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January 17, 2022

VIA ELECTRONIC MAIL

Henry Krzciuk Email:

Re: Cease and Desist / Cure and Correct dated December 13, 2021 Cease and Desist / Cure and Correct dated December 14, 2021

Dear Mr. Krzciuk:

This correspondence is in response to your cure and correct/cease and desist demand letters dated December 13, 2021 ("Letter 1") and December 14, 2021 ("Letter 2").

Response to Letter 1

Although it is unclear whether your Cease and Desist letter arises out of Government Code section 54960.2 as a prerequisite to litigation, the proximity in time to the threat of litigation in Letter 2 warrants treating it as such. You allege that pursuant to the 2021 Amendment and Restatement of the Professional Services Agreement ("Agreement") between Grace Environmental Services, LLC ("GES") and the San Simeon Community Services District, GES is prohibited from acting as a District officer, and you request that Mr. Grace "cease and desist acting in any way" as District General Manager in the future.

Government Code section 54960.2 permits an interested party to identify "past actions" of a legislative body that may be subject to challenge. Here, your correspondence focuses not on past events, but rather, the anticipated future actions by GES in representing itself as General Manager. Accordingly, the Government Code does not apply. Nevertheless, the concerns identified in Letter 1 appear to have been addressed by the District Board on December 21, 2021, when the Board made certain clerical corrections to the GES Agreement.

Response to Letter 2

As an initial matter, your allegations in Letter 2 appear to be grounded in suspicion of Brown Act violations but not in any identifiable Board action. For example, you contend that "violations jeopardize the finality of a number of [Board] actions ... on some unknown date." You also contend that an unidentified violation occurred related to an insurance claim that "is believed related to the Hather lawsuit, but that is unconfirmed." Next, you contend that because you have "no evidence" that the Board authorized filing an insurance claim, that "means that a violation of the Brown Act occurred and must be cured and corrected." Government Code section 54960.1 requires a party to clearly describe the challenged action of the legislative body and the nature of

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the alleged violation. Moreover, the cure and correct provisions of the Government Code apply to very specific and enumerated statutory provisions. Based upon the information provided in your correspondence, we are simply unable to identify any Board action subject to a cure and correct, even if such action was warranted. You next demand that GES "immediately be advised to cease and desist from any involvement with the District's insurance provider SDRMA." As stated above, the cease and desist provisions of the Government Code relate to past events – not speculation as to future activity.

In short, we are unable to identify any Board actions in Letter 2 that may be subject to challenge as either a cure and correct or a cease and desist. Without the required specificity, the District is simply unable to respond any further.

Very truly yours,

ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP

JEFFREY A. MINNERY