

September 13, 2016

Regular Meeting

Board of Supervisors

Public Comment

Peter Treadwell

Pam Haas-Duhart

James Ackles

KEY POINTS

A commercial wood business is clearly not permitted nor complies with the "Estate Residential" zoning regulations approved by this Board. This fundamental fact was confirmed by ^{Jerry L. Fontaine} Jerry L. Fontaine of the Mono County Planning Department, he stated that any approved business should have negligible or low impact on neighbors and wildlife.

Substantial noise, pollution and traffic obviously have a negative effect on wildlife, and this reason alone should preclude the issuance of a variance or a conditional use permit.

The use of chain saws, wood mill wood chippers, are dangerous and problematic in the low humidity days typical in summer time, The use of such machines are not appropriate in a residential area.

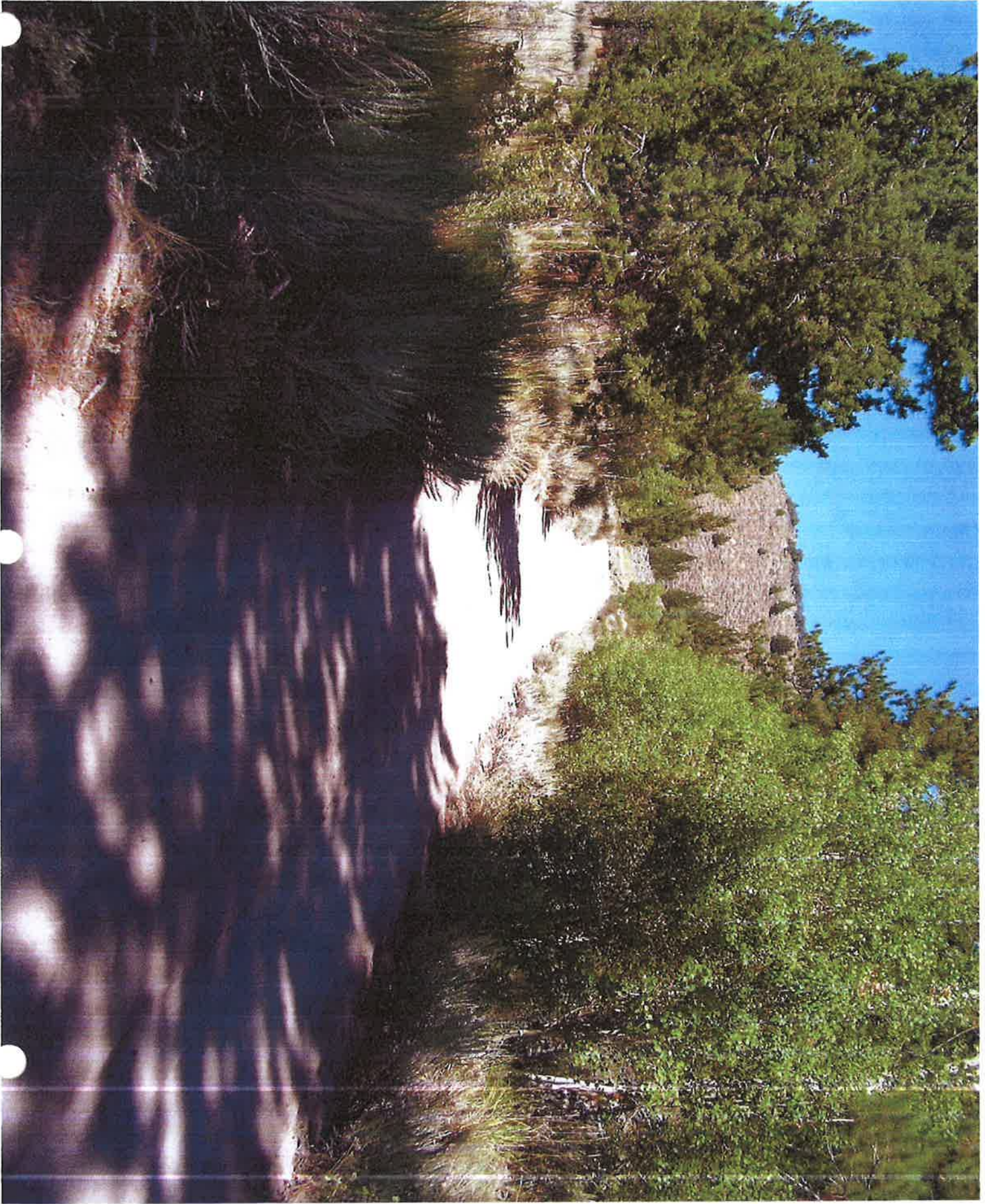
Swauger Creek Road is unpaved and is too narrow (one lane see pictures) for large log carriers and multi-ton firewood trailers. Additionally, passenger cars when confronted with such large equipment, must drive into the sage brush to facilitate passage. Vehicles with hot catalytic converters or mufflers may spark a brush fire. Overall, this road is in terrible shape, badly eroded with very poor drainage. The use of heavy duty tractors, skid steer machines, large trucks and trailers, is hastening it demise.

There are sound recording, pictures and pertinent calendar entries available to document the size and scope of this inappropriate enterprise.

Thank you for your attention in advance to this matter.

Peter Treadwell
James W. Ackles
Pam Haas-Duhart





MONO COUNTY GENERAL PLAN

LAND USE ELEMENT

Swauger Creek

1. The central concern in the Swauger Creek area is regulating development, including residential land uses, in order to preserve the natural resources in the area. Residents in the area are also interested in preserving and enhancing wildland recreational and research values in the surrounding area.

The open-space environment of the area should be recognized as a valid natural resource, and its enjoyment a form of recreation in the true sense of the word. The landowners of the area recognize that this natural environment, its peace, quiet, low density, and natural surroundings are some of the values that brought them to this area, and that the preservation of viewsheds in general, and of certain specific visual groups in particular, is an important component of a land use plan for the area. The landowners regard themselves as trustees of the resource values of the area, and as such, to be responsible to future generations for the quality of their stewardship.

Bridgeport Valley

1. There is a significant amount of high-quality agricultural land in the Bridgeport Valley, all of which is privately owned. There is a desire to maintain this land in agricultural uses in order to preserve the scenic qualities of the land. Much of the agricultural land may include wetlands; a wetlands delineation study has been completed for portions of the Valley. There is a need to address potential impacts to surface waters from grazing and irrigation and associated impacts to fisheries and wildlife.
2. There is local interest in preserving the small town character of Bridgeport.
3. There is an opportunity to enhance the recreational opportunities available at Bridgeport Reservoir and to protect the wetlands and associated natural resources in the surrounding area, including critical bird habitats. These recreational opportunities may include fishing, hunting, kayaking, boating, sailing, and bird watching.
4. There is an opportunity to develop and market recreation opportunities in the public lands surrounding Bridgeport.
5. There is an interest in protecting the groundwater resource in the Valley.
6. There is a need to expand PUD services to accommodate the local and recreational demands of the surrounding area (particularly sewage disposal), but the PUD lacks the economy of scale necessary to fund many necessary infrastructure improvements and maintenance.
7. There is an interest in maintaining desirable water conditions in Bridgeport Reservoir, the East Walker River and its tributaries (e.g., reservoir level, in-stream flow and water quality).
8. Bridgeport has faced a steady decline of population and economic activity in recent years. Many local businesses and local services, including health care and schools, have already closed or are on the brink of closure. There is a critical need to create economic development opportunities in the town to reverse this trend.
9. There is an opportunity to create a wayfinding system in Bridgeport that draws attention to the amenities located outside the center of town.
10. Bridgeport's economy was built in part on its status as the Mono County seat, which provided ample employment opportunities and related economic activity. In recent years, many County services, departments, and related employment opportunities and economic activities have shifted to population

MONO COUNTY GENERAL PLAN

Estate Residential (ER)

INTENT: The "ER" designation is intended to permit large-lot, single-family dwelling units with ancillary rural uses in areas adjacent to developed communities. Small-scale agriculture is permitted.

PERMITTED USES

- Single-family dwelling
- Small scale agriculture
- Accessory buildings and uses¹
- Manufactured home used as a single-family dwelling²
- Animals and pets (see Animal Standards Section 04.270)
- Home occupations (see Home Occupation regulations, Section 04.290)
- Accessory Dwelling Unit (as prescribed in Chapter 16, Development Standards - Accessory Dwelling Unit)
- Transitional and Supportive Housing⁵

USES PERMITTED SUBJECT TO DIRECTOR REVIEW (Director Review Processing, Ch. 31)

None stated

USES PERMITTED SUBJECT TO USE PERMIT (Use Permit Processing, Ch. 32)

- Art galleries, country clubs and golf courses
- Kennel
- Construction of an accessory building prior to construction of the main building
- Mobile-home parks (see Dev. Standards - Mobile Homes & Mobile-home Parks, Ch. 17)

DEVELOPMENT STANDARDS

- Minimum Parcel Size: 1 acre⁴
- Minimum District Area: 5 acres
- Minimum Lot Dimensions: Width - 60'
Depth - 100'
- Maximum Lot Coverage: 40%
- Minimum Setbacks:
Front: 50' Rear: 30' Side: 30'
- Building Density: 1 du/lot and 1 Accessory Dwelling Unit (see Ch. 16, Development Standards - Accessory Dwelling Units)
- Population Density: Maximum population density is 5.02 persons per 5 acres or approximately one person per acre.
- Maximum Building Height: 35' See Table 04.010 for other provisions.

LAND USE ELEMENT

Estate Residential (ER) continued

NOTES

1. Accessory buildings and uses customarily incidental to any of the permitted uses are permitted only when located on the same lot and constructed simultaneously with or subsequent to the main building
2. Provided that the unit is less than 10 years old and meets the criteria set forth in Section 04.280. When there are two mobile homes on the same parcel, they must: 1) comply with the Accessory Dwelling Unit requirements (see Ch. 16); or 2) comply with state standards for a mobile-home park and obtain a use permit from the County (see Ch. 17, Mobile Homes and RV Parks).
3. Uses may have been omitted from the list of those specified, hence the Commission may find other uses to be similar and not more obnoxious or detrimental to the public health, safety and welfare. See explanation of interpreting "similar uses" (Ch. 04, Uses not listed as permitted).
4. Lots requiring individual septic systems are subject to minimum dimensions as determined by the Lahontan Regional Water Quality Control Board.
5. Transitional and Supportive Housing projects are permitted in the same manner as other residential housing.

SEE ALSO

Land Development Regulations -

- Ch. 04 Development Standards - General
- Ch. 06 Development Standards - Parking
- Table 04.010 Building Heights
- Table 04.020 Required Yards

MASTER LIST

Petition

To the members of the Mono County Board of Supervisors, Planning Department and Zoning Department: the following homeowners, landowners and friends of Devil's Gate Mono County California, do petition Mono County Government to investigate and take action in the following matter. The landowner at 1210 Swauger Canyon Road is currently operating a small timber mill contrary to present zoning designation (Estate Residential). The noise of chainsaws, chippers, saw mill, tractors and a large wood trailer is problematic and disturbs the quiet enjoyment of our beautiful region. We urge the Board of Supervisors to take action and further demand the County Planning Department not to grant a variance permitting the landowner to continue operating.


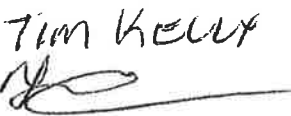
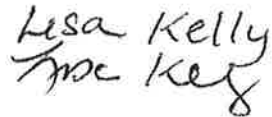

Pam Haas-Duhart Peter Treadwell James Ackles

<u>Name</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
1. James W. Ackles	7-24-16	88022 Hwy 395	Box 2055 Bridgeport, CA 93517
2. Richard L. Eberhardt	7-24-16	86250 Hwy 395	PO Box 0396 Bridgeport, CA93517
3. Susan Eberhardt	8-1-16	"	"
4. Cheryl Mc Coy	7-24-16	86620 Hwy 395	PO Box 338 Bridgeport, CA93517
5. Peter Treadwell	7-24-16	1913 Swauger Creek Rd	PO Box 225 Bridgeport, CA93517
6. Elaine Treadwell	7-24-16	"	"
7. Randall D Willis	7-27-16	86570 Hwy 395	PO Box 443 Bridgeport, CA93517
8. Marlene Willis	7-27-16	"	"
9. Randall Humiston	8-15-16	86348 Hwy 395	760-932-7194
10. Fred T. Humiston	8-15-16	"	"
11. Cheryl Humiston	8-15-16	"	"
12. Fred Duhart, Range Rider	8-15-16	2621 St Rt 338 Wellington, NV89444	775-790-1060
13. Pam Haas-Duhart	8-15-16	86336 Hwy 395 Bridgeport, CA	760-932-0017
15. Robert H Walker	7-24-16	88350 Hwy 395 Bridgeport, CA	909-792-8907

16. Tim Kelly 7-29-16 88210 Hwy 395 Bridgeport, CA 760-953-7889
17. Lisa Kelly 7-29-16 “ 760-963-2222
18. Andrew Murphy 8-9-16 86335 Hwy 395 Bridgeport,CA 760-914-2082
19. Dale J Bailey 8-2-16 88359 Hwy 395 Bridgeport,CA 909-986-1809
HC 83 Box 2054 Bridgeport, CA 93517
20. Bette Bailey 8-2-16 “ 909-986-1809
21. Grace Shukle 7-25-16 89966 Hwy 395 Bridgeport, CA 765-463-6780
graceshukle@gmail.com
22. Gene Mahon 8-5-16 86485 Hwy 395 Bridgeport,CA 714-883-7600
gmahon76@gmail.com

Petition

To the members of the Mono County Board of Supervisors, Planning Department and Zoning Department: The following homeowners, landowners and friends of Devil's Gate, Mono County California, do petition the Mono County Government to investigate and take action in the following matter. The landowner at 1910 Swauger Canyon Road is currently operating a small timber mill contrary to present zoning designation (Estate Residential). The noise of chainsaws, chippers, a saw mill, tractors and a large wood trailer is problematic and disturbs the quiet enjoyment of our beautiful region. This noise and disturbance has been persistent and regularly occurring for at least the past two summer seasons of 2015 and 2016. We urge the Board of Supervisors to take action, require a cessation of said timber and wood business, and, if applied for by said landowner, further demand that the County Planning Department deny any variance permitting the landowner to continue operating.

Name (Signature and Print)	Date	Address	Contact Information
1.  ROBERT H. WALKER	7/24/16	88350 Hwy 395 BRIDGEPORT CA	909 792 8907
2.  TIM KELLY	7/29/16	88210 HWY 395 BRIDGEPORT, CA.	(760)953-7889
3.  Lisa Kelly	7/29/16	88210 HWY 395 Bridgeport, CA	(760)963-2222
4.  Andrew Murphy	8-9-16	86335 Hwy 395 Bridgeport, CA	(760)-914-2082
5.			
6.			

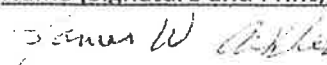

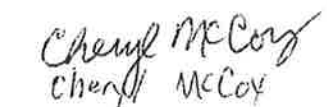
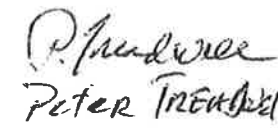
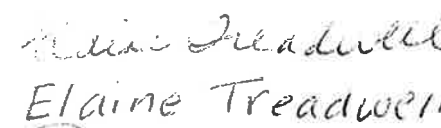
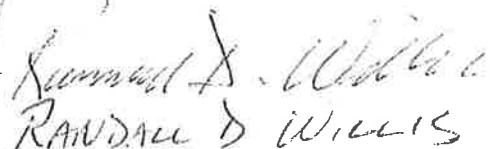
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Pam Haas-Eubart *Peter Thordarson* *James Gelles*

	Name (Signature and Print)	Date	Address	Contact Information
1.	<i>R. J. Humiston</i> Randall Humiston	15 Aug 2016	86348 Hwy 395 Bridgeport, CA	760-932-7196
2.	<i>signed to Humiston</i> Fred T. Humiston	"	"	"
3.	<i>Cheryl Humiston</i> Cheryl Humiston	"	"	"
4.	<i>Fred Duhart</i> Fred Duhart (Range rider)	8-15-16	2621 St Rt 338 Wellington No 89444	775-790-1060
5.	<i>Pam Haas-Duhart</i> <i>Pam Haas-Duhart</i>	8-15-16	86336 Hwy 395 Bridgeport, CA	760-932-0017
6.				

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	<u>Name (Signature and Print)</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
1.	 JAMES W. ACKLES	7-24-16	88022 HWY 395	Box 2055 BRIDGEPORT CA 93517
2.				
3.	 Cheryl McCoy	7-24-16	86620 Hwy 395	P.O. Box 339 Bridgeport CA 93517
4.	 Peter Treadwell	7/24/16	1913 Swauger Canyon Rd	P.O. Box 225 Bridgeport CA 93517
5.	 Elaine Treadwell	7/24/16	1913 Swauger Creek Rd	P.O. Box 225 Bridgeport CA 93517
6.	 RANDALL D WILLIS	7/27	86510 Hwy 395	P.O. Box 443 BRIDGEPORT, CA. 93517

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	<u>Name (Signature and Print)</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
1.	<i>Grace S. Shukle</i> Grace S. Shukle	06/25/2016	89966 Highway 395 Bridgeport, CA 93517	765-463-6780 graceshukle@gmail.com
2.	<i>Gene Mahon</i> Gene Mahon	8/5/2016	86485 Highway 395 BRIDGEPORT, CA 93517	(714) 883-7600 gmahon76@gmail.com

	<u>Name (Signature and Print)</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
7.	<i>Martene Willis</i> Martene Willis	7/27/16	86570 Hwy 395 Bridgeport 93517	P.O. Box 443 Bridgeport CA 93517

8.



9.

10.

11.

Petition

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	<u>Name (Signature and Print)</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
1.	 Dale J. Bailey	8/2/16	88359 St. Hwy 395 Bridgport, CA 93517 HC 83 Box 2054 Bridgport	(909) 986-1809
2.	 BETTE BAILEY	8-2-16	88359 ST. HWY 395 BRIDGEPORT, CA 93517 HC83 BOX 2054 BRIDGEPORT MAILWA	ACTUAL 909-986-1809
3.				
4.				
5.				
6.				

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	<u>Name (Signature and Print)</u>	<u>Date</u>	<u>Address</u>	<u>Contact Information</u>
1.	<i>Susan Eberhardt</i> Susan Eberhardt	8-1-16	86250 Highway 395 Bridgeport, CA 93517	909-238-9881
2.				
3.				
4.				
5.				
6.				

REQUEST FOR INVESTIGATION

(DO NOT ALLOW THE PUBLIC TO VIEW THIS DOCUMENT)

This form is to be utilized when a citizen is requesting that a county department investigate a possible violation of a county law or other health and safety related problem.

This form is confidential if submitted by a private citizen in accordance with county policy. However, the form must be released if required by a court of law. Forms submitted by competing business entities, as determined by the affected department head, will be made available to the complainant upon request. A competing business is a business that provides a similar service or manufactures or sells similar products.

phaasplus2@aol.com

Case Number		
Dept.	Year	Number

COMPLAINANT INFORMATION

(person completing this form)

Pamela J. Haas-Duhart Name
HC 83 Box 2040 Bridgeport CA 93517 Mailing Address, City/State/Zip
760-932-0017 Name
775-790-3166 Phone Number

Do you wish to be contacted with the results of this investigation? Yes No

If this complaint is being filed against a business, are you an owner or employee of a competing business? Yes No Not Applicable

I certify that the information provided on this form is true and correct to the best of my knowledge.

Pamela J. Haas-Duhart Signature
7-14-16 Date

DESCRIPTION OF VIOLATION/PROBLEM

1210 Swager Street Address of Violation
Bridgeport Community
CA Assessor Parcel Number
Bret Emery Property Owner (if known)

Nature of violation or problem (please be as specific as possible). Use the back of this sheet, if needed.

In 2000/2001 Bret spear headed a movement to re-zone Swager and part of 395 from Ag1 to strictly residential because someone was running a horse business (me). I had no intention of a business. The zoning was changed to estate residential. In 2014 Bret told me personally that he was starting

a lumber business and going to sell wood over the hill to people he knew" (lumber)

On July 3, 2015 Dawn Emery (wife) told me that "We have a lumber business, I may be able to retire."

In Sept. 2015, the manager of Silverstate Lumber on Industrial way in Gardnerville, NV, told me that he had been up Swager to see my neighbor. He said that he has a nice operation going on. In Oct 2015 I heard the manager asking one of his men to "come look at the unusual piece of wood that Bret brought in" Bret and the manager went to the office with a pieces of wood.

I know that Bret is selling fine wood at Mono Village. He is also selling wood chips both in town and at Mono Village.

I am told by his neighbor that he has saws, mill and chipper going for hours a day. He states that he can hear the noise in his house.

His fences are not "wildlife friendly," but Dawn works for "fish and wildlife" in Bishop and we don't seem to ~~get~~ ^{know} anything about it.

From: Pamela Haas <phaasplus2@aol.com>
To: Nick Criss <ncriss@mono.ca.gov>
Subject: Re: Emory
Date: Tue, Aug 2, 2016 3:21 pm

Thank you for being impartial. I have heard the noise when at Mr Tredwell's home but only briefly. My main point is that Mr Emory is violating the zoning law that he spearheaded to get established. Mr Emory will skirt the law any time it fits his needs. Again, thank you for your impartiality. We have found others that are not which makes us weary. Thank you
Pamela Haas-Duhart

Sent from my iPhone

> On Aug 2, 2016, at 2:17 PM, Nick Criss <ncriss@mono.ca.gov> wrote:

>

> Pamela,

>

> Just to be clear. I've not made any excuses for Mr. Emory nor do I know him. I've never met nor spoken to him. In order to conduct a thorough investigation, I must determine what kind of witness is reporting party. Therefore, it does matter whether you can hear the activities you are testifying to, otherwise what you have told me is considered hearsay evidence. There is nothing wrong with that. but I need to know as much information as possible regarding the violation. I apologize if my line of questioning led you to believe that Mr. Emory is somehow being allowed to operate a business illegally by Mono County. I can assure you that I am impartial to this matter and it will be dealt with.

>

> Regards,

>

> Nick Criss

> County of Mono

> Code Compliance Officer

> 760-924-1826

>

>

>

> -----Original Message-----

> From: Pamela Haas [mailto:phaasplus2@aol.com]

> Sent: Tuesday, August 02, 2016 1:40 PM

> To: Nick Criss <ncriss@mono.ca.gov>

> Subject: Emory

>

> As a follow up to our conversation this morning. Many things you have told me sound more like excuses being made for Mr. Emory, so that he may continue breaking the law, with the hopes that we will give up until next year. This matter needs to be settled this year and soon. It doesn't matter whether I can hear the noise at my house or not. When visiting others for a barbecue the noise is unpleasant. The law is the law and needs to be followed by all. On October of 2015 you said that Mr Emory said he was making a few cabinets. This year you used the same example about cabinets. If his work were inside there would not be the noise. You tell me selling would out of state to a commercial business is not necessarily a business. You also asked for the phone numbers for a second time today

which indicates to me you didn't write them down the first time. You should have known that the road is an easement and you could have walked up it legally. Is Mr Emory your friend? If so please turn this matter over to an impartial person. We are not going to just go away.

> Thank you

> Pamela Haas- Duhart

>

> Sent from my iPhone

September 13, 2016

Regular Meeting

Board of Supervisors

**Department/Commission
Reports**

Dr. Rick Johnson



Public Health Mōno-Gram

Richard O. Johnson, M.D., MPH

Public Health Officer
Office: (760) 924-1828

drickjohn@gmail.com

24/7/365 Emergency Contact Number: (760) 914-0496

www.monohealth.com

Lynda Salcido

Public Health Director
Office: (760) 924-1842

lsalcido@mono.ca.gov



Public Health
Prevent. Promote. Protect.

September 13, 2016

It's About Cannabis – Big Money! – and No Money!

Lynda Salcido (by phone) and I attended a meeting in Sacramento last week put on by the California Conference of Local Health Officers to address some of the issues under discussion re: Prop 64.

The following 10 points summarize my understanding, impressions, and opinions. I take complete responsibility for the content, including any errors in interpretation. This does not represent official county policy in any way.

1. We are entering a new "wild, wild west". Medical marijuana was legalized in California in 1996. The only thing regulated was dispensaries – not cultivation, manufacture, or distribution. The state failed to limit the amount that could be grown. It is estimated that California currently produces about 10 times more than it can consume. Last year, legal sales in California were \$2.7 Billion, total sales \$5.7B. By 2020, the prediction is \$6.4B, and if Prop 64 passes, >\$15B.
2. The state is currently setting up a regulatory process for medical marijuana by 1/1/2018! This is not even addressing the impact of Prop 64, which is predicted to pass. Multiple state departments are involved in this process - they currently do not have a program, but are organizing themselves - without any funds. There are 12 departments involved, with 17 different license types proposed. Huge long term cost!
3. Enforcement of compliance with the regulations will be the responsibility of cities and counties, with no money! The Humboldt County Sheriff has already said, "We have lost the drug war – many years ago".
4. If locals do not have a permitting system in place, the state system will prevail. If locals set up a licensing and permitting system, there will then be 2 tiers - local and state. Local provisions can be stricter, but not more lenient.
5. A rigorous highly regulated system will drive the Mom and Pop industry underground, as in prohibition, and only the big corporations (e.g., the alcohol and tobacco industry) will survive - and make billions in the process. Mom and Pop will continue to operate illegally as long as they can afford to, and be ignored by law enforcement.

Mono County - Healthy People, Healthy Communities

Mono County Health Department P.O. Box 3329 Mammoth Lakes CA 93546

Mono County Board of Supervisors: Phone (760) 932-5215

District 1: Larry Johnston, District 2: Fred Stump, District 3: Tim Alpers,

District 4: Tim Fesko, District 5: Stacy Corless, CAO: Leslie Chapman

6. It's not only about cannabis – it is about the BIG money. The money to be made is in distribution, which will be controlled by big tobacco and alcohol. Small craft brewers struggle for shelf space, which is controlled by the big guys. Besides big tobacco and alcohol, cities and counties see the potential gravy train, and have and will attempt to create local ordinances for licenses and permits. However, what is the true cost, and who pays? The taxpayer of course, in the long run. If we compare this to tobacco and alcohol, only about 10% of the societal costs are recouped by taxes and fees.

7. Although marijuana is recognized as the most common illicit drug detected in fatally injured drivers and motor vehicle crash victims, there are no standards for determination of impairment for use by law enforcement in the field, especially that will stand up in the courts.

8. Permits to grow are being issued in Calaveras County, and is changing the landscape forever - water, pesticides, crime, utilities, etc. - as they try to get on the "gravy train" with local taxes. Short term gain with unknown but certainly huge permanent cost.

9. Health effects - some legitimate medical use, but the current program is a sham, as anyone can get it if they are willing to pay. Adverse health effects - evidence is mounting - there is no surveillance system in place – early evidence from Colorado is significant.

Adverse health effects:

addiction

impaired driving

lack of motivation, decrease in completion of academic level/achievement

increased heart rate, blood pressure, and ischemia stroke

insomnia

mood, anxiety, and thought disorders, e.g., panic attacks, hallucinations

short-term memory loss

ataxia

overdoses in small kids (< age 9 years) accidentally eating edibles (Colorado experience), with respiratory depression and coma

effects on the adolescent brain (which isn't fully developed until age 25 years):

decreased memory

decreased visual scanning

decreased cognitive flexibility

decreased learning

decreased verbal and attentional performance

of episodes of lifetime use correlates very well with overall decreased cognitive functioning

10. My biggest concern is youth. Big alcohol and tobacco is about to get very rich off California weed - headline in politico.com. Small family and local grows will be driven out by corporations who can

Mono County - Healthy People, Healthy Communities

Mono County Health Department P.O Box 3329 Mammoth Lakes CA 93546

Mono County Board of Supervisors: Phone (760) 932-5215

District 1: Larry Johnston, District 2: Fred Stump, District 3: Tim Alpers,

District 4: Tim Fesko, District 5: Stacy Corless, CAO: Leslie Chapman

withstand the regulatory challenges and taxes. Who is the target audience? Kids of course - the future. Although advertising for tobacco is very limited by the Master Settlement years ago, and there is a funding source for tobacco control programs, First Amendment rights will allow very sophisticated advertising directly on those most vulnerable - our kids.

Someone has said, "In the long run, I think we're going to wonder why we thought it was a good idea to create a corporate sector for promoting use of another dependence-inducing intoxicant".

The Center for Investigative Reporting, on 9/11/16, released a piece discussing the rampant abuse and sex trafficking pervasive in the cannabis industry. Girls and young women – teens, college females for summer jobs, and "trimmigrants" – are being recruited as field workers – and abused as sex slaves. In the Emerald Triangle, law enforcement has shown little interest in tracking down the perpetrators, and does not have the capacity or capability to do so.

recent data shows usage among kids:

at least once in last 30 days:

8th grade - 6.5%

10th grade - 16.6%

12th grade - 21.2%

Peak rates were actually in the 1990's: 11.3, 20.5, and 23.7% respectively

smoke heavily (> 20 times in the last month):

12-17 years - 6.7 - 8.2%

18-25 - 16.5 - 19%

Adults - 100 million have ever used, 17.4 million are current users nationwide

factors affecting youth rates:

legalizing medical marijuana - perception it is a safe drug

increased access

increased targeting of youth

increased use of "diverted" medical marijuana from adults

peer pressure - the new norm endorsed by adults and other youth

parent behaviors - modeling

location and # of dispensaries in a given locale

As the perception of the risk of heavy drinking and tobacco use has increased, the perception of risk of use of marijuana have decreased. This threatens to reverse the tremendous strides made in the last 60 years in changing societal norms around smoking and drinking.

If I were Vladimir Putin, I would quit trying to penetrate and hack into our computer systems. Why not just start a new venture called "The dumbing down of Western society". Maybe he already has?

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Given the reality of legalization of medical marijuana, and the impending approval of Prop 64 with all its imperfections, what can locals do?

Short answer - as limited and unsatisfactory as it is - fashion a program similar to alcohol and tobacco programs, focusing on issues such as youth, protecting our environment, developing surveillance systems to monitor the effects, and enforcement, with zero dollars!!!

Medical and Retail Marijuana Website Resources:

☐ State of Colorado Retail Marijuana Public Health Information:
<https://www.colorado.gov/cdphe/retail-marijuana>

☐ CA League of Cities Website for the Medical Marijuana Regulation and Safety Act:
<http://www.cacities.org/medicalmarijuana>

Website includes sample ordinances regulating marijuana, background and resources

☐ CA State Association of Counties (CSAC) website on medical marijuana:
<http://www.counties.org/medical-marijuana>

Includes section on county/city ordinances, white papers and other resources

☐ Legislative Analyst's Office Analysis on Prop 64: Marijuana Legalization:
<http://www.lao.ca.gov/ballot/2016/Prop64-110816.pdf>

September 13, 2016

Regular Meeting

Board of Supervisors

Item #9c -

South County Facility

Analysis

Peter Chapman

Todd Lankenau

Mono County Government Center

Feasibility Study Presentation

13 September, 2016

Purpose of the Study

- Assess the needs of the County thru 2026
- Translate to space needs
- Compare two options for consideration
 - Long term lease of Sierra Center Mall
 - Construct a new joint facility with the Town of Mammoth
- Develop independent cost estimates for each option
- Develop a financial analysis

Methodology

- Met with CAO and County Staff to determine the needs and goals of the study.
- Toured the existing facility with Mechanical and Electrical Consultants and a representative of the owner.
- Interviewed staff members from each Department.
- Developed a Space Program to accommodate the current and future needs of the County.
- Cost Consultants developed estimates for each option based on Space Program, noted deficiencies and construction similar to a new facility.
- Prepared a financial analysis comparing the options.

Findings

- 43,000 GSF is required to meet the needs of the County.
- Sierra Center Mall is a valid option to consider provided:
 - MEP + FS systems are upgraded to conform to current code requirements.
 - All improvements are consistent with institutional standards.
 - Detailed space planning accommodates all the projected needs efficiently.
 - The building provides energy efficiency similar to a new facility.
 - Complete disabled access is provided throughout.
 - High security is provided for all County offices.
 - Favorable cost benefits when compared to other options.
- A New Facility is purpose built and stand alone

Building Cost Comparison

Sierra Center Mall

- \$986,798 annual rent (year 1)
- Includes \$50/SF T.I. allowance.
- 3% per year escalation (escalating to \$1,730,356.97 in year 20)
- \$26,515,642.55 Total Cost of Leasing (20 years)
- No ownership at end of lease.

New Facility

- \$1,371,091 annual mortgage payments (assumes 4% interest).
- Includes \$527/SF Construction Cost allowance.
- No annual escalation
- \$27,421,820.00 Total Cost of Ownership
- Full ownership after approx. 20 years.
- Could be structured with escalating payments (slightly higher cost).

Other Considerations

Sierra Center Mall

- Ongoing additional costs of occupancy, i.e. CAM, legal, repairs, maintenance, etc.
- Higher annual utility costs.
- Shared space with other tenants.
- Property tax liability.
- Minimal allowance for tenant improvements.

New Facility

- Little to no additional cost of ownership.
- Minimal utility cost; possible Zero Net Energy building.
- Higher security / full control of all County space.
- No property tax liability.
- Purpose built facility to County specifications.

Total Cost of Occupancy over 20 Years

Sierra Center Mall

38,248 SF Proposed

• Rent	\$ 26,515,642
• Utilities (\$4.40/SF/yr)	\$ 3,365,824
• Repairs/Maint.	\$ 512,523
• Insurance	\$ 374,830
• Payroll and Related	\$ 1,751,758
• 3rd Party Services	\$ 137,692
• Property Tax	\$ 895,003
• Other	\$ 657,866
• <u>Management Fee</u>	\$ 634,916
• Total Cost	\$ 34,846,054

New Facility

42,947 SF Proposed (Basic Title 24 Compliant)

• Mortgage	\$ 27,421,820
• Utilities (\$3.00/SF/yr)	\$ 2,576,820
• Repairs/Maint.	\$ 250,000
• Insurance (\$24K/yr)	\$ 480,000
• Payroll and Related	\$ 0
• 3rd Party Services	\$ 0
• Property Tax	\$ 0
• Other	\$ 712,920
• Management Fee	\$ 0
• <u>Land Cost</u>	\$ 300,000
• Total Cost	\$ 31,741,560

Energy Efficient Cost of Occupancy

New Facility (33% Greater Energy Efficiency) 42,947 SF Proposed

• Mortgage	\$ 27,970,256
• Utilities (\$2.00/SF/yr)	\$ 1,717,880
• Repairs/Maint.	\$ 250,000
• Insurance (\$24K/yr)	\$ 480,000
• Payroll and Related	\$ 0
• 3rd Party Services	\$ 0
• Property Tax	\$ 0
• Other	\$ 712,920
• Management Fee	\$ 0
• <u>Land Cost</u>	<u>\$ 300,000</u>
• Total Cost	\$ 31,431,056

New Facility (Net Zero Energy Building) 42,947 SF Proposed

• Mortgage	\$ 28,792,911
• Utilities (\$0.00/SF/yr)	\$ 0
• Repairs/Maint.	\$ 250,000
• Insurance (\$24K/yr)	\$ 480,000
• Payroll and Related	\$ 0
• 3rd Party Services	\$ 0
• Property Tax	\$ 0
• Other	\$ 712,920
• Management Fee	\$ 0
• <u>Land Cost</u>	<u>\$ 300,000</u>
• Total Cost	\$ 30,535,831

Total Cost of Occupancy Comparison

Facility

Cost per Gross Square Foot / 20 years

- Sierra Center Mall
 - Fully Renovated
- New Facility
 - Basic Title 24 Compliance
- New Facility
 - 33% Energy Reduction
- New Facility
 - Net Zero Energy

- \$911.05 / GSF / 20 years
- \$739.09 / GSF / 20 years
- \$731.86 / GSF / 20 years
- \$711.01 / GSF / 20 years











September 13, 2016

Regular Meeting

Board of Supervisors

Item #9d -

Request for Letter of

Interest re: Sierra

Center Mall

Paul Rudder

Lease vs. Build Comparison Bullet Points

	Sierra Center Lease	New Building
Project	Completely Renovated Administrative Offices at Sierra Center \$1,912,400 Improvement Funds Included	New Building to be constructed at Main and Old Mammoth on County Owned Land
Size	38,248 SF Useable SF Rent Free Common Area 10,000 SF Over 48,000 SF Exclusively County's Common Area not a cost except CAM	40,000 SF Useable SF 20% Load 48,000 SF Rentable All SF Cost full amount.
Timing	12 Months 4 Months Planning 8 Months Construction	12 Months for Plan and Permits 18-24 Months Construction
Monthly Cost	\$82,223 Per Month Rent \$28,868 Per Month CAM \$110,919 Per Month Total	\$180,194 Debt Service \$36,000 Per Month Operating Exp. \$216,194 Per Month Total

Lease vs. Build Comparison Bullet Points

	Sierra Center Lease	New Building
Long Term Cost Over 20 Years	\$26,516,081 Total Rent \$34,880,014 Including CAM	\$43,246,634 Debt Service \$51,886,634 Including Op Exp.
Debt Financing	Debt Commitment in-place to take advantage of current capital markets with Term Sheet from major lender underwriting both MONO and TOML	Not in place, Debt would need to be sourced once building is designed and permitted. Delay would create substantial risk in securing debt as Capital Markets are tightening.
Tenant Improvements	\$1,912,400 Improvement Funds	None
Flexibility	Tenant can expand or contract	None If less space is needed in the future County has no way to downsize
Cost Liability	None during construction Landlord Pays Construction Interest Carry	Double Cost Pay during Construction rent and debt Service

Lease vs. Build Comparison Bullet Points

	Sierra Center Lease	New Building
Cost Overruns	Landlord Responsible	County Responsible
Time Overruns	Landlord responsible for delivery, no rent due until Delivery Landlord Responsible	County Responsible for time overruns with both holdover rent and debt service
Cooperation with Town On Government Center	Yes, Proposal will be issued to TOML upon execution by County of it's Proposal	Yes, County can building with TOML but Capital Markets will force County to Guarantee Town's payment
Town Guarantee	None, TOML will be given its own Lease with no connection to Mono. Private Landlord takes Risk	TOML's credit will require MONO to guarantee rental payment by Town. If Town can't pay, Mono responsible
Congruency with Budget Policy	In line with Mono Budget Policy	Not in line with Mono Debt Policy Would require Supervisors to vote on New Policy.

Lease vs. Build Comparison Bullet Points

	Sierra Center Lease	New Building
Excess Land	If lease option is chosen, Land could be sold and create source of funds to make the lease option more affordable	No Value towards new building.
Digital 395	In the building	Would need to be brought to the Site
Parking Cost	Included	144 Spaces @ \$6,500 per space Additional \$936,000 Cost
Execution Risk	None, Landlord will guarantee execution with no rent until completed Landlord will have additional penalties for nonperformance	Substantial Risk, County will be responsible for complex construction project and be responsible for all additional cost overruns and time delays.
Operating Expenses	Professional private management that can provide services at lower cost. Maintenance is spread over multi tenant base.	County Employee's will be doing all repairs and maintenance at substantially higher cost. Mono responsible for all costs.

Lease vs Building Calculation Sheet

		<u>Proposed Lease</u>		<u>Existing Lease</u>
Existing Facility - SCM Useable		38,248	SCM	21,545
Proposed Rent	\$ 2.15		Minaret	10,500
Proposed CAM	\$ 0.75			32,045
Total Proposed Rent	\$ 2.90	\$ 82,233.20	SCM Rent	\$ 62,000.00
Total Proposed CAM		\$ 28,686.00	Minaret Rent	\$ 20,265.00
Total Monthly Rent		\$ 110,919.20	Total	\$ 82,265.00
Cost of "included TI Dollars" Imputed Benefit		(\$11,588.77)	Subtotal	\$ 28,654.20
		\$ 99,330.43	Less TI Benefit	(\$11,588.77)
Est. Number of Employee's So County		120	Difference	\$ 17,065.43
TI Allowance (Long Term Lease Benefit)	\$ 50.00	1,912,400	Per day	\$ 568.85
			Per Employee Per day	\$ 4.74
			Sale of existing land credit	?????????

		<u>Proposed New Bldg</u>		
Alternative One - New Facility (County Only)		40,000	Debt Financing	\$ 29,736,000.00
Proposed Useable Square footage		20%	Debt Rate	4.00%
Rentable Add On Factor		48,000	Amortization Years	20
Total Square footage for Costs			Monthly Debt Cost	\$ 180,194.31
Proposed Hard Cost Per SF of Building	\$	500.00	Operating Cost Rate	\$ 0.75
Soft Costs Additions (Architects Etc.)	20%		Operating Cost Mo.	\$ 36,000.00
Total Costs Hard and Soft per SF	\$	600.00	Total Cost	\$ 216,194.31
Total Building Cost (County Only)	\$	28,800,000.00	Total Cost SF	\$ 4.50
Parking Cost	\$ 6,500.00		Total Cost SF vs SCM	\$ 5.65
Parking Ratio	3		Lease vs Build per Month	\$ 105,275.11
Number of Parking spaces needed	144		Total Debt	\$ 43,246,634.57
Total Cost of Parking (Surface Only)	\$	936,000.00	Total Debt and Op Ex	\$ 51,886,634.57
Total Cost of Project	\$	29,736,000.00	Lease vs Build Per 1st Year	\$ 1,263,301.33

		<u>Proposed New Bldg with TOML</u>		
Alternative Two - New Facility TOML & Mono		40,000	Debt Financing	\$ 39,028,500.00
Proposed Mono Useable Square footage		12,500	Debt Rate	4.00%
Proposed TOML Useable Square footage		52,500	Amortization Years	20
Subtotal			Monthly Debt Cost	\$ 236,505.03
Rentable Add On Factor		20%	Operating Cost Rate	\$ 0.75
Total Square Gross Footage for Costs		63,000	Operating Cost Mo.	\$ 39,375.00
Proposed Hard Cost Per SF of Building	\$	500.00	Total Cost	\$ 275,880.03
Soft Costs Additions (Architects Etc.)	20%		Total Cost SF	\$ 5.25
Total Costs Hard and Soft per SF	\$	600.00	Total Debt	\$ 56,761,207.88
Total Building Cost (County & TOML)	\$	37,800,000.00	Total Debt and Op Ex	\$ 66,211,207.88
Parking Cost	\$ 6,500.00			
Parking Ratio	3			
Number of Parking spaces needed	189			
Total Cost of Parking (Surface Only)	\$	1,228,500.00	*Parking Structure May Be Required at higher Cost	
Total Cost of Project	\$	39,028,500.00	Structured Parking would almost double the cost	

September 13, 2016,

Board of Supervisors
County of Mono
C/O Ms. Leslie Chapman
County Administrative Officer
452 Old Mammoth Road
Mammoth Lakes, CA 93546

Via Electronic Delivery

RE: Updated Proposal - New Lease Amendment Between the County of Mono and Sierra Center Mall

To the Mono County Board of Supervisors:

As all of you are aware, since our purchase of the Building in June of 2012, Mono County and Sierra Center have been in various discussions, both formal and informal, about the County's future occupancy in Sierra Center on a long-term basis.

Over this period of time, we have suggested the benefits of potential scenarios under which Mono County would consolidate its various operations in Mammoth Lakes into Sierra Center while also providing for future expansion under a new long-term agreement. A few of these benefits include;

- 1) Efficiencies produced by consolidation into one facility, no duplication of resources;
- 2) Long term agreement providing stability and predictability for Mono County as to its facilities and costs;
- 3) Little or no up front costs for the County drastically eliminating capital outlays for space acquisition.
- 4) Completely renovated facility, newly planned for how the County operates today, not space cobbled together as has been done before on an as needed basis;
- 5) Ability to take advantage of employee and customer efficiencies by starting with a new plan, using today's latest trends on space use, and allowing for appropriate adjacencies between departments with shared resources. At the same time, this will allow the physical separation of activities that deal with the public from administrative functions, which will markedly improve security;
- 6) Greatly improved employee comfort and productivity and;
- 7) Benefit from the entire upgrade in facilities being completely financed and constructed by Sierra Center to Mono County's plans and specifications. This will leave staff and financial resources free to be focused on the County's core needs of providing quality services for Mono County residents and businesses.

Concurrently, over this same period of time Sierra Center management has worked with the County to be responsive to its concerns with respect to building systems and upgrades to its space and the common areas that were needed. To summarize our efforts so far, since we purchased the Building we have completed the following;

- 1) Replaced all common area bathrooms;
- 2) Completely remodeled the third floor common areas with new floor coverings, lighting and wall treatments;
- 3) Provided full floor identity to Mono County in the third floor lobby;
- 4) Replaced elevator;
- 5) Replaced all the common area HVAC and;
- 6) Extensively repaired or replaced substantial portions of the HVAC system in the County's current space.
- 7) Expanded existing District Attorney's Office

As we move forward, additional improvements we are completing this year;

- 1) Securing the third floor with restricted card key access;
- 2) Completing the ground and 2nd floor common area painting, wall treatments, lighting and flooring;
- 3) Installing a new elevator cab renovation;
- 4) New 2nd and 1st floor elevator enclosure treatments to match the third floor and;
- 5) The ground floor now welcomes the opening of a new Bakery/Cafe. Now open!

Going forward we are doing exterior improvements that include;

- 1) New Monument Sign, Replacing the monument sign in the front of the Building with a new modern LED lighted sign which will include identity for all tenants prominently featuring Mono County;
- 2) New Building sign program, we will be replacing the old façade on Old Mammoth Road as well as new retail sign band façade treatments and sign plan for the front facing areas of the Building that included new LED signage;
- 3) Landscaping, we will be redoing landscaping in the front of the building;
- 4) Energy Efficiency, we are also caring out an energy efficiency program in cooperation with Southern California Edison for the whole building that includes installing LED lighting in the common areas and exterior of the Building along with other energy efficiency improvements.

All of these improvements and more have been in a continuing effort to make Sierra Center a place the County of Mono can be productive, efficient and comfortable.

The timing of this proposal is also in light of the current state of the financial markets, specifically the debt markets. As the economy recovered, Mammoth Lakes did not receive the same recovery enthusiasm by the debt markets as other more populated regions such as in Southern California and or the San Francisco area. Only earlier this year, did the markets begin to show a willingness to do the type of financing that a proposal such as this one would require. Sierra Center investigated the debt market opportunities, and after an exhaustive search, we were successful in obtaining excellent financing package that could supply the

funds for the entire improvement program outlined herein. However, in light of various recent economic and political events, the window of availability of this financing cannot be guaranteed, and thus time is of the essence in moving forward to take advantage of this rare opportunity.

In summary this letter is to bring our discussions into a more formal phase. More specifically we wish to join with the County to take advantage of a favorable debt opportunity under which Sierra Center can now obtain the fiscal resources to completely finance improvements outlined within this proposal, which may no longer be available in the near future. It is with this in mind that we are now submitting this proposal to the County Supervisors for their immediate consideration, as time is of the essence.

Therefore, as the exclusive leasing agent representing the Landlord for the Sierra Center Mall ("Property"), please find the following proposal to the County Of Mono, ("Tenant"), to amend its existing Lease in both size and term to accommodate a consolidation of all its office facilities in Mammoth Lakes, while constructing a complete renovation of its facilities here in Sierra Center.

This proposal, in the form of a Letter Of Intent ("LOI") shall outline the agreement of the parties as to the general terms and conditions, which if acceptable, will be used by Landlord to draft and submit to Tenant a more detailed lease amendment containing these terms.

The terms are as follows:

- Location:** Sierra Center Mall
452 Old Mammoth Road
Mammoth Lakes, California 93546
- Tenant:** County Of Mono.
- Landlord:** 452 OM RD, LLC and Highmark Mammoth Investments, LLC, as Tenants in Common DBA "Old Mammoth Highmark Associates".
- Premises:** The new Premises shall be identified for terms of the Lease Amendment in three categories of spaces, space currently occupied by the County under the "Master Lease"; space that will be used to consolidate other facilities into Sierra Center and provide for future expansion, the "Expansion Space" and; common area space on the third and second floors that will be identified as "Exclusive Use Common Area". All spaces are shown on the attached Exhibit A-1 and A-2 and Exhibit B. (This square footage is for reference purposes. Actual square

footage to be determined by licensed architect approved by Landlord.)

“Master Lease” - Tenant’s existing lease space under the current Master Lease consisting of 21,545 useable square feet located on the Second and Third Floors of the Building.

“Expansion Space” – Third Floor -Tenant will expand 8,899 useable square feet to control the entire third floor for its exclusive use including all common areas and bathrooms consisting of 26,186 useable square feet contained within suites and 6,739 square feet of common area for a total 32,925 square feet. Landlord will install security access control in doors and elevators to the third floor to control public and employee access under policies to be set by Landlord and Tenant. (This square footage is for reference purposes. Actual square footage to be determined by licensed architect approved by Landlord.)

“Expansion Space” – Second Floor - Tenant will expand 7,804 useable square feet on the second floor taking control of the entire southern wing of the Building, including common area and bathrooms for its exclusive use.

Exclusive Use Common Area – These are all the hallways, bathrooms and lobby areas of the third floor as well as the large common area atrium space on the second floor that Mono County can use for their exclusive use, subject to fire exiting codes and other items as defined within the Lease Amendment. Both areas are identified on Exhibits A-1, A-2.

In summary, the current Master Lease of 21,545 useable square feet and the Expansion Space of 16,703 useable square feet are collectively referred to herein as the “Premises” consisting of a total of approximately 38,248 usable square feet. A more detailed description of the premises will be included in the formal Lease Amendment. (This square footage is for reference purposes. Actual square footage to be determined by licensed architect approved by Landlord.) See attached Exhibit A-1, A-2 and Exhibit B.

Term:

Twenty Years (20) Years commencing from Commencement date as described within the Lease Amendment.

Tenant Improvements:

Improvement Allowance - Landlord shall provide the following one time tenant improvement allowance for the improvement of the Premises which improvements shall be constructed or purchased and installed by Landlord, subject to Tenant's plans and specifications:

\$1,912,400.00 - (Based upon an allowance of \$50.00 per useable square foot.)

Tenant can apply this allowance to any cost directly related to consolidating into this building including all construction, furniture, fixtures and reasonable moving expenses directly related to moving into Sierra Center. Any remaining allowance amount may be used as a rent credit.

Work Letter - Landlord will facilitate the construction of a complete "renovation" of Tenant's Premises, per Tenant's plans and specifications. It is contemplated that these improvements will encompass the entire Mono County space ranging in some areas to total demolition and complete rebuild new, to in other areas, new carpet, paint and refresh of layout or mechanical systems. The planning, bidding and construction of these improvements shall be outlined in detail and directed by the Tenant Improvement Work Letter, ("Work Letter") which shall be attached and made part of the Lease Amendment.

Architect – Tenant and Landlord shall work to select a mutually acceptable architect to design Tenant's improvements, which shall be paid for out of the Tenant's Allowance.

Final Space Plan - Tenant shall work with Architect to develop Tenant's schematic space plans and specification sheet under a timetable outlined within the Work Letter. These efforts will work to develop a comprehensive design of all of Tenant's improvements in an acceptable plan in the form of a "Final Space Plan" with specifications attached. Both Landlord and Tenant shall approve this Final Space Plan.

Working Drawings – Tenant's Architect shall develop working drawings and engineering based upon improvements representing Tenant's design in the Final Space Plan. Tenant

and Architect will work with Landlord to develop phasing of these improvements to allow for construction, which will minimally interfere with the County's business operations. These working drawings shall be completed under the timetable as outlined in the Work Letter, following which again Tenant and Landlord will have final sign-off approval. Final Working drawings stamped by the Town of Mammoth Lakes and approved by both Landlord and Tenant shall be attached as an exhibit to the Lease Amendment.

Cost Proposal – After the Approved Working Drawings are signed by Landlord and Tenant, Landlord shall provide Tenant with a “Cost Proposal” in accordance with the design as outlined in the Approved Working Drawings. Tenant shall approve said Cost Proposal by the date outlined in the Work Letter. Once that Cost Proposal has been approved by the Tenant, Landlord will calculate the amount that is over the one time allowance, if any, and submit to tenant a “Over Allowance Amount” statement which shall be due in cash or shall arrange to be financed by other terms to be negotiated with the Landlord prior to start of construction. Such Over Allowance amount shall included interest carry charges.

Construction – Landlord shall be responsible for hiring the contractor and providing construction management during construction of Tenant's premises. Landlord shall disburse all Tenant Improvement allowance funds which shall be paid directly to the contractor or contractors, subject to receipt by Landlord of commercially reasonable proof of completion of the work for which payment is sought (progress payments are acceptable) including all necessary lien releases. Landlord shall be permitted to charge the allowance a reasonable construction management fee. With respect to any remaining funds that are not used for costs of construction as identified in the Work Letter, tenant shall be allowed to apply these dollars as a credit to their rent.

Delivery of Premises – The Premises shall be constructed in “Phases” per the schedule developed in the Working Drawings and Specifications in order to allow the County to conduct its normal business. Upon the delivery of a substantially completed phase, subject to normal “punch list” items to be completed by Landlord, Tenant shall inspect and accept said Premises. Acceptance of each phase by Tenant in

“substantially complete” fashion as described in the Work Letter, subject to typical punch list correction items to be completed by Landlord within 30 days, shall be considered by terms of the Agreement as “Delivered”. Such Delivery by Landlord and Acceptance by Tenant shall trigger the rent commencement for this phase of suites. Immediately following rent commencement for each phase, if Tenant has any “over allowance” amount due to change orders or Tenant delays, Tenant shall pay that amount at that time. Charges for Tenant delays shall be specified in the Work Letter.

**Base Building
Improvements:**

Simultaneously with the construction of Tenant’s improvements, Landlord will, at its sole cost and expense complete any Base Building improvements to the Building that Tenant and/or Landlord identify that need upgrading, replacing or repairing. Base Building improvements shall be defined as any item, mechanical system or other improvements that effects Tenant’s improvements or comfortable use of its premises. These Base building improvements shall be identified during the planning process and timetable as outlined in the Work Letter.

Tenant Security:

In order to provide a more secure occupancy for Mono County, Landlord will completely secure the Third Floor and limit access to the common area after hours in the form of an ID Card Access System. This system will be installed at all access points to the third floor, elevator, stairwell and exterior doors. In addition, the unsecured stair in the 2nd floor atrium will be removed to create a secure third floor. Both Landlord and Tenant shall mutually agree upon access policies and hours of operation. Tenant shall be responsible for the costs of operation and management of the security system including cost of ID Cards.

Improvements Financing:

In order to provide financing for Tenant’s improvements, Landlord has secured a line of credit in terms of a refinance from Deutsche Bank AG, one of the country’s largest lenders under the credit of the Landlord, contingent upon a lease from the County. See attached Financing Memo as Exhibit C.

Renewal Options: Tenant shall have the right to two (2) options to renew the Term for an additional Ten (10) Years each provided the Tenant is not in default under the lease and gives Landlord 180-days written notice of its intent to renew. Rental for said option terms shall be the then fair market rent for similar space within the Town of Mammoth Lakes, CA.

Purchase Options: As part of the negotiations of the Lease Amendment and Work Letter, Landlord agrees to structure an appropriate First Right of Refusal Option to Purchase the Property at fair market value.

Expansion Options: Tenant shall have a continuing "First Right Of First Options" for additional expansion space in the building as it becomes available. These options rights shall be more fully described in the Lease Amendment.

Lease Commencement:: The Lease Amendment shall have a Commencement Date for this amended new term which shall be September 1, 2016.

Rent Commencement: The Rent Commencement Date for delivery of Expansion Space shall be the date Landlord delivers each phase of individual suites in substantially completed fashion per Tenants' plans and specifications and Tenant accepts said suites. The schedule of these suite completion and delivery shall be outlined in the Lease Amendment and Work Letter.

For space under the Master Lease for which Tenant is currently occupying, rent shall commence immediately upon commencement of the new Term, however, rental shall continue at the old rent amount paid prior to the Amendment until such time as Landlord substantially completes and Tenant accepts a minimum of 10,000 useable square feet of new expansion space. Upon accepting this minimum square footage of Expansion space, the rent for all the premises occupied shall be adjusted on a pro-rata basis to the rental as outlined as Base Rental herein below.

Base Rental: The Base Rent for the entire Premises upon full occupancy shall be \$ 82,233.20 per month, plus all Common Area Maintenance Fees (CAM) including all utilities, insurance and taxes to be described more fully the Master Lease Agreement and Lease Amendment. This Base Rent shall be applied on a pro-rata basis as construction completes individual suites.

Base Rental under this amended shall not commence until on the original premises until such time as a minimum of 10,000 square feet of Expansion space has been constructed and delivered to Tenant. Landlord will include the common area as described in Exhibits A-1 and A-2 for Tenants exclusive use at no additional rent.

Base Rental Increases: The Base Rental rate shall be increased three percent (3%) annually.

**Operating Expense
CAM Fees:**

Tenant shall be responsible for its pro rata share of all operating expenses for the property, including, but not limited to, repairs and maintenance, utilities, janitorial, property and other taxes, insurance, snow removal for the property including management fees. These Common Area Maintenance Fees (CAMS) are more fully described in the current Master Lease agreement.

Parking: Tenant will be granted the right to park for its employee's on a pro rata basis, within the property at no charge. All spots will be unreserved. In addition, should Landlord need to implement parking control because of unauthorized parking within the property, then Tenant shall pay its pro rata share of such expense.

Sublease Rights: Tenant shall have the right, upon Landlord's approval, which shall not be unreasonably withheld, to sublease the premises. Any such sublease shall not relieve Tenant of its obligations under the lease agreement. Tenant shall be responsible for all costs associated with subleasing and, after deducting such cost, Tenant shall split any profits with Landlord on 50/50 basis. However, if more than 25% of the Premises is sublet or assigned at the time Tenant must exercise any option to extend the Term then Landlord shall have the right to approve such right to exercise any renewal options.

**Rentable Square
Footage Conversion:**

The Landlord reserves the right to convert all the tenants, Including the County of Mono to the Rentable Square Feet measurement. This method measures the tenant's pro rata portion of the entire office building, excluding elements of the Building that penetrate through the floor to areas below. The

Rentable Area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes or configuration. This method is therefore recommended for measuring the total income producing area of a building and for use in computing the tenant's pro rata share of a building for purposes of rent escalation. Lenders, architects and appraisers will use Rentable Area in analyzing the economic potential of a building. For discussion purposes the Sierra Center Mall shall be estimated at a 15% load factor. This would raise the square footage of the Premises but not increase the total rental cost. In the event Landlord does convert to rentable square feet, then the rental rate per foot will be reduced to reflect the same total rental as when based upon usable square feet.

**Town Of Mammoth Lakes
Contingent Proposal:**

Immediately upon execution of this Letter of Intent, Landlord will draft and present for the Town Of Mammoth Lakes (TOML) for its review a proposal continuing similar terms to this proposal as outlined herein, including but not limited to approximately 12,500 square feet of space on the Second Floor and a Tenant Improvement Allowance of not less than \$50.00 per square foot. Any Lease to the Town of Mammoth Lakes shall be contingent upon Mono County executing a Lease but shall have no other connection or guarantee. The TOML lease shall be a separate agreement between the Landlord and TOML.

Brokers:

Landlord and Tenant represent and warrant that there are no other brokers in connection with this transaction other than Highmark Advisors, Inc. All brokerage fees and the like relating to this transaction will be borne solely by Landlord.

Telecopy Signatures:

Telecopied signatures may be used as originals for purposes of expediency, provided originals are thereafter promptly transmitted to the other party.

Expiration:

This letter of intent shall expire on Tuesday, October 11, 2016, at 5:00 PM Pacific Standard Time, and shall become void and have no further effect.

Time Is Of The Essence:

Time is of the essence in this and every other provision of the letter of intent.

Final Lease Documents: This Letter of Intent shall be contingent on the execution of mutually acceptable Lease Amendment and Work Letter documents by County of Mono, approved by the County of Mono Board of Supervisors, and Landlord. It is to be understood that the terms and conditions offered in this Letter Of Intent are predicated on the execution of a Lease Amendment and Work Letter agreements on or before October 11, 2016.

All terms and conditions set forth herein shall be incorporated into a new lease agreement to be prepared by Landlord. It is to be strictly understood and agreed that the terms and conditions referenced hereinabove shall not be binding upon either Landlord or Tenant until such time as the new lease and all related documents have been approved by Landlord's and Tenant's respective counsel, and further provided that such lease and all related documents have been fully executed by both Landlord and Tenant.

Sincerely,

HIGHMARK ADVISORS, INC.



Drew Cameron Hild
Principal

cc: Paul Rudder, 452 OM RD, LLC

Attachments: Exhibit A-1, A-2 - Premises Floor Plans
Exhibit B – Premises Sq. Ft. Summary
Exhibit C – TI Source of Funds - Loan Term Sheet, Deutsche Bank AG

Agreed to and Accepted:

COUNTY OF MONO

Authorized Signatory

Agreed to and Accepted:

452 OM RD, LLC

Paul Rudder
It's Managing Member

Agreed to and Accepted:

HIGHMARK MAMMOTH
INVESTMENTS, LLC

Drew Hild
It's Managing Member



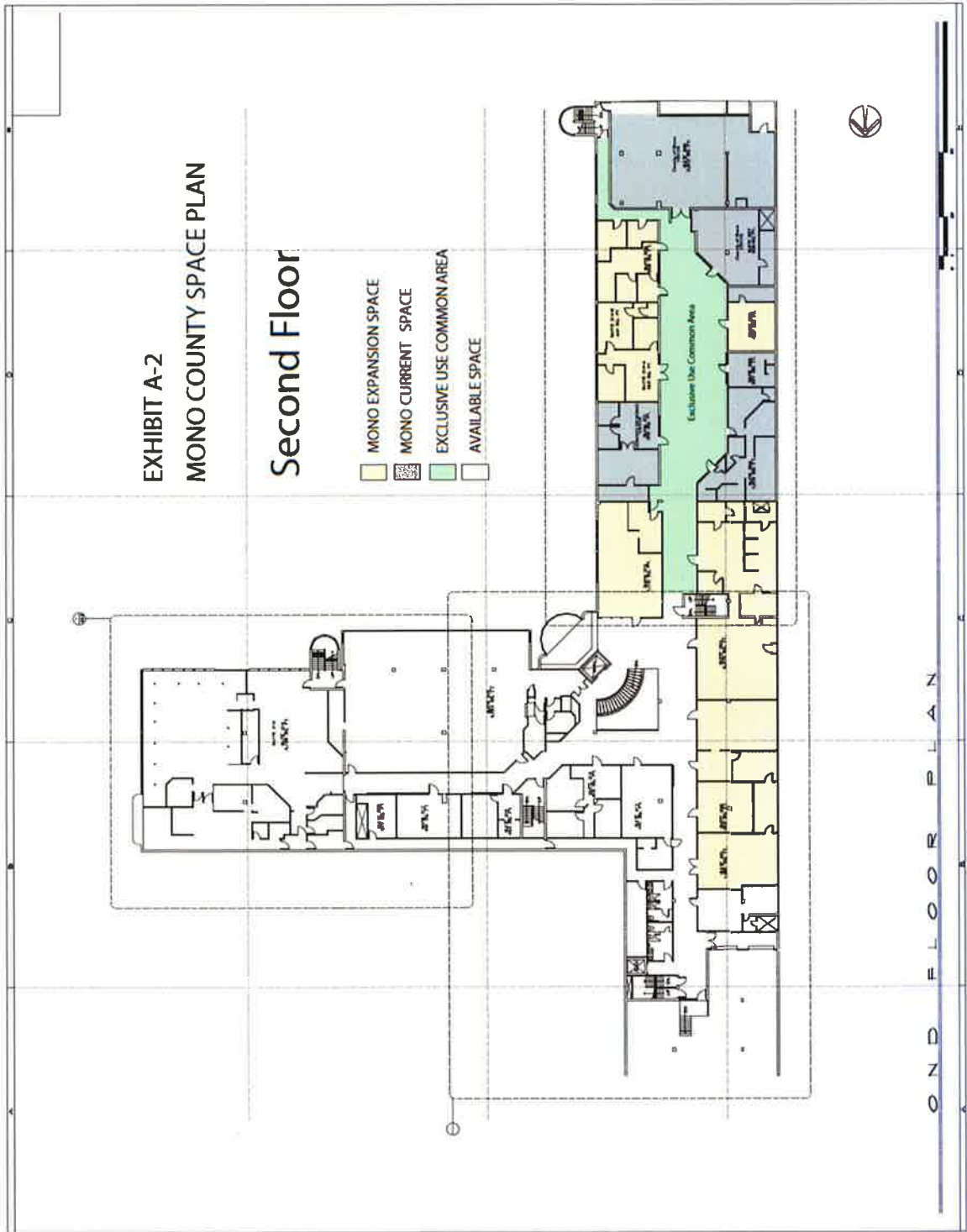


EXHIBIT B - MONO COUNTY SPACE PLAN SQUARE FOOTAGE CALCS

SECOND FLOOR

SUITE	RENTABLE SQ FEET	Co Occupied Sq Ft	COMMON	BLDG TOTAL	EXPANSION
201	1,868	0			1,868
202	428	0			428
203	2,274	0			2,274
204	1,016	0			1,016
205	267	0			267
206	497	0			497
207	826	826	DA - MASTER LEASE AMENDMENT		
208	2,513	2,513	DA - MASTER LEASE		
209	509	0			509
210	945	0			945
211	919	919	MH - MASTER LEASE (old IT)		
212	1,116	0			
213	741	0			
214	816	0			
215	4,557	0			
216	403	0			
217	441	0			
218	217	0			
219	5,199	0			
Second Floor Total	25,552	4,258	10,391	35,943	7,804

THIRD FLOOR

SUITE	RENTABLE SQ FEET	Co Occupied Sq Ft	COMMON	BLDG TOTAL	EXPANSION
301	1,564	1,564	COCO - MASTER LEASE		
302	413	413	MH - MASTER LEASE		
303	3,924	3,924	MH - MASTER LEASE		
304	740	740	DSS CONFERENCE - MASTER LEASE		
305	1,346	1,346	DSS - MASTER LEASE		
306	3,260	3,260	CAO - MASTER LEASE (Board & Break Rm)		
307	135	135			
308	1,158	1,158	DSS - MASTER LEASE (old chld supp)		
309	942	0			942
310	1,274	1,274	DSS - MASTER LEASE		
311	1,545	1,545	DSS - MASTER LEASE		
312	659	0			659
313	1,110	0			1,110
314	591	591	PROB - MASTER LEASE		
315	1,633	0			1,633
316	3,903	0			3,903
317	338	0			338
318	314	0			314
319	1,129	1,129	PROB - MASTER LEASE		
320	208	208	MH - MASTER LEASE		
Third Floor Total	26,186	17,287	6,739	32,925	8,899

TOTAL SQUARE FOOTAGE CURRENT LEASE	21,545
TOTAL SQUARE FOOTAGE FOR EXPANSION	16,703
TOTAL SQUARE FOOTAGE OVERALL	38,248

*Note, these square footages are not verified and are subject to re-measure and confirmation.

EXHIBIT C – LOAN TERM SHEET

TO BE ATTACHED