

CONTACT DIARY – Allan Davis
 Salton Sea Species Conservation Habitat Expansion (SCHX)
 Parcel No SCH-007

CONTACT INFORMATION	
Owners: Debra Boyd – Trustee Benjamin A. Wilson and Dolores L. Wilson for the Wilson Family Trust U/D/T 16061 Rimrock Road Apple Valley, California 92307	<u>Attorney</u> Paul Suppa, Esq. Estelle & Kennedy, A Professional Law Corporation 367 N. 2nd Avenue Upland, CA 91786
Property Information	
APNs: 019-080-007	Property Location: The landlocked parcel is currently underwater and is located approximately one-half mile north of the south shoreline of the Salton Sea in Imperial County.

DATE	NOTES
12-27-24	Mailed (Certified Mail) First Written Offer for Fee Simple Title to Owner
1-8-25	I received confirmation from UPS that First Written Offer package was signed for on 1-8-25.
	Mailed additional information (project summary, comparable information) to owner.
1-15-25	Called the property owner to discuss DWR's First Written Offer. The owner informed me that they just received the offer and was reviewing it. I asked if I could walk her through the offer and she said that was not necessary. She said that she felt the offer was ridiculous for a piece of property with lithium deposits that is very valuable according to county information she looked at, information from the university that has done research on lithium, stories about lithium on the news, and that Governor Newsome has stated that lithium deposits are important to California. I attempted to explain that lithium deposits are very important to the area and there is a process for lithium extraction, and that there is currently a lithium resource area that has been identified by the county. She acknowledged that she has seen the map showing the resources area, but she has been told by several people that the property is still valuable even if it is outside the current resource area, and the property will be valuable in the future. I asked her if she could send me any information she has received from others, and that I would review the information. She then stated that she is one of six individuals that would split the money so the only thing they would get out of it was a good expensive dinner. We then talked about the process of her getting her own appraisal, and that it would require an agreement between her and DWR with a maximum of \$5,000, and that one of the requirements of the agreement is that she would have to initially pay for the appraisal and provide DWR proof of payment and

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	DWR would reimburse her for the costs. She said that she may take DWR up on this. She also stated she wanted to make sure she was doing the right thing for everybody as her son and daughter believe the property is worth way more than what is being offered, and that she does not want to do something now and learn that she could have gotten way more if she had held on to it. We then talked about her retaining the mineral rights, and I informed her that I would have review the current design and talk to program regarding this issue. She then told me that her son had spoken to Paul Suppa with Estelle/Kennedy (Upland) and he was currently reviewing the contract and that he would be sending me a letter. We then talked about her being able to lease the property and receive income. The call was very pleasant, and I asked her to call me if she had any questions.
1-28-25	Mailed a follow-up letter to Ms. Wilson summarizing our discussion on 1-15-25. One of the discussion items was that she stated that her attorney would contact me. The letter also says to date her attorney has not contacted me.
1-31-25	I received a call from the attorney (Paul Suppa) representing the Wilson Trust. We had a brief discussion regarding the offer which his client rejected. Items discussed were compensation, appraisal, mineral rights, lithium, etc. He then said he would forward a letter to me outlining his client's concerns. I asked him did his clients have a counteroffer. He avoided providing any number, but we ended the call both stating that we will work together to find a resolution to this transaction. I later received the letter we discussed.
2-3-25	Called attorney to inform him that he would be receiving a letter (mailed certified, emailed) regarding the appraisal reimbursement agreement. He was not available, so I left a message for him to call me.
2-4-25	Emailed cover letter and appraisal reimbursement agreement to attorney.
2-5-25	Received email from attorney acknowledging he received the appraisal reimbursement agreement, and said he would forward it to his clients for discussion and awaits responses to the other items identified in his letter.
2-5-25	Received signed appraisal reimbursement agreement from attorney.
2-6-25	Emailed and sent certified mail a fully executed copy of appraisal reimbursement agreement to attorney.
2-13-25	Submitted RON request letter to Water Commission.

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2-14-25	Emailed and sent via certified mail a cover letter providing attorney with additional responses to letter, not provided in the DWR February 3 rd letter.	
2-20-25	Sent email to attorney checking to see if he or his clients had any questions regarding DWR's responses to items identified in his January 29 th letter. Also said looking forward to hearing from you.	
2-27-25	Sent follow-up letter to attorney via both certified mail and email.	
3-3-25	Received email from attorney (Paul Suppa) saying thank you for the email with attachment (copy of letter). He said he would be discussing the matter with clients this week and will circle back with me asap. Thank you for your attention to this matter.	
3-13-25	Sent email to attorney letting him know that I was just following up on his email of 3-3-25, and DWR is committed to reaching a settlement on this transaction, and please let me know if you or your clients have any questions.	
3-14-25	Attorney responded with an email stating can we circle back Thursday afternoon at 4:00 to discuss as he is in mediation and deposition until Thursday afternoon. He also stated in the email that his clients are still amenable to negotiating a deal, they will likely wish to retain subsurface rights to capitalize on their investment for mineral extraction at a later time.	
3-14-25	Sent email to attorney. Thanks for the update and informing him that DWR was amenable to his clients retaining the mineral rights.	
3-20-25	Mail attorney a letter (certified) informing him that DWR would be seeking a Resolution of Necessity (RON) to acquire the property. But that does not preclude us from continuing to negotiate an agreement.	
3-20-25	Received email from attorney informing me to send him proposed language for his clients retaining the mineral rights. Also, price still needs to be agreed upon but we think even with the retention of subsurface rights the fair market value of the parcel should be five times the six thousand offered.	

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3-24-24	Emailed attorney a copy of 3-20-25 letter.															
3-24-25	Called attorney, he was not available. Left message for him to call me.															
3-26-25	Received email from attorney acknowledging that he received letter informing him that DWR would proceed with obtaining a Resolution of Necessity to acquire the property. The attorney also attached some comparable land information. He also stated that his clients retain the subsurface rights and requested \$1300 per acre. 160 acres at \$1300 each total \$208,000. The email closed with he will be on the lookout for the language for retaining subsurface rights.															
4-1-25	<p>Paul:</p> <p>This is to acknowledge receipt of your email and the attached Salton Sea land comparables. Just to be clear, the information submitted does not constitute an appraisal nor does it establish the fair market value of the property. The fair market value is determined by actual sales, not listings, of property that have similar attributes and qualities as the subject property, like location, size, access, and highest and best use. A property’s fair market value is never determined by listings of property not similar to the subject. The information on land comparables does not reflect the value of the property as the information provided is substantially superior property listings not sales. See chart below:</p> <table><tr><th>Attributes</th><th>Subject Property</th><th>Comparable Listings</th></tr><tr><td>Location</td><td>Currently underwater</td><td>Dry land</td></tr><tr><td>Size</td><td>160 acres</td><td>Less than 12 acres</td></tr><tr><td>Access</td><td>No access</td><td>Available land access</td></tr><tr><td>Highest and Best Use development</td><td>No current development</td><td>Immediate</td></tr></table> <p>Based on previous emails, you indicated that the price was 5 times the \$6,000 offered. I’m not sure what changed to increase the value to \$208,000 as your client’s property is still in the same condition and location.</p> <p>DWR is open to discussing with you and your clients retaining the mineral rights. See proposed tentative draft language below:</p> <p>RESERVING to Owner all mineral rights and other extractive resources in and to the Property, except that DWR is under no obligation to provide access to the Property at any time in the future to Owner or anyone else for extraction of minerals or other resources, and is under no obligation to modify any aspect of the public project that will be established on the Property to provide access to Owner for such purposes. Owner assumes all risks as to Owner’s legal rights and ability, if any, to</p>	Attributes	Subject Property	Comparable Listings	Location	Currently underwater	Dry land	Size	160 acres	Less than 12 acres	Access	No access	Available land access	Highest and Best Use development	No current development	Immediate
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	<p>obtain access to the Property in the future for extraction of minerals or other resources, and DWR makes no warranty that such rights exist.</p> <p>I am available and open to meet with you and your clients to discuss retaining the mineral rights as well as reaching an agreement and finalizing this acquisition. Thanks</p>
4-1-25	<p>Email message from attorney</p> <p>Please note while I am circulating this correspondence to client, I must reserve the right to modify.</p> <p>Thank you for the proposed language, but candidly, with the restrictive language re access built in there really is no subsurface right at all. I would strike most of the language.</p> <p>Please, I need to discuss this with my client and will circle back to you. Perhaps in a good faith attempt to resolve, and given the limitations on subsurface access, the disparity of price should resolve itself on the high end of \$208,000, in exchange, I would recommend to my clients that they give on retaining subsurface rights.</p> <p>I'll discuss with Robert and circle back to you asap.</p> <p>Thank you for your attention to this matter.</p>
4-10-25	<p>Sent attorney via email a copy of RON cancellation notice. He responded saying he will be speaking with his client.</p>
4-29-25	<p>RON hearing notice mailed to owner by CWC.</p>
5-1-25	<p>Had a teleconference call with attorney (Paul) and his clients Ms. Boyd and Robert Boyd. Present from DWR were Cathy Cavanaugh and me. I provided a chronological summary of what had occurred to this point which included DWR's first written offer, discussions with Ms. Boyd about the offer, appraisal reimbursement, correspondence from attorney, DWR's responses to attorney's questions, submittal of vacant land listings by attorney, DWR's response that the listings were not comparable sales and did not provide proof of fair market value, DWR's request for a RON and the date of the RON hearing. The attorney stated that his clients felt that due to the potential lithium deposits the property was worth \$208,000. I stated that lithium resource area as identified by Imperial County is approximately 1-2 miles away from their property. Ms. Boyd then explained that the information provided also included listings and sales. Because of this information, she felt the property information indicated a value of around \$10,000/acre, and she felt that \$1,300/ acre for her property was reasonable. I explained that fair market value is determined by sales of similar property that sold in the open market and that the information provided did not warrant an appraisal, nor did it provide a per acre value of \$1,300/acre. The rationale is because the property is</p>

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	currently underwater, no land access, 160 acres, no development potential, where the information provided shows dry land with immediate access, readily available for development, and less than 12 acres. The owner stated that they had gone to the Bureau of Real Estate Appraiser website to locate an appraiser and called over 50 appraisers and most were out of business or were residential appraisers. One question came up is since DWR has access from IID, then DWR can give them access. Cathy stated that DWR is not in a position under our easement to grant them access. I informed them that the RON hearing date was May 21 st . The owners had multiple questions of which Cathy had to tell them we cannot provide legal advice. The owner then said that they did not receive a copy of the appraisal. I informed them that we provided them with an appraisal summary statement, comparable sales map and data, and property acquisition information as required by law. I also said I would look into providing them with a copy of the appraisal. Then the attorney mentioned the retention of the mineral rights, and that the language provided was too restrictive, and that the property was worth \$208,000. I also stated that it would be nice if they could meet and discuss and get back to DWR later next week. The action items were the Wilson attorney would review the mineral rights retention language and provide edits to DWR to review, and I would make a decision on whether to provide a copy of the appraisal as it is not required by law.
5-5-25	Resent mineral rights retention language to attorney for review.
5-6-25	Mailed copy of appraisal and appraisal update to owner.
5-7-25	Per GLS tracking, appraisal and appraisal update received by owner.