



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP
DIRECTOR

February 29, 2008

William Miller
SMART
P.O. Box 50
Santa Margarita, CA 93453

SUBJECT: SANTA MARGARITA RANCH - TENTATIVE MAP 2586 (S030115U)

Dear Mr. Miller;

Thank you for your email of February 20, 2008 regarding the County's responsibilities under the terms of the Settlement Agreement for SMART vs. Santa Margarita Ranch, LLC and the County.

As I stated in my email of February 19, 2008, while the County was a party to the settlement agreement, nothing in that agreement requires the County to take any action. SMART and the Ranch Parties agreed to confer in good faith with respect to the scope of any EIR. The County has attempted to facilitate this conference. However, at no time did the County put itself in the position of being responsible for SMART's and the Ranch Parties' adherence to the settlement agreement. The matter of conference on the scope of the EIR in accordance with the settlement agreement is a matter between SMART and the Ranch Parties.

The County appreciates your attorney's opinion that any meeting prior to preparation of a DEIR is scoping. However, we disagree. There are many reasons such as billing matters that the County may meet with a project applicant during the environmental review process that have nothing to do with the scope of environmental review of the project.

The County has not violated the spirit nor the letter of the settlement agreement. To the contrary, the County has gone above and beyond the stipulations of the settlement agreement by facilitating conferences between SMART and the Ranch Parties.

The County will continue to invite SMART to meetings held with the Ranch Parties regarding the *scope of the EIR*. However, the County is not responsible for SMART's and the Ranch Parties' adherence to the settlement agreement. I would like to reiterate that the matter of conference on the scope of the EIR in accordance with the settlement agreement is a matter between SMART and the Ranch Parties.

Please contact me at 781-4576 should you have any questions or need additional information.

Sincerely,

Martha Miller, AICP
Project Manager

cc. Jim Patterson, District 5 Supervisor