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Via email

March 17, 2023

Gary Kranker, Esq.
Jones & Mayer
3777 N. Harbor Blvd.
Fullerton, CA 92835

Email: gsk@jones-mayer.com

Re: Coyote Creek Imperial Channel Improvement Project

Dear Mr. Kranker:

Your letter of March 16, 2023 is a blatant attempt to use the current crisis to gain an advantage over my client, Coyote Village Homeowners Association (“HOA”) and its owner members, by attempting to force them to make admissions and concessions to their detriment. We will not address the merits of the pending litigation (the “Litigation”) [Orange County Superior Court Case No. 30-2020-01171883-CU-EI-CXC] in response to your letter of March 16, 2023. It is inappropriate to do so under the current emergency conditions.

Coyote Village Homeowners Association (“HOA”) does not admit or concede any fact or matter asserted by you in your letter. HOA does not waive any rights in the Litigation, whether as a result of the current emergency situation and crisis, the emergency work required under the circumstances, or for any other reason. All rights are also reserved on all claims asserted in the Litigation and for new claims that are arising daily.

In an effort to assist the repair progress, the HOA commissioned and provided the City with a concept plan for the repair project. State funding, arranged through the great efforts of Senator Josh Newman, is and was available to solve all problems. The City is very much aware that the repair of the drainage channel cannot occur without the release of those funds. The City is also aware that this second collapse, and this channel blockage, and any future collapse may endanger countless properties upstream as well as the HOA property.

We learned last night, via a news report quoting you, that you are attributing the withholding of funds to the pending Litigation. You have never asked for or proposed a settlement plan for the Litigation of any kind. You did not even attend the last court Status Conference. Instead, yesterday, we received your letter attempting to assess my client with the repair costs that are included in the State appropriation. This is no time for the City to play games with State funds appropriated for this very repair.

Gary Kranker, Esq.
March 17, 2023

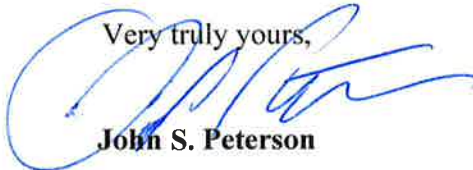
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Subject to the understanding that all parties are reserving all of their respective rights, including those asserted in the pending Litigation and as may be asserted based on recently occurring actions and inactions of defendants in the Litigation, and subject to HOA not waiving any rights or making any express or implied admissions, please be advised of the following:

- (1) The HOA is in receipt of your letter of March 16, 2023;
- (2) The HOA is requesting public assistance, including without limitation, from the City, County, State and/or Federal Government; further the HOA is cognizant that the State allocation of funds to repair the Coyote Creek Imperial Channel Improvement Project has become available;
- (3) The HOA will release the City and its contractor for reasonably and negligently, as opposed to intentionally, caused property damage to HOA property, beyond City and contractor's insurable limits, solely as a result of reasonably undertaken emergency repair activities;
- (4) Subject to these understandings, City and its contractors may have immediate access to the HOA property.

Please let us know when City personnel will initiate the required work so that the HOA can provide notices to the residents and assist in providing any parking, staging areas, or pathways that may be required. Thank you.

Very truly yours,



John S. Peterson

cc: Don Hasch, President, HOA