



COUNTY OF INYO
ADMINISTRATOR'S OFFICE
NATHAN GREENBERG
COUNTY ADMINISTRATIVE OFFICER



Assistant County Administrator Denelle Carrington | Deputy County Administrator Meaghan McCamman

May 27, 2025

Tecopa Hot Springs Conservancy, LLC
P.O. Box 103
Tecopa, CA 92389

To Tecopa Hot Springs Conservancy:

Pursuant to Section 19 of the Concession Agreement entered into between Tecopa Hot Springs Conservancy, LLC and the County of Inyo ("Agreement"), this letter constitutes notice of the Tecopa Hot Springs Conservancy's ("Concessionaire") default of the Agreement, and the County's demand for Concessionaire to cure the defaults within 30 days or quit the premises.

The following is a list of specific defaults at issue:

1. Non-payment of Operation Fees

Per Section 4 of the Agreement, the Annual Operation Fee due from Concessionaire to the County is \$5,000 (five thousand dollars) per year, due as a lump sum payment on or before May 30 of each year. Since execution of the Agreement, one Annual Operation Fee payment – of \$3,000 (three thousand dollars) – has been received.

Pursuant to paragraph 11.5, the \$5,000 Annual Operation Fee was waived for calendar years 2021 and 2022, in exchange for completion of the Priority Improvements listed in Exhibit A of the Agreement. Non-payment of the \$5,000 Annual Operation Fee for calendar years 2023 and 2024 constitutes a default and serves as grounds for termination of this Agreement. Concessionaire must pay the Annual Operation Fee as required by the Agreement.

2. Inadequate Accounting and Auditing

Section 5 of the Agreement requires that the Concessionaire maintain accounting records for the campground, pools, and store, that meet specified requirements, and that accounting records be available to the County for inspection at all times. Further, the Concessionaire must

submit to the County no later than June 30 of each year, financial statements for the previous calendar year.

Despite multiple requests by the County, the Concessionaire has consistently failed to provide the required accounting records and financial statements.

The County acknowledges that profit and loss statements for Calendar Year 2023 and 2024 were finally submitted to the County on March 20, 2025, but do not include accounting records for camping fees, pool use, RV holding tank dumping, and income from other sources of revenue as required in section 5.1.

Concessionaire must provide the County with the required accounting records and financial statements.

3. Priority Improvements in Exhibit A Not Completed

In exchange for the waiver of fees in years one and two of the Agreement, Section 11.5 of the Agreement specifies that the Concessionaire will complete the list of Priority Improvements in Exhibit A within 2 years of signing the Agreement.

The Concessionaire failed to make the following improvements required by Exhibits A in the Agreement:

- Repair or replace campground restrooms and plumbing.
 - While some work has been done on the campground restrooms and plumbing, alterations were made to the restroom facilities without obtaining the necessary permits, inspections, or prior written authorization, resulting in improvements that do not comply with applicable building codes and do not meet ADA requirements.
- Picnic tables at every camp site with allowance for the required number of accessible tables.
 - Only approximately 20 campsites out of 250 campsites currently have picnic tables.
- Install electrical upgrades to section near bathhouses and store to reduce load on current system, including replacing existing electrical boxes.
 - Electrical panel and boxes near bath house have not been upgraded and do not meet Inyo County code requirements.
- Install metal fire rings with cooking grates in Section D permanent sites.
 - No fire rings of any sort are currently in Section D.
- Pave pathways on bathhouse grounds to create accessible pathways from the parking area to both bathing areas.
 - Pathways on bathhouse grounds are still gravel and not ADA accessible.

Concessionaire must make the required improvements.

4. Unauthorized Improvements in Violation of the Agreement and BLM Master Lease

Section 11 of the Agreement allows Concessionaire to make improvements to the campground upon written approval from the County Parks Director. Section 11.3 explicitly requires that the Concessionaire shall not make any improvements or alterations to the premises without County's consent.

However, Concessionaire, without obtaining prior written authorization from the Parks Director or any other Inyo County representative, constructed two permanent structures ("stick-built cabins") on the property, as well as four foam-constructed cabins. These cabins were constructed without securing the required building permits from Inyo County Building and Safety, without submitting a formal written request for approval, and were used and rented out (occupied) without completing inspections or receiving a cert of occupancy.

This unauthorized development constitutes a material breach of the existing agreement between the Concessionaire and the County and violates the terms of the Master Lease between the County and the Bureau of Land Management (BLM).

Concessionaire must remove all unauthorized improvements and return the premises to its prior condition.

Pursuant to paragraph 19.1.3 of the Agreement, you have 30 days to cure the above or the Agreement will be terminated.

Please contact the undersigned to discuss how we can best move forward.

A handwritten signature in blue ink, appearing to read "Nate Greenberg", with a long horizontal flourish extending to the right.

Nate Greenberg,
County Administrator