

From: James Maynard [mailto:jmaynard@silverwrightlaw.com]

Sent: Tuesday, April 14, 2015 11:59 AM

To: Kevin McCarthy

Cc: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]

Subject: RE: Meeting in re 330 Buena Vista, Lone, CA - Potential Receivership Action - City's Offer to Meet

Importance: High

Mr. McCarthy:

My client and I were both disappointed that you failed to communicate, by the Friday before the City's last Council meeting, exactly which of the issues raised by the City's communications you and your clients feel might be resolved at such a meeting. As I indicated earlier, the City is looking for full compliance with the City's Municipal Code, the Health and Safety Code, and the California Building Code, whether current or historical, depending on whether the "Harry Stewart House" ever receives official historic designation from SHPO.

To date, the City has spent more than \$10,300 dollars of General Fund, Property Taxpayer dollars, between November 2011 and today in trying to resolve this case with your clients over the past 3.5 years. Your clients provided an engineering deposit to cover some of that cost (\$2,000) leaving the City with more than \$8,000 of unrecoverable General Fund costs-to-date. This cost estimate does not include City staff time and effort, but only professional fees incurred so far. **Given that the City has a yearly structural deficit in its General Fund, you can understand why the City is loath to proceed with meeting you or your clients (as several such meetings have been held in the past) without ensuring that the City's costs to hold such a meeting are deposited in advance by your clients.** Alternately, the City may be willing to meet after it has filed its receivership action against the property so that its costs are recoverable in the receivership process.

The City, however, in one last attempt to resolve this matter short of litigation makes this offer: we estimate it will cost the City approximately \$5,000 in professional fees to adequately plan and prepare for a meeting with you and your clients. The easiest (and likely most convenient and least expensive option) is to hold such a meeting at my office in mid-town Sacramento. The City, therefore, before it is willing to begin planning and preparing for such a meeting but first requires that your clients make a deposit of \$2500 with the City to ensure that the costs of planning and preparing, and holding such a meeting are split evenly between the City of Lone and your clients. Please note, however, that the City will still be donating staff time should the City Manager also attend. The City expects your clients to prepare for the meeting by either bringing the documents that have been repeatedly requested to move the permitting process forward or a plan and timeline as to when the City can expect each required permit application and each required fee, impact and otherwise. Should your clients not adhere to an agreed upon timeline after that meeting, the City will begin the receivership process without further notice or negotiation.

If this offer is unacceptable to your clients and/or the City does not receive a \$2500 deposit by May 1, 2015, the City will move forward with a receivership action, the application for historical designation of the structure at 330 Buena Vista notwithstanding. As you know, the initial steps in bringing such an action is the recording of a lis pendens against the property and an Inspection Warrant to more fully document the issues with the property. That inspection will include members of the Coastland

Engineering and Building Inspection Team, the attorney(s) assigned to litigate the receivership action, and the fire marshal. Once the City has a more complete list of violations, it will petition the Amador Superior Court to appoint a receiver immediately. That receiver, in conjunction with the Amador Superior Court, will work with the Court (not the City) to secure a construction loan against the property, to make all necessary repairs to the property, and to ensure the lot is split to comply all applicable zoning codes. Once the receiver's work is complete, the Harry Stewart House and the underlying property will be sold to recover the cost of repair, attorney and engineering fees and costs, and the costs for all staff time incurred. Once all of the City's costs are recovered through the receivership action, any remaining proceeds may be disbursed to your client.

Please confirm that your clients would like to proceed with such a meeting and that they are willing to provide the City of Lone with a check for \$2500 to cover the City's costs in holding such a meeting. **Should the City of Lone not receive a check from either Ms. Stewart or Mr. Tresner by May 1, 2015 I have been pre-authorized by the City to immediately and vigorously proceed with all necessary legal steps, including the filing of an action in Superior Court, to ensure that the building is brought into compliance.** The matter will not be agendized again by the City Council but instead papers will be recorded, a warrant will be obtained from the Court, and the receivership petition will be commenced after the appropriate administrative procedures have been followed.

Please let me know when we can expect a check from your clients in the amount of \$2500 and provide the City with some dates on which you and your clients are available for a meeting at my office.

All the Best,

James D. Maynard

City Attorney for Lone
Managing Partner, Sacramento Office
Silver & Wright LLP
1501 28th Street
Sacramento, CA 95816
916-733-3510 (P)
916-733-3512 (F)
jmaynard@silverwrightlaw.com
