

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AUTHORIZING THE EXECUTIVE DIRECTOR TO ACKNOWLEDGE ASSIGNMENT AND CONSENT TO RELEASE OF LIABILITY OF THE PASEO NUEVO GROUND LEASE AND RELATED AGREEMENTS AND TO ISSUE TWO ESTOPPEL CERTIFICATES RELATING TO THE PASEO NUEVO SHOPPING CENTER IN CONNECTION WITH A TRANSFER OF THE PASEO NUEVO GROUND LEASE AND RELATED AGREEMENTS FROM I&G DIRECT REAL ESTATE 3, LP, A DELAWARE LIMITED PARTNERSHIP, TO PASEO NUEVO OWNER LLC, A DELAWARE LIMITED LIABILITY COMPANY, ALL IN A FORM ACCEPTABLE TO THE AGENCY COUNSEL.

WHEREAS, the Redevelopment Agency of the City of Santa Barbara ("Agency") and Santa Barbara Associates entered into a Ground Lease Dated February 24, 1989, which Lease was amended by the First Amendment to the Ground Lease dated February 24, 1989, and the Second Amendment to the Ground Lease dated February 24, 1989 and further amended by the Third Amendment to Ground Lease, dated as of September 18, 1990 for that certain real property located in the City of Santa Barbara, County of Santa Barbara, State of California as described in an attachment to the memorandum of Ground Lease recorded in the official records of Santa Barbara County as Instrument No. 89-012335 on February 24, 1989 (collectively referred to herein as the "Paseo Nuevo Ground Lease") for the purpose of causing the development and operation of the Paseo Nuevo Shopping Center as a public redevelopment project within the City of Santa Barbara.

WHEREAS, the Paseo Nuevo Ground Lease was subsequently assigned, with the Agency's due consent, by Santa Barbara Associates to PNSC, L.P., pursuant to an Assignment dated June 7, 1991 and subsequently assigned, with the Agency's due consent, by PNSC, L.P., to Paseo Nuevo Associates pursuant to an Assignment dated June 27, 1996.

WHEREAS, the Paseo Nuevo Ground Lease was supplemented by the Supplement to Lease dated as of June 26, 1996 by and between PNSC, L.P., and the Redevelopment Agency.

WHEREAS, in connection with entering into the Paseo Nuevo Ground Lease and in the development and operation of the Paseo Nuevo Shopping Center, the Redevelopment Agency is a party to several related and collateral easements and agreements recorded against the real property which forms the basis of the Paseo Nuevo Ground Lease leasehold, as well as with respect to the adjacent real properties,

such as the Construction, Operation and Reciprocal Easement Agreement dated as of February 24, 1989 and recorded in the official records of Santa Barbara County as Instrument No. 89-012333.

WHEREAS, the Paseo Nuevo Ground Lease was subsequently assigned, with the Agency's due consent, to I&G Direct Real Estate 3, LP, a Delaware Limited Partnership ("Tenant") pursuant to an Assignment dated May 30, 2002.

WHEREAS, Section 14.9 of the Paseo Nuevo Ground Lease and similar provisions of the related agreements provide for the Agency to issue estoppel certificates to the Tenant or the Tenant's designated assignee, under certain express circumstances, as more specifically provided for in the Paseo Nuevo agreements.

WHEREAS, Section Eight (8) of the Paseo Nuevo Ground Lease expressly provides for the assignment of the Paseo Nuevo Ground Lease to a new tenant under certain express circumstances and for the release from liability of the existing tenant with consent of the Agency and the new tenant's assumption of all lease obligations.

WHEREAS, I&G Direct Real Estate 3, LP, as the Tenant under the Paseo Nuevo Ground Lease, has recently advised the Successor Agency that it has assigned its interest in the Paseo Nuevo Ground Lease and Related Agreements to its wholly-owned subsidiary, Paseo Nuevo Owner LLC, a Delaware limited liability company, and I&G Direct Real Estate 3, LP, has requested the issuance of certain estoppel certificates and the release of I&G Direct Real Estate 3, LP from further liability under the Paseo Nuevo agreements.

WHEREAS, Pursuant to California Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Agency dissolved on February 1, 2012 and the Successor Agency was former and succeeded to all of the authority, rights, powers, duties and obligations previously vested in the Agency ("Successor Agency").

WHEREAS, on April 26, 2013 the Successor Agency was issued a "Finding of Completion" by the California Department of Finance ("DOF") and on May 15, 2015, DOF approved the Second Amended Long Range Property Management Plan for the property subject to the Paseo Nuevo Agreements and the property transferred into the Community Redevelopment Trust Fund of the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, as follows:

1. The Successor Agency Executive Director is hereby authorized and directed to execute and deliver to I&G Direct Real Estate 3, LP (or to its designee, Paseo Nuevo Owner, LLC) as the Tenant and as the proposed assignee of the Paseo Nuevo Ground Lease and related agreements, certain requested estoppel certificates in connection with a transfer of the Paseo Nuevo Ground Lease leasehold and related

agreements, all as the Executive Director may deem proper and appropriate and all in a form deemed appropriate and acceptable to the Successor Agency Counsel.

2. The Successor Agency Executive Director hereby acknowledges the assignment of the Paseo Nuevo Ground Lease and related agreements including the Disposition and Development Agreement and consents to release I&G Direct Real Estate 3, LP from liability under said agreements provided that Paseo Nuevo Owner, LLC assumes all liability and obligations for the Paseo Nuevo Ground Lease and related agreements including, but not limited to, the Disposition and Development Agreement and the Construction, Operation and Reciprocal Easement Agreement in a manner consistent with and as required by the terms of Section Eight (8) of the Paseo Nuevo Ground Lease and as acceptable to the Successor Agency Counsel.

3. The Successor Agency Executive Director and Successor Agency Counsel are hereby authorized and directed, jointly and severally, to do any and all things which either may deem necessary or advisable in order to consummate the granting of the Successor Agency's consent and the issuance of appropriate estoppel certificates, which are and as may be authorized in the Paseo Nuevo Ground Lease or in any duly Successor Agency approved collateral Paseo Nuevo Easement or agreement, as well as to otherwise carry out, give effect to, or comply with the terms of the duly executed Paseo Nuevo agreements and this Resolution.