## LAW OFFICES OF E. PATRICK MORRIS

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

#### 5/6/2015

Doreen Farr, County Member, Chair Janet Wolf, County Member Roger Aceves, City Member Craig Geyer, Special District Member Jeff Moorhouse, Special District Member Roger Welt, Public Member Bob Orach, City Member

Paul Hood, Executive Officer SBLAFCO 105 E. Anapamu Street Santa Barbara, CA 93101



Re: May 7, 2015 Agenda; "Changes of Organization Item 2," "Dissolution of Santa Rita Hills Community Services District"

Dear Madame Chair, Members of the Commission, and Mr. Hood:

The sole agendized issue before the Commission on "Change of Organization" item 2 is whether or not to proceed with dissolution of the Santa Rita Hills Community Services District (SRHCSD), which continues to incur expenses it legally cannot timely pay (including salaries for an unnecessary secretary, bookkeeper, and district manager), and without oversight, when it never performed the functions it was formed to perform and it cannot operate because it has no Board of Directors. Mr. Hood's February 23, 2015 Special Study ordered by this Commission, at item 4, sums up all the reasons SRHCSD must promptly be dissolved (as that Special Study recommended at 6A & D). Nothing has changed, other than additional, unpaid and unnecessary bills have accrued.

Whether to take action on an alleged application for formation of a "Bridge & Highway District" (SBLAFCO 15-01) as a successor entity to SRHCSD (an alleged "reorganization") is not before this Commission this date. Thus, the Commission should reject the Executive Officer's recommendation to delay the SRHCSD's dissolution based upon an (incomplete) application not before the Commission in this meeting, for the reasons set forth below.

SRHCSD is not itself seeking to reorganize. The "landowners" are not seeking to reorganize. A limited number of landowners residing within the defunct District on their own have signed a petition to form a "Bridge & Highway District ("BHD")," allegedly as a

"successor" agency to SRHCSD. However, as detailed in prior correspondence from this office to the Commission, the formation of that entity, should it ever take place, is many months in the future. The EO's report for this meeting concludes that the application to form the BHD remains incomplete. The incomplete BHD application (on the agenda solely as an "information item" #5 "No action is necessary") should not be a consideration in voting on the agenda item regarding SRHCSD dissolution.

Further, according to Mr. Hood's report for this meeting, it appears that yet another, "new" petition has been filed within the past two weeks in that same matter (15-01), further delaying any possibility that the BHD will be able to timely "succeed" SRHCSD without SRHCSD continuing to incur unnecessary and unsupervised indebtedness while doing nothing, indebtedness that must be paid through expenditures of taxpayer dollars collected for another purpose.

There is absolutely no reason to keep the SRHCSD alive and incurring expenses (the District legal counsel, secretary and general manager have been providing their services to the individuals promoting the BHD.) As acknowledged in the February 23, 2015 Special Study at part 4D, SRHCSD has never performed any of the functions it was formed to perform, and clearly never will. It devotes all of the tax money it has collected to the one activity it was denied the right to perform, obtaining a condemned access road outside its boundaries (now by funding the BHD effort.)

BHD proponent Hank Blanco acknowledged that in its five years of existence, SRHCSD, while building nothing, "blew through" over one half million dollars of taxpayer money. That misuse of public funds needs to stop, now.

Five of the landowners within the District, who collectively own 20% of the taxpaying parcels, appealed to this Commission to dissolve the SRHCSD. Even the BHD proponents acknowledge that SRHCSD must be dissolved. The difference is that the BHD proponents want to have the SRHCSD money held to reimburse themselves for forming the BHD (the BHD's attorney, who also happens to be the SRHCSD's attorney, recently asked Mr. Hood to ensure that any approval of the BHD allows for reimbursing its proponents for the filing fee paid to SBLAFCO to be paid from SRHCSD tax collections.)

This Commission has already delayed the decision to dissolve SRHCSD for months waiting for completion of the process for forming the BHD, which has not happened. Throughout that time SRHCSD had incurred unsupervised debt. It is time to end SRHCSD.

It is respectfully requested that the Commission accept recommendations 6A and B on Attachment 1 to the Executive Officer's Report dated this meeting date, and to approve Attachment 2 to that same report. No one living or owning land within SRHCSD's boundaries will be injured or deprived of any right if SRHCSD is immediately dissolved, and tax dollar will be saved, legitimate while vendors will be paid.

With respect to the proposed "Bridge & Highway District" (a matter that we note again is not the subject of any business item on the May 7, 2015 meeting agenda), beyond the fact that there will be no bridge nor any highway, and the sole purpose in forming this "new" District is to exercise the right of eminent domain over adjacent property that was denied to SRHCSD, certain myths have been perpetrated to convince you that the BHD has some merit.

### To clarify the current circumstances:

- 1) Each and every landowner within SRHCSD (actually, Lakeview Estates) has now, and has had for the past twenty-five years, unfettered access to their parcels by way of a temporary access road over Cargasacchi Ranch. This temporary road runs directly through Cargasacchi Ranch and its use is detrimental to agricultural operations on the ranch. The Lakeview properties are required to maintain insurance in exchange for using that road, but refuse to do so, even though they use the road without properly maintaining it, and at no compensation to the Cargasacchis.
- 2) There is an already agreed upon, County approved new access road design and location that is agriculturally sensitive to Cargasacchi Ranch operations and adequate for fire protection. Its design is found in the Memorandum of Agreement (MOA), which was agreed to by all of the Lakeview property owners in 1990. A copy of the MOA is being sent with this letter.

There are existing construction plans for this upgraded road, which the County has stated it will approve with only minor changes to be "shovel ready." The Cargasacchis have these plans, and are ready, willing and able to start construction of this improved road when the other landowners who agreed to build it are ready to participate.

- 3) The reason parcels within SRHCSD cannot be developed is not because no adequate access road is available (because such access is already available), it is because they are located in a "Special Problems" area designated by the Board of Supervisors. Contrary to the proponents' false claim that "the limiting factor [on further development] is solely the width and unimproved condition of the access road to the District and the individual parcels and is not related to physical constraints such as geology or drainage," the County's restriction on further construction throughout Lakeview arises from "present or anticipated flooding, drainage. grading, road width, access, sewage disposal, water supply, location and elevation problems" as detailed in BOS Resolution 86-93, previously provided to this Commission.
- 4) The reason the Lakeview owners do not want to build the better access road to which they all agreed in the MOA is that they also agreed in the MOA to covenants and restrictions on development of their parcels. The leader of the BHD process, Hank Blanco, owns a property that typifies the type of development those covenants and restrictions were designed to prevent. That development, on Mr. Blanco's property, is seen on the color photographs sent with this letter.

Mr. Blanco obtained this property by suing the former owners and builders, Chris and Kristi Marks for foreclosure and damages related to Mr. Blanco's claim that they had defrauded him into loaning money for this winery project. Tragically, in the middle of that hotly contested lawsuit, Chris Marks took his own life. The remaining disputes, which involved the Marks family transferring hundreds of cases of its wine to Mr. Blanco, resolved not long thereafter.

Mr. Blanco is left with this huge, unfinished monstrosity, and he cannot sell it so long as there is only a temporary road, and restrictions on use imposed by the MOA. Mr. Blanco is not satisfied with the agreed upon MOA road, and thus is spearheading the effort to form the BHD to condemn a road that is to his liking, and will make his acquired property more saleable.

The Cargasacchis do not block access; they provide access. The Cargasacchis are not the reason Lakeview is a special problems area; mother nature and bad planning are. The Cargasacchis are ready, willing and able to do their part to finally build the improved road that the County has approved. The BHD proponents refuse to live up to their agreement.

However, building the MOA road will not end the special problems in Lakeview and magically allow every landowner to build a house. Condemning a road over Cargasacchi Ranch also will not take Lakeview out of the special problems designation, particularly in this time of severe drought where the building of 35+ additional homes in this rugged, agricultural area, far from the nearest city, would over tax local resources and alter forever the character of this predominantly agricultural land.

What building the MOA road will do is complete an agreement between the Cargasacchi Ranch and the Lakeview owners, while greatly improving access for all in a manner that is sensitive to the existing agricultural uses and topography of this precious, rural space, while preventing the building of 35 or more "Mc Mansions" of the type already partially built on the Blanco parcel.

Please follow Mr. Hood's February 27, 2015 Special Study recommendations to adopt and approve attachment 1, and pass the resolution at attachment 2. The time has come to end the life of SRHCSD.

Thank you for your consideration of these issues,

LAW OFFICES OF E. PATRICK MORRIS, PC

E. Patrick Morris, Esq.

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Mr. John J. Thompson 4634 Mint Lane Santa Barbara, California 93110 (805) 964-2339

#### MEMORANDUM OF AGREEMENT

#### AND EASEMENT LOCATION DOCUMENT

This Memorandum of Agreement and Easement Location Document is made effective this 1st day of September, 1989, by and between GIOVANNI CARGASACHI and CLEMENTINA CARGASACHI, husband and wife (hereinafter "SERVIENT TENEMENT OWNERS") and the owners of the LAKEVIEW PROPERTIES, and RANCHO DOS MUNDOS, which real properties are described in Exhibit "A" attached hereto and incorporated herein by reference, the owners of which real properties are hereinafter collectively referred to as the "DOMINANT TENEMENT OWNERS."

#### RECITALS

- A. WHEREAS, Bartolo Cargasacchi, an unmarried man (herein "Bartolo"), granted a non-exclusive easement and right of way for road purposes to Wallace P. Dyer and Mary L. Dyer, husband and wife (herein "Dyers"), by a Grant of Easement dated January 3, 1968 and recorded January 4, 1968 as Instrument No. 367 in Book 2216, Page 1273 of Official Records of Santa Barbara County, California (herein the "Original Grant of Easement"); and
- B. WHEREAS, said Original Grant of Easement traversed that certain parcel of real property located in the County of Santa Barbara, State of California, and legally described in Exhibit "B" attached hereto and incorporated herein by reference, said real property being referred to herein as the "SERVIENT TENEMENT"; and
- C. WHEREAS, said Original Grant of Easement to the Dyers was for the benefit of a parcel of real property which was subdivided as described in Recital D. hereof; and
- D. WHEREAS, on November 21, 1968, a successor in interest to the Dyers recorded a Record of Survey in Book 84 of Records of Survey at pages 31 through 33 of Official Records of Santa Barbara County, California, which Record of Survey

subdivided the LAKEVIEW PROPERTIES portion of the DOMINANT TENEMENTS into thirty-eight (38) separate parcels, which parcels are separately identified in said Record of Survey as Parcels 1 through 38, inclusive; and

- E. WHEREAS, on May 5, 1987, SERVIENT TENEMENT OWNERS executed a "Clarification to and Expansion of Grant of Easement" which was recorded on May 14, 1987 as Instrument No. 1987-035869, Official Records of Santa Barbara County (hereinafter "CLARIFICATION DOCUMENT"); and
- F. WHEREAS, said CLARIFICATION DOCUMENT clarified and expanded an easement grant and right of way, for use in common with others, for road purposes, over the real property described in Exhibit "B" hereto (hereinafter "SERVIENT TENEMENT"); and
- easement rights created by the Original Grant of Easement, as clarified and expanded by the Clarification Document, were appurtenant to Parcels 1 through 38, inclusive, as shown on the Record of Survey recorded in Book 84 of Records of Survey at pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 32 of Official Records of Santa Barbara County, pages 31 through 32 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 34 of Records of Santa Barbara County, pages 31 through 35 of Official Records of Santa Barbara County, pages 31 through 38 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 33 of Official Records of Santa Barbara County, pages 31 through 34 through 35 through 35 through 36 through 36 through 37 through 37 through 38 through 39 through
- H. WHEREAS, said Original Grant of Easement, together with the CLARIFICATION DOCUMENT, upon the terms and conditions set forth therein, provide for an easement and right of way, for use in common with others, for road purposes, on, over, and across a strip of land, 30 feet in width, from the West boundary of the SERVIENT TENEMENT, abutting the end of the existing county Road known as Sweeney Road, over and across the SERVIENT TENEMENT, to the West boundary of the DOMINANT TENEMENTS; and
- I. WHEREAS, said Original Grant of Easement and CLARIFICATION DOCUMENT did not specifically locate the road easement and right of way, except as described in the preceding paragraph hereof; and
- J. WHEREAS, the parties hereto wish by this Memorandum of Agreement and Easement Location Document, subject to the terms and conditions set forth herein, to provide for the specific location of the road easement and right of way, and to make other agreements regarding the road easement, as herein contained;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Location of Easement. SERVIENT TENEMENT OWNERS hereby grant th location and DOMINANT TENEMENT OWNERS hereby accept the location of the above-described easement and right of way as shown on the photograph whic

is attached hereto and incorporated herein by reference as Exhibit "C." It will begin at the western entrance to the SERVIENT TENEMENT and extend in a straight line directly east until it intersects the existing road at the base of the foothill. From this point of intersection it will generally follow the existing road, as hereinafter described, through the foothills to the eastern gate where it leaves the SERVIENT TENEMENT and enters the DOMINANT TENEMENTS. The Original Grant of Easement as clarified and expanded by the CLARIFICATION DOCUMENT shall be appurtenant to each of the DOMINANT TENEMENTS described in Exhibit "A" hereto, and the easement and right of way is located for each of them as set forth above.

- 2. Preparation of Legal Description. After the signing of this Memorandum of Agreement and Easement Location Document, the LAKEVIEW PROPERTIES COMMITTEE, on behalf of the DOMINANT TENEMENT OWNERS shall, at their sole expense, have prepared a surveyed description of said 30 foot easement. Said surveyed description shall become Exhibit "D" of this Memorandum of Agreement and Easement Location Document. Said surveyed description shall also provide that, after the road is constructed, the legal description will be adjusted so that the thirty (30) foot easement is located fifteen (15) feet on either side of the centerline of the road as constructed. The Legal Description (Exhibit "D") shall be approved in writing by SERVIENT TENEMENT OWNERS and by the DOMINANT TENEMENT OWNERS, either individually or by their Attorney in Fact.
- Road Width. The width of the road easement shall be thirty (30) feet throughout the SERVIENT TENEMENT, and it will be measured as fifteen (15) feet on each side of the center-line of the finished road. The road shall be paved to a width of twenty (20) feet across the flat farm land, and to a width of sixteen (16) feet across the hillside land. This narrowing of twenty (20) feet to sixteen (16) feet through the hillside land will be subject to the approval of Santa Barbara County and will not be objected to by SERVIENT TENEMENT OWNERS. It is acknowledged by all parties that in the hillside area it may be necessary, for road construction purposes, that some cuts and/or fills may have to be made outside of the thirty (30) foot easement in order to achieve a final sixteen (16) foot paved Permission for these cuts and fills outside of the easement is hereby granted by the SERVIENT TENEMENT OWNERS on a one time only basis in order to facilitate the construction of the road. These cuts and fills outside of the easement will be limited to the North side of the existing road, unless otherwise agreed to by SERVIENT TENEMENT OWNERS, in order to avoid intruding into the farm land to the immediate south. road construction, DOMINANT TENEMENT OWNERS shall reseed the disturbed slope areas as directed by SERVIENT TENEMENT OWNERS.

- 4. Gates. The Original Grant of Easement, the CLARIFICATION DOCUMENT, and this instrument are subject to the right of SERVIENT TENEMENT OWNERS to maintain gates and cattle guards across said right-of-way, and said gates shall be kept closed.
- 5. No Overburdening by Additional Parcels. The easement was granted and restricted to the use of each one of the parcels of the original LAKEVIEW PROPERTIES, and RANCHO DOS MUNDOS, of the original LAKEVIEW PROPERTIES, and restricted in Exhibit "A" hereto. Which properties are more fully described in Exhibit "A" hereto. Which properties are more fully described in Exhibit "A" hereto. Which properties are more fully described in Exhibit "A" hereto. Which properties are more fully described herein, and hereby reasement or burden or impose new or additional burdens upon the easement or any SERVIENT TENEMENT OWNERS. The right to grant permission for any future requests to increase the use and/or burden of the future requests to increase the use and/or burden of the easement and to grant additional easements is hereby reserved to easement and to grant additional easements is hereby release hereby the SERVIENT TENEMENT OWNERS. DOMINANT TENEMENT OWNERS hereby the SERVIENT TENEMENT OWNERS. DOMINANT TENEMENT OWNERS hereby release and easement location described herein, and hereby release and quitclaim all other rights and claims across the SERVIENT quitclaim all other rights and claims across the SERVIENT tenement, whether acquired by prescription, grant or otherwise.
  - Erosion Control. The design of the road shall be fully sensitive to the natural flow of surface water across the SERVIENT TENEMENT. The road shall be designed so as to avoid any undue channeling or concentration of runoff water. engineer shall consult with SERVIENT TENEMENT OWNERS in order to become familiar with the problems of surface flow on the SERVIENT TENEMENT and SERVIENT TENEMENT OWNERS will be invited to, but shall not be required to, sign the final plans thereby showing their approval of the appropriateness of the design considerations. If, however, there is an abnormal amount of erosion that is caused by the road during a normal amount of rainfall and this unusual erosion is caused by a deficiency in either the design, construction, or maintenance of the road, then the necessary modifications shall be made to the road to correct the problem and the damage caused by the erosion shall be repaired, all at DOMINANT TENEMENT OWNERS' expense. understood by all parties that unusually heavy rains will occur and they can and will cause severe erosion problems in spite of the most careful engineering and the best construction.
    - designated by SERVIENT TENEMENT OWNERS, DOMINANT TENEMENT OWNERS will provide and maintain three (3) crossings which are twenty-five (25) feet wide for the use of SERVIENT TENEMENT OWNERS' tractors with steel tracks and other abrasive equipment. Tractors with steel tracks shall cross the road in a reasonably tractors with steel tracks shall cross the road in a reasonably straight line. DOMINANT TENEMENT OWNERS shall install and maintain three (3) culverts, each fifteen (15) inches in diameter for the purpose of receiving SERVIENT TENEMENT OWNERS' diameter for the purpose of receiving the pipes to pass high-pressure water pipes, thereby allowing the pipes to pass under the roadbed and to protect the road in the event that a

water pipe ruptures. The layout of these culverts shall be to SERVIENT TENEMENT OWNERS' specifications.

- 8. Construction and Maintenance of the Road. DOMINANT TENEMENT OWNERS shall be responsible for all of the costs of design, construction and maintenance of the road. Before the road is constructed, a mechanism such as an assessment district shall be formed to insure that funds will be available to pay the costs of construction and maintenance of the road. The road shall be constructed between crop seasons, and completed before March 30th of the year in which construction occurs, including the removal of the gravel of the old roadway between the buildings and the hillside. The old road may be used until the new road is completed. All construction contractors shall be licensed and bonded. DOMINANT TENEMENT OWNERS shall promptly pay all labor and material suppliers, and shall defend, indemnify, and hold harmless SERVIENT TENEMENT OWNERS from all labor and material suppliers mechanics liens in connection with the road construction and maintenance.
- 9. Liability. DOMINANT TENEMENT OWNERS acknowledge that SERVIENT TENEMENT OWNERS run livestock on the SERVIENT TENEMENT and on the road easement, and that at certain times it may be dangerous to use the easement, and DOMINANT TENEMENT OWNERS acknowledge that they do so at their own risk. DOMINANT TENEMENT OWNERS shall be responsible and liable for any and all of their own activities or those of their guests while on the SERVIENT TENEMENT and DOMINANT TENEMENT OWNERS agree to hold SERVIENT TENEMENT OWNERS harmless for any claims or damages that derive from any of DOMINANT TENEMENT OWNERS' activities while using the easement.

With regard to liability insurance, if a funding mechanism such as an assessment district or homeowners association is established to finance construction of the road, or at any time thereafter, then such funding mechanism shall, if legally permissible, purchase and maintain a policy of liability insurance in the amount of One Million Dollars (\$1,000,000.00), naming SERVIENT TENEMENT OWNERS as additional insureds. If such a funding mechanism is not established, then DOMINANT TENEMENT OWNERS will make every effort to ensure that each of the DOMINANT TENEMENT OWNERS will individually have his or her own homeowner's policy extended to include the road easement and to name SERVIENT TENEMENT OWNERS as additional insureds. The purpose of this insurance is to protect SERVIENT TENEMENT OWNERS from claims that may arise from parties beyond their control who claim injury or damage while using the easement.

10. <u>California Law.</u> The law of the state of California regarding easements shall apply to other problems which may arise.

- parties that this Memorandum of Agreement and Easement Location Document results in the relocation of the original easement and that the terms and conditions of this Memorandum of Agreement and Easement Location Document shall apply to all who were a party or who derived benefit from the Original Grant of Easement or Who derived benefit from the Original Grant of Easement or CLARIFICATION DOCUMENT. This Memorandum of Agreement and Easement Location Document does not constitute an easement in addition to Location Document of Easement, but is only a clarification and the Original Grant of Easement, but is only a clarified and expanded expansion thereof. Except as expressly clarified and expanded herein, all terms, conditions and stipulations of the Original Grant of Easement and CLARIFICATION DOCUMENT shall remain in full force and effect and are hereby confirmed as such.
  - SERVIENT TENEMENT is subdivided, then each additional parcel shall share equally only the just cost of road maintenance of that portion of the road utilized by such additional parcel. There shall be no fees, assessments, liens, dues, or other costs charged shall be no fees, assessments, liens, dues, or other costs charged such additional parcel's use of the road except as provided in the preceding sentence and such additional parcels and their the preceding sentence and such additional parcels and their owners shall not be required by DOMINANT TENANT OWNERS to join an owners shall not be required by DOMINANT TENANT OWNERS to join an assessment district or any other organization. For the purpose of this paragraph, the term "additional parcel" shall mean any parcel in excess of the two (2) that comprise the SERVIENT TENEMENT, it is excess of the two (2) that comprise the SERVIENT TENEMENT, it is paragraph to intent of the parties that any two parcels constituting a portion of the SERVIENT TENEMENT shall be exempt from the cost shall apply only to such additional parcel or parcels that elect to use the road for ingress and egress.
    - Agreement and Easement Location Document shall have no binding effect on any of the parties hereto unless and until: a) it has been signed by each of the SERVIENT TENEMENT OWNERS and by each of the DOMINANT TENEMENT OWNERS (either individually or by their Attorneys in Fact); and b) the narrowing of the road to sixteen feet in width as described in Paragraph 3. hereof has been approved in writing by the County of Santa Barbara. After the approved in writing by the County of Santa Barbara approval of occurrence of the above described events, and after approval of the legal description as provided in paragraph 2. hereof, JOHN J. THOMPSON shall promptly record this Memorandum of Agreement and Easement Location Document.
      - 14. <u>Counterparts</u>. This Memorandum of Agreement and Easement Location Document may be signed in counterparts, and all copies so executed shall constitute one agreement which shall be binding upon the parties hereto.
      - 15. <u>Dismissal of Lawsuit: Inadmissible Settlement Offer</u>. Immediately upon the occurrence of all of the events described

in Paragraph 13. hereof, and the recordation of this Memorandum of Agreement and Easement Location Document, each of the parties hereto agrees to direct his or her Attorney to prepare, execute, and file with the Clerk of the Superior Court, Santa Maria Branch, a Request for Dismissal with prejudice of the entire action entitled Thompson et. al. v. Cargasacchi et. al and all related cross-actions, Case No. SM 61094. In the event that the events described in Paragraph 13. hereof do not occur, and this Memorandum of Agreement and Easement Location Document is not recorded, then the entire contents of this Memorandum of Agreement shall be construed as a settlement offer, and shall be inadmissible in the trial of said Superior Court action, pursuant to California Evidence Code section 1152.

- 16. Covenant Running with the Land. It is intended and agreed that each of the obligations contained herein shall be covenants running with the land of the SERVIENT TENEMENT OWNERS and the DOMINANT TENEMENT OWNERS, pursuant to California Civil Code section 1468, which shall benefit and be binding upon each of the successor owners of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS. Each of the current and successor owners of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS is hereby expressed to be bound by the provisions hereof, for the benefit of the SERVIENT TENEMENT and each of the DOMINANT TENEMENTS.
- 17. Prudent Use. In traversing the easement, DOMINANT TENEMENT OWNERS, their agents, employees, contractors, guests and successors, shall at all times do so in a proper, safe and prudent manner, so as not to cause harm to persons, property or livestock.
- 18. Formation of Assessment District. Following recordation of this instrument as provided herein, DOMINANT TENEMENT OWNERS shall immediately make a good-faith effort to form an assessment district to finance construction and maintenance of the road.
- 19. Purchase of Title Policy Endorsement. Prior to the recordation of this Agreement, DOMINANT TENEMENT OWNERS shall obtain from First American Title Insurance Company an endorsement to SERVIENT TENEMENT OWNERS' policy of title insurance, to the satisfaction of SERVIENT TENEMENT OWNERS.

In Witness Whereof, the Parties have affixed their signatures:

| SERVIENT TENEMENT OWNERS: |
|---------------------------|
| Giovanni Cargasacchi      |
| Giovanni Cargasacchi      |
|                           |
| Clementina Cargasacchi    |
| OUNIEDC •                 |

# DOMINANT TENEMENT OWNERS:

| LAKEVIEW PROPER         | PIES:   |
|-------------------------|---|
| (Parcels 1, 2, and 10)  | Wen M. Chen, by his Attorney in Fact  |
| (Parcel 3)              | Estate of Jose Rocha, Deceased, by its Executor  Socorro Rocha, by her Attorney in Fact |
|                         | Socorro Rocha, by her Attorney in Fact  |
| (Parcels 4, 5, 7, and 8 | Clayton Sanchez, by his/Attorney in Fact  |
|                         | 1: Pruce forehom Fig floring in Fact W. Bruce Sanchez, by his Actorney in Fact          |
| (Parcel 6)              | Kally it Weston individually  |
|                         | Patricia F. Weston, by her Attorney in Fact   |
| (Parcel 9)              | Robert J. Alexander, Jr., by Wis Attorney in Fact                                       |
|                         |   |



