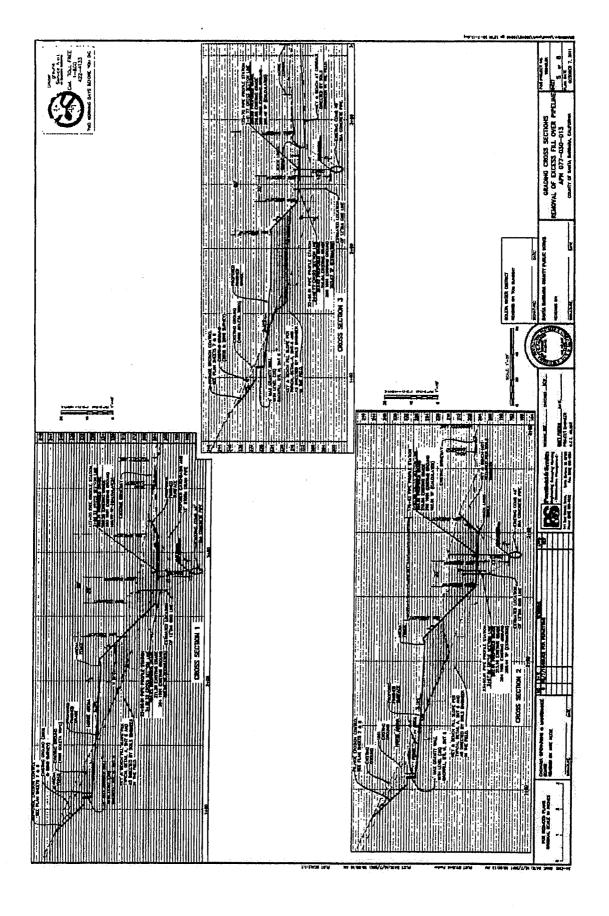
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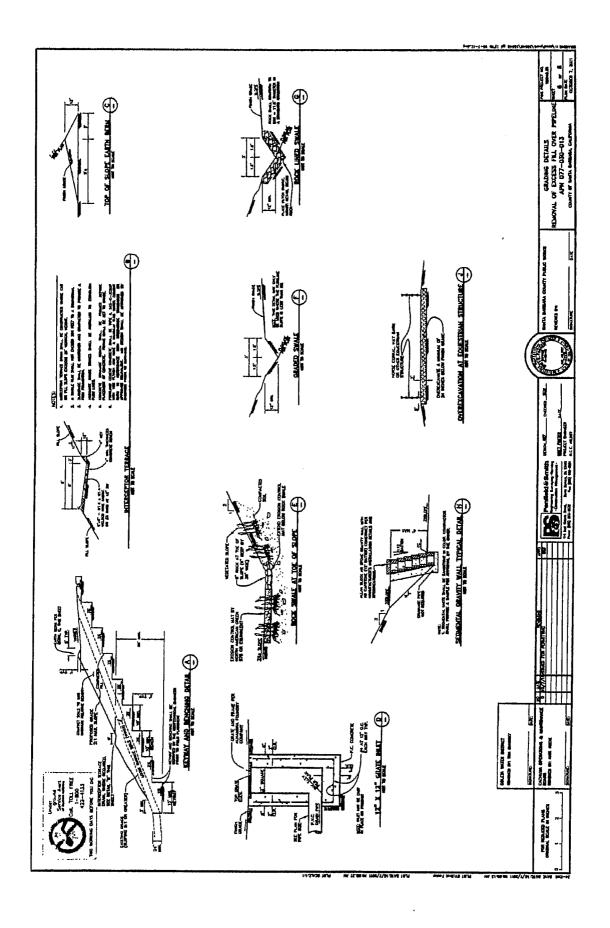
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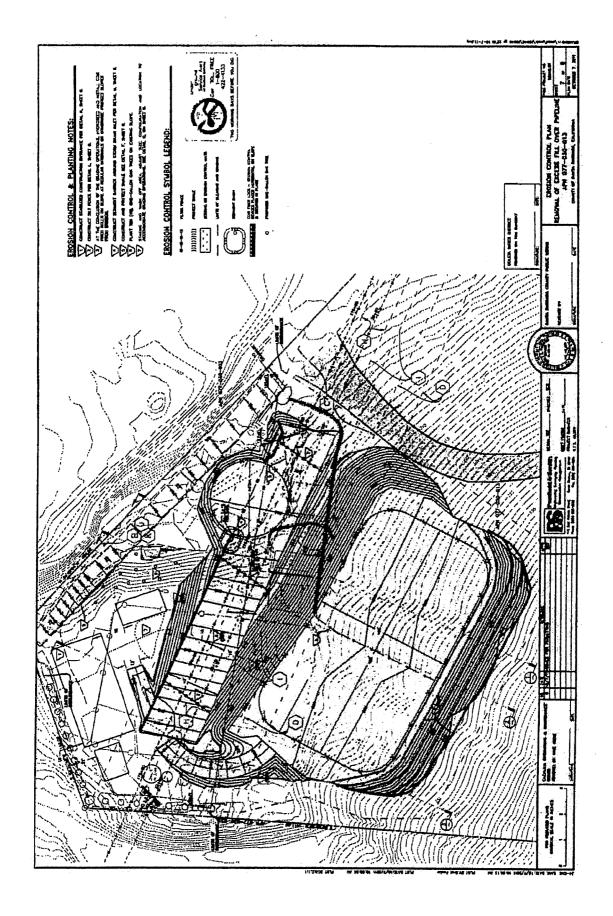
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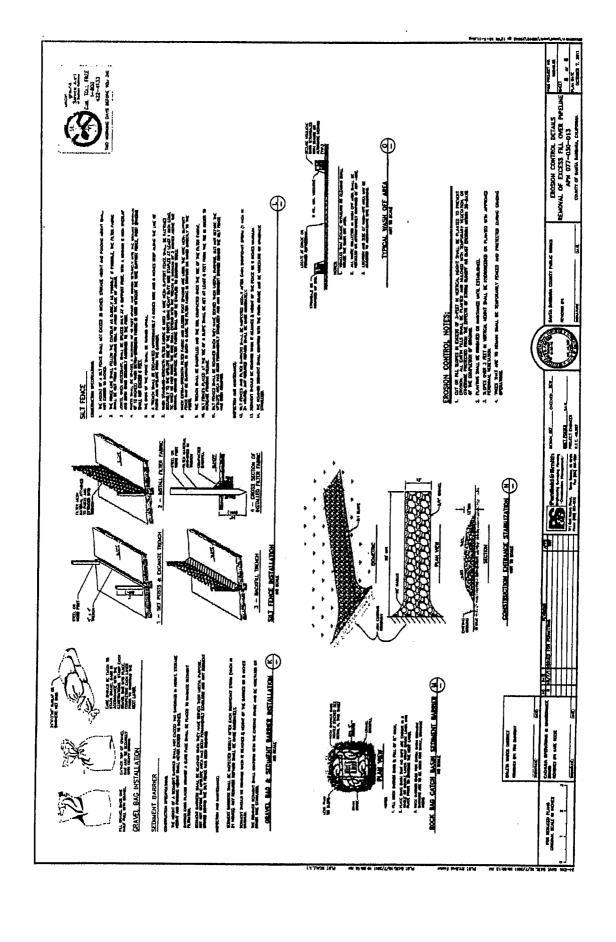


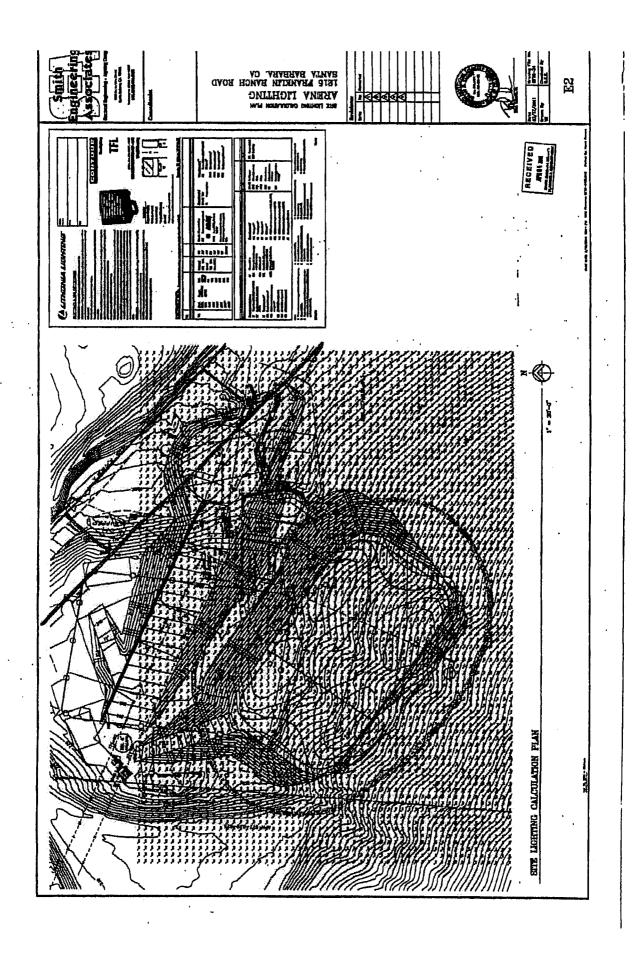














# ATTACHMENT B

#### PETER LAPIDUS CONSTRUCTION INC LIC #773908 1975 CRAVENS LANE CARPINTERIA CA 93013

PHONE 805- 745-1447 FAX 805- 745-5957 CELLULAR 805- 331-8711

#### PROPOSAL AND CONTRACT

This Agreement is made and entered into this day 1-8-12 by and between PETER LAPIDUS CONSTRUCTION, INC. (hereinafter referred to as "CONTRACTOR") and Andy & Jessica Brown (hereinafter referred to as "OWNER"), whereas the parties agree as follows:

The project location is 1215 Franklin Ranch Rd Goleta, CA APN # 0777-030-013
The scope of services shall include: Work as shown on the plans by Penfield & Smith dated 10-7-11 as detailed in scope of work,

#### Scope of Work

Work involving the removal of excess soil from the COMB pipeline right of way. The work will involve keying benching and compacting of removed soil to the South of the pipeline to create to create the fill slope as shown on the plans. The scope of this work includes grading the pad dimensions for the arena and related contouring.

# 1 Excavate key bench & compact soil generated within pipeline easement. Cost \$60,300 # 2Excavate key bench & compact soil generated within pipeline easement \* Cost \$25,000 #3 Grading for horse facility ( arena & round pen)

Cost \$6,700

\*This cost of #1 (\$25,000) represents the contribution of by COMB to the overall cost of the project.

The cost of #1 & #3 (\$60,300 + \$6700) represents the contractual obligation Of Andy & Jessica Brown as well as any additional work required.

In consideration for these services, PETER LAPIDUS CONSTRUCTION INC will receive Payment according to the Terms and Conditions of this contract. Any additional work required beyond the scope of this proposal shall be done on a time and material basis per our attached rate sheet.

#### Excluded from this contract:

PERMITS & FEES
Survey
Construction of horse facility infrastructure beyond the grading detailed above.
Erosion control to be performed by owner as required.
Drainage improvement & rock swales to be performed by owners forces.
Rock dust for arena or other aggregate surfaces.
Retaining walls.
Compaction testing.
Prevailing wage.

#### CONDITIONS OF CONTRACT

PAYMENTS: The Contractor requires a deposit of One Thousand dollars to commence
work. The Contractor shall be entitled to draw a wage for work performed. All fees and
costs shall be due and payable upon presentation of current invoice. Contractor shall not be
required to proceed with the installation of further work if the payments applying on
previous work have not been made as specified in the contract.

Owner further agrees to pay late charges of 1.5 % per month on any amounts not paid within 30 days from the date of invoice, and any collection expenses and attorney fees incurred in collection of this account on any amounts not paid within 60 days from date of statement.

- TERMINATION OF CONTRACT: Either party with good cause may terminate this
  contract given the benefit of two (2) week's written notice and the equalization of all costs
  and reimbursements.
  - ADDITIONAL WORK: During progress of construction Owner may order additional
    work. Additional work is classified as anything that goes beyond the initial Scope of
    Work provided at the beginning of the project. All sums for extras shall be due and
    payable upon completion of each extra.

This proposal does not include work that could be required in the event any of the following situations are encountered: undocumented filled ground requiring removal & re-compaction, ground of inadequate bearing capacity, over optimum moisture content of soil, ground water requiring dewatering or any other unforeseen problem impeding progression of the work at hand, unstable ground requiring shoring, rock or any other material not removable by ordinary hand tools or backhoes protruding into our graded area. Upon such occurrence, we will work on a time & materials basis during the course of time spent excavating, shoring, drying or dewatering such unforeseen occurrence of rock or like problematic ground using specialty rock breaking equipment [such as hydraulic hammer] pumps or shoring or conventional equipment to turn soil to lower moisture content. In the event we are required to sort, remove debr.s or screen excavated soils for use on the project this work will be performed on a time & materials basis. Flandling of excavated rock once it has been removed from our excavation will be billed as additional work. Work performed under the aforementioned clauses shall commence upon occurrence of the problematic or unforeseen

situation and will be documented on a daily ticket which will be signed by the representative of the entity that has employed PLC Inc. These daily ticket will be billed as a change order incurring additional cost towards the contract. Any extra work will be per our attached hourly equipment rate sheet. Sufficient survey staking will be supplied for elevation and alignment of critical features. We will not be responsible for damage to unmarked underground piping/ structures or wiring in our work area. If we damage these unmarked utilities they will be repaired by us on a time and material basis or by others. If we have to pothole for utilities to accomplish our work this work will be done as required on a time and material basis. Pricing for this work is based on Peter Lapidus Construction performing all the above tasks and any extra related work for this project. No portion of our contract shall be assigned to another firm after this contract is signed.

- 4. COSTS TO BE REIMBURSED: The term "Cost of Work" shall mean costs necessarily incurred by Peter Lapidus Construction Inc. in the proper performance of the Work. The Cost of the Work shall include but not be limited to the items set forth in this Section.
  - A. Rates of construction workers directly employed by the Contractor to perform the construction of the Work. This payment of fees includes (but is not limited to) work performed at shops, on the construction site, or in transporting materials or equipment. The following rates will be used:

Ι,	Principal	\$100.00/HR
2.	Project Supervision	\$70.00 /HR
3.	Operator	\$ 70.00/HR
4.	Skilled Laborer	\$ 56.00/HR
5,	Unskilled Laborer	\$48,50 / HR
6.	Administrative	\$ 45 00/ FIR

- B. Cost of all materials, supplies, temporary facilities and equipment incorporated in the work. Small tools and consumables are to be included in the cost. Facilities, machinery and equipment used at the construction site, whether rented from the Contractor or others, including all costs of installing, repairing and replacing, removing, transporting, and delivering the machinery and equipment.
- C. Payments made by the Contractor to the Subcontractors in accordance with the requirements of the subcontractors.
- D. That portion directly attributable to this Contract of premiums for bonds if required by owner.
- E. Losses and expenses not compensated by insurance or otherwise sustained by the Contractor in connection with the Work, provided that they have resulted from causes other than the fault or neglect of the Contractor.
- F. All costs incurred by Contractor resulting from changes in the Architect, Engineer or other professionals or consultants used by Owner including but not limited to supervision and coordination. Impact fees, exactions, royalties, charges, inspection costs, or any other fees related to the work imposed by governmental entities.

- 5. REQUIRED CHANGES: Any changes, alterations, or extras from the drawings or specifications which may be required by any public body, utility, or inspector shall constitute an not provided for in the plans and specifications, shall be considered as additional work and shall be charged for as provided in item 4 above.
- 6. UNMENTIONED COSTS: It is further understood and agreed that this contract does not include any labor or materials not specifically mentioned here..
- 7. PROPERTY ACCESS & BOUNDARIES: Owner shall grant free access to work areas for workmen and vehicles and shall allow areas for storage of materials and rubbish. Owner agrees to keep driveways clear and available for movement and parking of trucks and other work vehicles during normal work hours. Owner shall indicate to the Contractor the boundaries of the property and shall assume all responsibility for accuracy of said description and boundaries.
- 8. UNAVOIDABLE INTERRUPTIONS: It is hereby agreed that the Contractor shall not be held responsible or liable for any loss, damage, or delay caused by earthquake, fire, civil or military authority, acts of neglect or omissions of Owner or Owner's employees/agents, stormy or inclement weather, strikes, lockouts, boycotts, or other labor union activities, extra work ordered by Owner, inability to secure materials through regular recognized channels, failure of Owner to make payments when due, or by any other cause beyond the control of the Contractor.
- 9. TRANSFER OF TITLE: If Owner shall enter into a sale or shall sell all or any part of the premises herein involved, the full amount remaining unpaid on this contract becomes due and payable in full within 48 hours after the date of said sale or agreement of sale at the option of the Contractor.
  - ATTORNEY FEES: In the event of arbitration this clause shall be stricken, litigation
    arising out of or related to the interpretation of this contract or the performance or
    nonperformance thereof, the court will award reasonable attorneys' fees to the prevailing
    party.
  - 10. ARBITRATION: In the event that there are any disputes between the parties hereto, such disputes shall be submitted to binding arbitration before a single arbitrator in Santa Barbara, California, pursuant to the rules of the American Arbitration Association.
  - 11. Peter Lapidus Const. Inc. assumes no liability and will be held harmless by Owner & General contractor for damage to landscaping, sprinkler system(s), driveway(s), or underground utilities or other impacted infrastructure on the premises' unless otherwise specified above. The contractor will be responsible for damage caused by their negligence. The owner /prime contractor shall indemnify, hold harmless Peter Lapidus Construction Inc. for any claim brought forth due to the owners actions.

The provisions set forth upon this and any attached pages here to incorporated in and made part of this CONTRACT. We propose to perform the above work in accordance with the drawings and specification submitted (if any), and to complete it in a workmanlike manner according to the standard practices for the sum of:

Cost \$67,000	//
AUTHORIZED SIGNATURE; DA	ATE: 1/9/17
Acceptance of proposal the above prices, specifications and conditions are satisfa are authorized to do the work is not proving contracted rights arise until this proposal is accepted in writing.	actory and are hereby accepted. You ded for in any other agreement and
SIGNATURE OF ACCEPTANCE:	DATE;

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar of the Board, Contractors' State License Board, and P.O. Box 26000, Sacramento, CA 95826.

Poter Lupitus Com	(FBC(107), IMC		
Construction Equipment as	d Persound Rates		
Jaimary I, 2	913		
llem lem	Unit	Rental	Bare
Hitselts (60 LC oxcavator, hyd, backet coupler, thumb, 24 - 60° bucket	Hour	\$145.00	\$90.00
Hitschi 160LC with 2500 (1-lbs breaker	Hour	\$215.00	\$150,00
John Decre 225LC RTS Exceveror (Reduced Tail Swing)	Hour	\$169.00	\$104.00
John Deare 570A Grader	Hour	\$150.00	\$85,00
John Decre 35 275	Hour		
John Deore 6500 Dozer with stope board	Hour	\$102.00	\$37.00
Caterpillar D&HX L Duzur	Hour	\$136,00	\$70.00
John Decre 544) articulated leader	Hour	\$170.00	\$106,00
John Doord 1050 4x4 with ganaon, marter or Hiller		\$148.00	\$80.00
John Decre 2101.8 4x4 skip loader, gannon, 4-1 bucket	Hour	\$85.00	\$20.00
John Dago 2 DLE 4x4 skip loader, Pull lasor control	Hour Hour	\$100.00 \$165.00	\$35.00
Oroner TO-100 emwier fooder 4-1 bucket & ripper	Hour	\$115.00	\$90.00
Bobcat T190 crawlor loader w/ brook cutter (weeds)	Hour	\$100.00	\$50.00
Babout T190 snawlor looder w/ brush cutter (brush)	Flaur	\$105.00	\$35.00
ngursoft Rand SD-70 compactor	Hour	\$95.00	\$40.00
ngorsoli Rand Smooth Drum Roller		400.00	\$35.00
ix4 kownbio shoepsfoot	Day	<b>-</b>	\$300.00
0 wheel dueso truck 10-12 and 16 and bourts	Day	\$180.00	\$95.00
arge rock / rubble surcharge	Hour Hour	\$08,00	\$50.00
O wheel dump truck & \$-10 yard pup trailer	Hour	\$10,00	
D 3105G backing 4X4, 4-1, extendable, hydraulic thamb, cacherdock	Hour	\$110.00	\$45,00
ECOCY 8 XIV paying machine with operators	Hour	\$100.00 \$236.00	\$46.00
Comatau CD-60 crawler dump truck	Hour	\$165.00	\$100.00
A" representation that C. (TM cont.)		-	\$100.00
4" compaction wheel for BX160LC Yacker BS 700	Day	\$150.00	
	Dny	\$98.00	
Vackor WP1550 vibrapiate Vani Stope Laser	Day	\$86.00	
drightment monited jaset bjektib soukot.	Day	\$50.00	
Ambancan menined rise, broken soutor	Day	\$60.00	
ili) O-28 dinieraw ilii MS 361 chnia saw	Day	\$65.00	
INTER AND COLUMN TO THE TERM THE THE TERM THE THE TERM TH	Day	\$95.00	
ihl TS-400 oostelet saw, diamond blude, + blades or % wear u kkquip electric gubnerable pumps 50° (liselange	Day	\$100.00	
poda 2" (resh pasa)	Day	\$50.00	······································
liky 10.5Kw gostet	Day	\$75,00	
reda Cenerator	Day	\$175.00	
dilquip 2" pump & 50 ft discharge	Day	\$75,00	
ater Wegon (550 gallon)	Day	\$40.00	
wer Washer 1500 psi	Day	\$125.00	
nymica/welder 225 navo/7.5Kw	Day	\$89.00	
achi 35 Lba decaria jack lamaner	Day	\$55.00	
yoln 4x4 piekup (bare mte)	Daty	\$75.00	
rd F-350 ( ton 4x4 ( (birty rate)	Day	\$9.50	
rd F-430 4WD support (rock (bary rate)	Driy	\$15.50	
d F-250 support truck (bere rate)	Day	\$22.00	
onwilders (1990, 2500 gallon water truck	Dary	\$14.75	
there Read Scrown All RD-408	Hour	\$85,00	
lipment Mobilization	Hour	\$90.00	
mobification	Hour	\$110.00	
INDUITARIO)	Horu	Cost + 17.5%	

#### NOTICE OF CANCELLATION

#### JOBSITE ADDRESS:

Under Section 1689.7 of the California Civil Code, you may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the sell of you cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, mail or deliver a signed and dated copy of the cancellation notice, or any other written notice, or send a telegram to:

1975 Cra	idus Construction Inc. /ens Lane a, CA 93013
No later	nan midnight of
Name	
Address	
City	
	I hereby cancel this transaction.
Date	
	(Buyer's signature)
	n the event of any emergency the right to cancel may be waived

#### NOTICE TO OWNER

(Sections 7018, 7019 - Contractors License Law)

Under the Mechanic's Lien Law, any contractor, subcontractor, laborer, material man, or other person who helps to improve your property and is not paid for this labor, services, or material, has a right to enforce his claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontract, inborer, or supplier remains unpaid. Under the law you may protect yourself against such claims by filling, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof in the Office of the County Recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims for all persons furnishing labor, services, equipment, or materials for the work described in such contract.

# ATTACHMENT C

#### **PURCHASE ORDER**

#### CACHUMA OPERATION & MAINTENANCE BOARD

3301 Laurel Canyon Road Santa Barbara, CA 93105-2017 Telephone (805) 687-4011 - FAX (805) 569-5825

Important terms of this Purchase Order-Agreement are printed on the following pages. For your protection, make sure that you read and understand all provisions before signing. The terms and conditions are incorporated in this document and will constitute a part of the contract between the parties when signed.

TO: PETER LAPIDUS CONSTRUCTION, INC.

1975 Cravens Lane Carpinteria CA 93013

PH: (805) 745-1447 FAX: (805) 745-5957

DATE: December 20, 2011

P.O. #: 11-12-17

The undersigned Contractor will perform the following work per attached proposal dated 12/16/2011.

Remove overburden on South Coast Conduit - 1215 Franklin Ranch Road, APN# 077-030-013 (Brown Property)

Contract price;

\$25,000.00

(Time and Materials)(Not-to-Exceed)

Completion date:

January 31, 2012

Instructions: Please sign and return both originals along with appropriate insurance documentation. Upon acceptance by the Cachuma Operation and Maintenance Board, a copy will be signed and promptly returned to you. Insert below the names of your authorized on-site representatives.

Accepted: Cachuma Operation & Maintenance Board

Contractors

By: Bense 1

Title: General Manager

Other authorized representatives:

Peter Lapidus Construction, Inc.

Ву: // Д/ 2

Title: Treside, of

On-site representatives:

## COMB PURCHASE ORDER AGREEMENT

Workers' Compensation Insurance - By his/her signature hereunder, Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this agreement.

Indemnification - Contractor agrees, to the fullest extent permitted by law, to indemnify and hold COMB, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) to the extent caused by Contractor's negligent acts, errors or omissions in the performance of services under this agreement including sub-contractors or others for whom Contractor is legally liable.

#### **GENERAL CONDITIONS**

Laws, Regulations and Permits - The Contractor shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor. If the Contractor observes that the drawings or specifications are at variance with any law or ordinance, rule or regulation, he/she shall promptly notify the COMB engineer in writing and any necessary changes shall be made by written instruction or change order. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, rules or regulations and without giving notice to the COMB engineer, the Contractor shall bear all costs arising therefrom.

Safety - The Contractor shall execute and maintain his/her work so as to avoid injury or damage to any person or property. The Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work.

In carrying out his/her work, the Contractor shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act. Safety precautions, as applicable, shall include butshall not be limited to: adequate life protection and life saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, fall protection, ladders, bridges, gang planks, confined space procedures, trenching and shoring, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses; and adequate facilities for the proper inspection and maintenance of all safety measures.

The Contractor shall be responsible for the safeguarding of all utilities. At least two working days before beginning work, the Contractor shall call the Underground Service Alert (USA) in order to determine the location of sub-structures. The Contractor shall immediately notify COMB and the utility owner if he/she disturbs, disconnects, or damages any utility.

In accordance with Section 6705 of the California Labor Code, the Contractor shall submit to COMB specific plans to show details of provisions for worker protection from caving ground during excavations of trenches of five feet or more in depth. The excavation/trench safety plan shall be submitted to and accepted by COMB prior to starting excavation. The trench safety plan shall have details showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground. If such a plan varies from the shoring system standards established by the Construction Safety Orders of the California Department of Industrial Relations (Cal/OSHA), the plan shall be prepared by a California registered civil or structural engineer. As part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with the Cal/OSHA Construction Safety Orders, or that the registered civil or structural engineer certifies that the plan is not less effective than the shoring,

bracing, sloping or other provisions of the Safety Orders. In no event shall the Contractor use a shoring, sloping, or protective system less effective than that required by said Construction Safety Orders. Submission of the plan in no way relieves the Contractor of the requirement to maintain safety in all areas. If excavations or trench work requiring a Cal/OSHA permit are to be undertaken, the Contractor shall submit his/her permit with the excavation/trench work safety plan to COMB before work begins.

Pursuant to Labor Code Section 6708 each Contractor and subcontractor shall maintain or make available adequate emergency first aid treatment for its employees, agents and representatives, sufficient to comply with the Federal Occupational Safety & Health Act (P.L. 91-596; OSHA). The names and telephone numbers of at least two medical doctors practicing in the vicinity and the telephone number of the local ambulance service shall be prominently displayed adjacent to telephones.

Safety Measures and Public Convenience - The Contractor shall provide for the protection of all persons and property as herein specified. Attention is called to "Construction Safety Orders: and General Safety Orders" of the California State Industrial Accident Commission to which the Contractor is required by law to conform.

Commercial General Liability and Automobile Liability Insurance - The Contractor shall provide and maintain at all times during the performance of this agreement, the following commercial general liability and automobile liability insurance:

Coverage - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)
- Insurance Services Office (ISO) Business Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto)

Limits - The Contractor shall maintain limits no less than the following:

- 1. General Liability One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to COMB) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- Automobile Liability One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

Required Provisions - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. COMB, its directors, officers, employees or authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of the activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; and automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to COMB, its directors, officers, employees, or authorized volunteers.

- For any claims related to the project, the Contractor's insurance shall be primary insurance as
  respects COMB, its directors, officers, employees, or authorized volunteers. Any insurance,
  self-insurance, or other coverage maintained by COMB, its directors, officers, employees, or
  authorized volunteers shall not contribute to it.
- Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to COMB, its directors, officers, employees, or authorized volunteers.
- The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- Each insurance policy required by this agreement shall state, or be endorsed to state, that
  coverage shall not be canceled by the insurance carrier or the Contractor, except after thirty (30)
  days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to
  COMB.

Such liability insurance shall indemnify the Contractor and his/her sub-contractors against loss from liability imposed by law upon, or assumed under contract by, the Contractor or his/her sub-contractors for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to COMB.

**Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention must be declared to and approved by COMB. At the option of COMB, the insurer shall either reduce or eliminate such deductibles or self-insured retentions as respects COMB, its directors, officers, employees, agents and authorized volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Acceptability of Insurers - Insurance is to be placed with insurers having met current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by COMB.

Workers' Compensation and Employer's Liability Insurance - The Contractor and all sub-contractors shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Contractor shall provide employer's liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease.

Responsibility for Work – Until the completion and final acceptance by COMB of all the work under and implied by this agreement, the work shall be under the Contractor's responsible care and charge. The Contractor shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature, except those beyond the Contractor's control.

The Contractor shall waive all rights of subrogation against COMB, its directors, officers, employees, or authorized volunteers.

Evidences of Insurance - Prior to execution of the agreement, the Contractor shall file with COMB a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this

agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against COMB (if builder's risk insurance is applicable). Such evidence shall also include confirmation that coverage includes or has been modified to include Required Provisions 1-5.

The Contractor shall, upon demand of COMB, deliver to COMB such policy or policies of insurance and the receipts for payment of premiums thereon.

Continuation of Coverage – If any of the required coverages expire during the term of this agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against COMB (if builder's risk insurance is applicable) to COMB at least ten (10) days prior to the expiration date.

Sub-Contractors - In the event that the Contractor employs other consultants (sub-consultants) as part of the services covered by this Agreement, it shall be the Contractor's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

Authorized Representatives - Contractor shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on the reverse as "other authorized representative(s)."

Payment Terms - Upon completion of work as listed in the COMB Purchase Order payment, unless otherwise specified in this agreement, is to be 30 days after acceptance by COMB.

Guarantee - The Contractor hereby guarantees that the entire work constructed and/or performed by him under this Agreement will meet fully all requirements thereon as to quality of workmanship and of materials furnished by him.

Permits - All permits required by governmental authorities will be obtained at COMB's expense, and Contractor will comply with local, state and federal regulators and statutes including the Cal/OSHA requirements.

Changes to Work, Method, Cost, etc. - Any change in the scope of the work to be done, method of performance, nature of materials or price thereof, to any other matter materially affecting the performance of nature of the work will not be paid for or accepted unless such change, addition or deletion be approved in advance, in writing by a supplemental purchase order executed by COMB. Contractor's "on-site representatives" have the authority to execute such written change for Contractor.

Termination of or Default on Contract - If the Contractor abandons the work, or fails to proceed with the work as rapidly as required by this Agreement, COMB may declare him in default and relet the work in the manner set forth by law for letting the original Agreement, or it may complete the work by direct purchase of labor and materials.

Termination without Cause - COMB may terminate this Agreement for any reason by giving Contractor at least fifteen (15) days prior written notice of such termination. Such termination shall not relieve COMB from responsibility for payment for services rendered by Contractor prior to the date of termination but shall relieve COMB of its obligations for the full payment of compensation due under this Agreement for the Services of Contractor after the notice of termination.

This document shall become a valid contract only when accepted by Contractor, and subsequently by COMB, and together with the Contractor's Proposal and/or Sample Work Reports shall constitute the entire agreement between the parties.

### Peter Lapidus Construction, Inc.

Lic. #773908 1975 Cravens Lane Carpinteria, CA 93013 Phone/Fax (805) 745-1447/(805) 745-5957 Cellular (805) 331-8711

#### PROPOSAL AND CONTRACT

For: COMB

Date: 12-16-11

Location: 1215 Franklin Ranch Road, APN # 077-030-013, station 175+00 to 179+00 south coast conduit.

Description: Remove fill over pipeline within easement to bring fill level to 12' or less over COMB pipeline.

Cost \$25,000

Time & materials not to exceed \$25,000 without additional approval.

#### Exclusions;

20.30.3

- Survey
- Compaction testing
- Clear & grubb & disposal.
- Demolition,
- Export soil

Signature of acceptance Date



## **CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY) 9/27/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the

<u> </u>	the terms and conditions of the polic certificate holder in lieu of such endo	y, certain reement(:	policies may require an (	endons	ement. A st	atement on	i. If Subrogation is this certificate does no	WAIVE of confe	D, subject to r rights to the
	ODUCER			CONT	ACT Alyse	Hughes			
T	FIN Insurance Services L 96 S. Fir Street	LC #	0E52073	PHONE 1 (805) 585-6731 FAX (AKC, No): (805) 585-6831  ACR No. Buth (805) 585-6731 (AKC, No): (805) 585-6831  AND RESS: shughes@twiw.com  PRODUCER CUSTOMER 10 800055653					
1.9	6 S. Fir Street	RE	ECEIVED	Appress; shughes@twiw.com					
PC	Box 1388			CUST	UCER ID # 000	55653			
Ī		3002-1	388		insurer(s) affording coverage haic s				
NOURED SEP 2 8 2011					MBURERA:Navigators Specialty Ins Co				
١.,			MEURERS:First Nat. Ins. Co. of America					36056 24724	
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Carpinteria CA 93013				HISUR					
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X & 1	nh Cachuma Operations & M 3301 Laurel Cyn Santa Barbara, CA 931		ance Board	SHOU THE ACCO	LD ANY OF TI	H THE POLICY	SCRIBED POLICIES BE C REOF, NOTICE WILL I PROVISIONS.	ANCELLI IE DELI	ED BEFORE IVERED IN
			J	vile	s, CISR/	ALYSEH '	Jones -	0	سفص

ACORD CERTIFICATE OF LIABILITY INSURANCE CATE MINCEPTYTY 10/4/2011 THIS CERTIFICATE IS INSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER, THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE FOLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(IS), AUTHORIZED REPRESENTATIVE OR PRODUCES, AND THE CERTIFICATE HOLDER. IMPORTANT: If the persiscate holder is an ADDITIONAL INSURED, the policy(es) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not certify rights to the contillents holder in New of much envioragment(s). PRODUCEN Alyse Rughes 1006 (805)565-6731 TWIW Insurance Services LLC - \$0252073 (AC He): (805) 365-6631 196 S. Fir Straut PO Box 1388 Ventura CA 93002-1388 MINISTER AFFORDING COVERAGE MAIC # HIGHARD manana Mavigators Specialty Ins Co 36036 mayang First Mat. Ins. Co. of America 24724 Pater Lapidus Construction, Inc. sever c Everest Mational Ins Co 10120 1975 Cravene Lo. MOUNTS ORE Ins Corp 39217 HINDUNER E : Carpinteria CA 93013 MINISTER P COVERAGES CERTIFICATE NUMBER:11/12 MAIN CERT REVISION NUMBER: THIS IS TO CERTIFY THAT THE POLICES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERSON INDICATED, NOTWITHSTANDING MY REQUIREMENT, TERM OR CONDITION OF MY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, LIMITS SHOWN MAY HAVE BEEN REDUCED BY FAID CLAIMS. TYPE OF WILLIAMSE B120 181/2 AND AND ADDRESS OF POLICY IRMINER CHIERAL LIABLITY **SACH OCCUPRENCE** 1,000,000 X CONTRIBUTE OBJESTA FRANCIS PREMIET TO FEMILED 50,000 CLAME WATE X OCCUP 9/7/2811 9/7/2012 DC10C0L016646-01 5,000 MED 1907 Clay and parent 1,000,000 PERSONAL & ADV HEARY EXCLUDES OCTS /WHAT WORK Z.000.000 CIBIETAL ACCINEDATE OBIL AGGREGATE LIMIT APPLET PER PRODUCTE - COMPOP AGG 2.000.000 POLICY X TO AUTOMORILE LIAME ITS COMMED INVOLE UNIT 1,000,000 Y MY MITO SCORY SULDRY SAN PAR 25CC246905~4 2 ALL CHARGO ALTERN 8/7/25t1 9/7/2012 BOOKLY BULLY FOR ME BOHEDULED AUTOR PROPERTY DAMAGE HIREN ALTIMA ¥ NON-OWNERS ALTERNA University mountain combined 1,000,000 سده استاسا 5,000 UNIONALLA CIAM OCC III EACH OCCUPRISICE DICERS USE CLANIE MADE MADDAGGA DEDUCTION P RETENTION WOUNDERS COMPENSATION × WALL ANY PROPRIETURE LIABRATY Y/N
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Description of Operations Religious Solder is Additional Insured as respects job at Leuro Cyn Debris Resin at 1301 Laurel Cyn, Seate Rarbara CA 93109 per form AMF-ES 043 (07/3009). Endorsement applies only as required by a written contract during the

CERTIFICATE HOLDER	CANCELLATION
Kanh  Cachuma Operations & Maintenance Board 3301 Laurel Cyn Santa Barbara, CA 93105	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORISED REPRESENTATIVE
	J Viles, CISE/ALYSEE Com - City

ACORD 25 (2009/09) INS025 (20000)

policy turn.

Page: 003

## BLANKET ADDITIONAL INSUREDS-OWNERS, LESSES OR CONTRACTORS

This endorsement modifies insurance provided under the following: COMMERCIAL GENERAL LIABILITY COVERAGE PART SCHEDULE

#### Name of Person or Organization:

Any person or organization that the named insured is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this policy.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Section II Who is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only to the extent that the person or organization shown in the Schedule is held liable for your acts or omissions arising out of your ongoing operations performed for that insured.
- With respect to the insurance afforded to these additional insureds, the following exclusion is added:

#### 2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- C. The words "you" and "your" refer to the Named Insured shown in the Declarations.
- D. "Your work" means work or operations performed by you or on your behalf; and materials, parts or equipment furnished in connection with such work or operations.

#### **Primary Wording**

If required by written contract or agreement: Such insurance as is afforded by this policy shall be primary insurance, and any insurance or self-insurance maintained by the above additional insured(s) shall be excess of the insurance afforded to the named insured and shall not contribute to it.

#### Waiver of Subrogation

If required by written contract or agreement: We waive any right of recovery we may have against an entity that is an additional insured per the terms of this endorsement because of payments we make for injury or damage arising out of "your work" done under a contract with that person or organization.

ANF- ES 043 (7/ 2009)

# ATTACHMENT D

#### PRICE, POSTEL & PARMA LLP

JAMES H. HURLEY, JR.
J. TERRY SCHWARTZ
DAVID W. VAN HORNE
PETER D. SLAUGHTER
DOUGLAS D. ROSSI
ERIC P. HVOLBØLL
CRAIG A. PARTON
CLYDE E. WULLBRANDT
KENNETH J. PONTIFEX
CHRISTOPHER E. HASKELL
TIMOTHY E. METZINGER
TODD A. AMSPOKER
MARK S. MANION
MELISSA J. FASSETT
IAN M. FISHER
SHEREEF MOHARRAM
SAM ZODEH
KRISTEN M.R. BLABEY
LESLEY E. CUNNINGHAM
S, VICTORIA KAHN

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OF COUNSEL
ARTHUR R. GAUDI
DANIEL C. DAVID
SUSAN M. BASHAM
STEVEN K. MCGUIRE

RETIRED PARTNERS GERALD S. THEDE DAVID K. HUGHES

OUR FILE NUMBER

21322.1

April 19, 2012

Mr. Anthony H. Trembley Musick, Peeler & Garrett LLP 2801 Townsgate Road, Suite 200 Westlake Village, CA 91361

Re: Salentine Appeal of Brown Grading and Horse Arena Project

County of Santa Barbara 07LUP-00000-00830

Dear Mr. Trembley:

You have requested additional information concerning potential impacts on the interests of the Cachuma Operations and Management Board ("COMB") associated with John Salentine's appeal of a County of Santa Barbara land use permit identified as 07 LUP-00000-00830, the Brown Grading and Horse Arena Project. As you know, the permit in question concerns real property located at 1215 Franklin Ranch Road (APN 077-030-013), which is owned by Jessica and Andrew Brown. The Director of Planning and Development approved the permit on September 23, 2011, and Mr. Salentine filed his appeal on September 30, 2011. The permit, among other things, authorizes the Browns to create a new, large riding arena in a steeply-sloped location on their property and to construct several new horse-related structures, with arena lighting and associated grading and landscaping. The proposed grading includes removal and reuse of soils that COMB has determined overburden the South Coast Conduit.

Subsequent to the filing of the appeal, and before the Planning Commission hearing on February 8, 2012, the Director issued an emergency permit (11EMP-00000-00007) on January 10, 2012, which authorized the Browns and COMB to remove approximately 4,000 cubic yards of soil overburden within the COMB easement for the South Coast Conduit and the Goleta Water District utility easement. The emergency permit also authorized the Browns and COMB to either export all of the 4,000 cubic yards from the site or relocate and "temporary on-site stockpiling." The temporary stockpiling was to have a "strict one-year time limit."

Mr. Anthony H. Trembley April 19, 2012 Page 2

In its report dated January 20, 2012, Planning staff stated that the land use permit, if approved following hearing on the appeal, would "function as the follow-up permit to the previously issued Emergency Permit." Staff did not address the potential outcome where the appeal would be sustained and the permit denied, leaving open the question of a separate land use permit needed to permit the work already undertaken on an emergency basis. Accordingly, as we understand your question, COMB would like to know whether Mr. Salentine, in his appeal, is challenging the effect of the emergency permit (i.e., the removal of earth from the COMB easement) or would oppose the issuance of a land use permit for that specific work.

Mr. Salentine is fully in support of COMB's efforts to remove overburden threatening the South Coast Conduit. The Salentine appeal challenges the Browns' unpermitted activity on their property that has been the subject of several zoning and grading violations dating back to 2007. Their unpermitted importation of excessive amounts of fill affects not only the COMB easement but also a substantially larger area in which they constructed and have had full use of a large riding arena. Under the challenged land use permit, the Browns are required to remove only the soils affecting the COMB easement, creating a deep swath across the filled area. Mr. Salentine's position is that the Browns should be required to correct all outstanding violations, which would include removal of <u>all</u> of the improperly imported fill.

Mr. Salentine's appeal also challenges the permitting of a new riding arena, to be created in another part of the property as a "superpad." At present, because this matter remains under appeal, the Browns have no permission to construct any aspect of the proposed new arena. Nevertheless, it appears that under the emergency permit, instead of removing the overburden soils from the site or doing the minimum amount of grading necessary for "temporary stockpiling" of the soils onsite, the Browns already have graded those soils into what is, for all intents and purposes, the complete new "superpad" arena, and they already have relocated certain horse-related structures to the newly-graded area without benefit of any permits. In Mr. Salentine's view, the Browns must answer for all unpermitted work on their property. His challenge relates to the unpermitted use of the soils by the Browns, not the fact that the soils have been removed and stockpiled to the extent authorized in the emergency permit.

In summary, we do not see any conflict between Mr. Salentine's appeal and COMB's interests. In the upcoming hearing before the Board of Supervisors scheduled for May 15, 2012, Mr. Salentine is prepared to clarify that his appeal is limited to the activities permitted in the September land use permit that were not later authorized on an emergency basis, and if the Board of Supervisors sustains his appeal, he will not oppose the issuance of a follow-up permit for the same work permitted in the emergency permit.

Mr. Anthony H. Trembley April 19, 2012 Page 3

I hope that this letter adequately resolves COMB's concerns. Please let me know if you have additional questions.

Very truly yours,

Susan M. Basham

for PRICE, POSTEL & PARMA LLP

SMB;lkh

cc: John Salentine