

RECORDING REQUESTED BY:

AND WHEN RECORDED RETURN TO:

City Clerk
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102-1990

NO DOCUMENTARY TRANSFER TAX
NO FEE PER GOVERNMENT CODE § 6103

APN:

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA BARBARA
AND
AMERICAN TRADITION, LLC**

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into this ____ day of _____, 2016, (the “Effective Date”) by and between the **CITY OF SANTA BARBARA**, a political subdivision of the State of California (the “City”) and **AMERICAN TRADITION, LLC**, a California limited liability company, (formerly American Tradition G.P., a California general partnership, the “Parker Family”), pursuant to the authority of Sections 65864- 65869.5 of the Government Code of the State of California and City Council Resolution No. 89-120. Except as otherwise defined herein, the capitalized terms used throughout this Agreement are defined in [Paragraph-Section 27](#), below.

RECITALS

- A. WHEREAS, Fess E. Parker, Jr. and members of the Fess E. Parker, Jr. family (hereinafter referred to as “Fess Parker” or the “Parkers”) acquired ownership of a large portion of the City’s waterfront in the late 1970s, including approximately 33 acres of undeveloped waterfront property; and
- B. WHEREAS, beginning in the late 1970s, the City and Fess Parker began working to revitalize the waterfront area and the properties controlled by the Parkers along Cabrillo Boulevard. The City’s and the Parkers’ plans for the waterfront came to include a conference center hotel, a waterfront public park, significant public open space, a hostel, and a waterfront hotel; and
- C. WHEREAS, in July of 1981, the City Council adopted Specific Plan No. 1 Park Plaza (the “Park Plaza Specific Plan”) to govern the land use and development of a portion of this area; and

D. WHEREAS, in accordance with the Park Plaza Specific Plan, the Parkers constructed a 360-room hotel and conference center (“Fess Parker Hotel”) on what is referred to as Parcel A of the Park Plaza Specific Plan; and

E. WHEREAS, in conjunction with developing the Fess Parker Hotel, the Parkers constructed and donated to the City a public parking lot containing 17 parking spaces located on the west side of South Milpas Street between the railroad tracks and Calle Puerto Vallarta, and provided public open space in front of the Fess Parker Hotel and along Cabrillo Boulevard; and

F. WHEREAS, after the development of the Fess Parker Hotel, the City of Santa Barbara Redevelopment Agency (the “RDA”) and the Parkers agreed to jointly pursue a public/private partnership for development of a public park and a hotel on the remaining waterfront property owned by the Parker Family. This partnership contemplated the Parkers donating approximately five acres of their waterfront property (the “Park Parcel”) to the RDA for the RDA to complete development of a public park, and development by the Parkers of a waterfront hotel on approximately three acres of their retained property (referred to as Parcel B of the Park Plaza Specific Plan), plus development by the Parkers of a hostel on other property to be acquired in the waterfront area; and

G. WHEREAS, in furtherance of the joint public/private partnership between the RDA and the Parkers, the City adopted certain amendments to the Park Plaza Specific Plan on March 22, 1994 (the “Amended Specific Plan”). The Amended Specific Plan provided the necessary zoning and land use regulations to construct what is now known as Chase Palm Park and a waterfront hotel on the Parkers’ retained acreage (Parcel B); and

H. WHEREAS, funding sources became available to the RDA to construct Chase Palm Park before the Parker Family could construct the waterfront hotel; therefore, at the City’s request, the Parker Family agreed to donate the Park Parcel to the RDA before developing the waterfront hotel, and to undertake numerous obligations, including without limitation annual monetary contributions for maintenance of Chase Palm Park and the obligation to double the maintenance contribution once the waterfront hotel opened; and

I. WHEREAS, in conjunction with donating the Park Parcel, the City and the Parker Family entered into that certain Development Agreement, dated August 2, 1996 (“Development Agreement No. 1”), which was approved by the Santa Barbara City Council through its adoption of Ordinance No. 4920 on August 15, 1995; and

J. WHEREAS, in conjunction with approving Development Agreement No.1, on August 15, 1995 the Santa Barbara City Council considered an addendum dated June 8, 1995 to the certified Final Environmental Impact Report (ENV 92-0107; SCH92091038) (“FEIR”) together with the certified FEIR, made environmental findings pursuant to the California Environmental Quality Act (CEQA), and approved associated revisions to the Development Plan, Coastal Development Permit, Modification, and other land use permits; and

K. WHEREAS, on May 28, 1998, with the addition of the park area north of Cabrillo Boulevard jointly developed by the City, RDA and the Parker Family, Chase Palm Park became the City’s largest waterfront park; and

L. WHEREAS, as contemplated in the Amended Specific Plan, Development Agreement No. 1 approved with certain conditions the development of a 150-room waterfront luxury hotel on the Parker's retained property; and

M. WHEREAS, as a condition of approval for the new waterfront hotel, the Parker Family agreed to construct a separate 100-bed hostel to provide lower-cost visitor accommodations in the waterfront area (the "Hostel"); and

N. WHEREAS, the Hostel was constructed and on August 12, 2014 a Final Certificate of Occupancy for the completed Hostel, located at 12 East Montecito Street, was issued by the City; and

O. WHEREAS, in accordance with Development Agreement No. 1, the Parker Family secured the Hotel Building Permits and Public Works Permits, as defined below, to develop the 150-room waterfront luxury hotel; and

P. WHEREAS, prior to the expiration of Development Agreement No. 1, the Parker Family vested its rights to develop and construct the Hotel as evidenced by the issuance of the Hotel Building Permits and Public Works Permits and the Parker Family having performed substantial work and having incurred substantial liabilities in good faith reliance on the Hotel Building Permits and Public Works Permits, which as of the Effective Date remain valid. The Parker Family has not abandoned, terminated or foregone any vested rights in the Hotel or the Development Approvals, as those terms are defined below, and does not intend to do so, except as may be expressly stated herein in Sections 2 and 10.1; and

Q. WHEREAS, since the execution of Development Agreement No. 1, the Parker Family has expended substantial financial resources and incurred substantial liabilities to develop the Hotel, to fund the maintenance and operation of Chase Palm Park, to make public improvements necessary to develop the Hotel Parcel, and to complete the Hostel. However, due to the global economic and financial crisis beginning in 2008, the Parker Family has been unable to complete the Hotel within the originally anticipated timeframe; and

R. WHEREAS, on August 30, 2007, the City of Santa Barbara Planning Commission adopted Resolution No. 032-07 approving a Coastal Development Permit and a Conditional Use Permit ("Parking Lot Parcel Approvals") and considering the certified FEIR together with the FEIR Addendum dated August 15, 2007 and making CEQA environmental findings, to allow the construction of a 106 stall parking lot with a 100 square foot unenclosed kiosk to provide part of the Hotel's required parking at 103 South Calle Cesar Chavez (APN 017-113-020), which property is not subject to the Amended Specific Plan (the "Parking Lot Parcel") but is a component of the overall development of the Hotel ;and

S. WHEREAS, on July 2, 2008 the City issued a building permit (BLD2007-02954) to develop a parking lot and kiosk on the Parking Lot Parcel in conjunction with the Hotel; and

T. WHEREAS, on May 23, 2008 the Parker Family applied to merge ten parcels into one parcel at 103 South Calle Cesar Chavez (APN 017-113-020), and on December 3, 2010 a Certificate of Voluntary Merger was recorded in the Santa Barbara County Clerk-Recorder's office as Instrument No. 2010-0069204 of Official Records; and

U. WHEREAS, in a letter dated November 5, 2010, the City set forth the process by which it would determine at a future date the square footage of allowed commercial development on the Parking Lot Parcel, taking into consideration the development potential of the ten lots comprising the newly created Parking Lot Parcel prior to 1989; and

V. WHEREAS, the City and the Parker Family wish to complete development of the waterfront area in accordance with the Amended Specific Plan; and

W. WHEREAS, development of the Hotel Parcel is the final component of the Amended Specific Plan yet to be completed; and

X. WHEREAS, the ongoing development of the Hotel has provided, and will further provide, significant public benefits, including without limitation:

a. Dedicated land to enlarge Chase Palm Park;

b. The contribution of \$124,014.00 for the installation of the traffic signal at the U.S. 101 / Cabrillo Boulevard intersection;

c. The contribution of \$413,300.00 for the cost of the Calle Cesar Chavez expansion project;

d. The construction of a 100-bed hostel, which provides visitor accommodations in the waterfront area;

e. The annual expenditure by the Parker Family of \$62,500, which totals more than \$1,125,000.00 paid to date, to assist in the operation and maintenance of Chase Palm Park until such time the Hotel is constructed;

f. An increase in the amount of annual funds contributed by the Parker Family towards the cost of operating and maintaining Chase Palm Park for thirty five years from completion of the Hotel;

g. The development and operation of a hotel on the City waterfront on a vacant parcel; and

h. Restoration of the El Estero drainage area through the Parking Lot Parcel with native habitat and the remediation and removal of hazardous materials in the area.

Y. WHEREAS, the City and the Parker Family agree that the overall design and concept of the Hotel may need to be revised to better meet the marketplace for waterfront hotels, which has changed since the Hotel was originally approved; and

Z. WHEREAS, a redesigned hotel may be in the best interest of both the City and the Parker Family as it may have fewer impacts on traffic and public views, and may create more open space on Parcel B while continuing to provide a hotel on the City's waterfront; and

AA. WHEREAS, to the extent a revised hotel may result in a reduction in the total number of hotel rooms originally approved by the City on the Hotel Parcel, the Parker Family and the City confirm the Parker Family's ability to transfer some or all of the unused development rights from the Hotel Parcel to another property or properties within the City subject to certain conditions set forth herein; and

BB. WHEREAS, after conducting duly noticed public hearings on January 7 and March 10, 2016, the City Planning Commission reviewed, considered, and recommended to City Council adoption of this Agreement and consideration of an Addendum dated January 14, 2016 to the certified FEIR together with the certified FEIR and earlier FEIR Addenda of November 7, 1996 and August 15, 2007, and adoption of CEQA environmental findings in accordance with CEQA; and

CC. WHEREAS, after conducting a duly noticed public hearing on April 19, 2016 and after independent review and consideration, the City Council (i) adopted Ordinance No. _____ (hereinafter the "Enacting Ordinance") authorizing execution of this Agreement; (ii) considered the certified FEIR together with FEIR Addenda dated June 8, 1995, November 7, 1996, August 15, 2007 and an FEIR Addendum dated January 14, 2016 and made required environmental findings pursuant to CEQA; and (iii) found that the provisions of this Agreement provide public benefits to persons residing or owning property in the City of Santa Barbara beyond the exactions for public benefits required or allowed to be required in the normal development review and approval process under federal, state, and local law; and (iv) approved the execution and recording of this Agreement; and

DD. WHEREAS, in consideration of the public improvements and significant public benefits provided by the Parker Family pursuant to this Agreement, the City intends to grant the Parker Family certain vested rights to proceed with the development of the Hotel Parcel and Parking Lot Parcel, pursuant to this Agreement; and

EE. WHEREAS, the Parker Family would not enter into this Agreement, or agree to provide the public benefits, public improvements and financial contributions described in this Agreement without the assurances of the City that the Hotel Parcel and Parking Lot Parcel can be developed as provided for herein; and

FF. WHEREAS, on December 29, 2011 the California Supreme Court upheld AB 1 X 26 and required the dissolution of all redevelopment agencies in California, including the RDA; the City has succeed to all of the RDA's rights and obligations pertaining to the agreements with the Parker Family relating to Chase Palm Park, the Hotel, and Hotel Parcel; and

GG. WHEREAS, the City finds that this Agreement is consistent with the City of Santa Barbara's General Plan, the Amended Specific Plan, the City of Santa Barbara Zoning Ordinance and the City's Local Coastal Plan, and that the City has completed all necessary proceedings in accordance with the City's rules and regulations for approval of this Agreement.

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, which are incorporated herein

by reference and hereafter made part of this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the City and the Parker Family agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated herein as if set forth in full.

2. Purpose. The purpose of this Agreement is: a) to confirm the existing right of the Parker Family to complete the Hotel on the Hotel Parcel and the associated improvements on the Parking Lot Parcel ~~within a defined time period~~ for the Term of this Agreement (subject only to the receipt of new Building and Public Works Permits from the City and in compliance with the Conditions of Approval described in City Ordinance 4920 and City Resolution No. 032-07); b) to confirm the right of the Parker Family alternatively to propose and apply for permits for a revised hotel design on the Hotel Parcel and the Parking Lot Parcel through new Discretionary Permits, subject to Existing City Laws; and c) to define the process by which the Parker Family may transfer some or all of the unused approved commercial square footage and/or hotel rooms from the Hotel Parcel to another property or properties within the City.

3. Property Description and Binding Covenants. The Hotel Parcel is that real property described in Exhibit A. The Parking Lot Parcel is that real property described in Exhibit B. Upon execution of this Agreement by the parties and recordation of this Agreement, the provisions of this Agreement shall constitute covenants which shall run with the Hotel Parcel and the Parking Lot Parcel and the benefits and burdens hereof shall bind and inure to all successors in interest and assigns of the parties hereto. This Agreement shall be recorded against the Hotel Parcel and the Parking Lot Parcel as required by California Government Code Section 65868.5.

4. Term. The term of this Agreement shall commence upon the effective date of the Enacting Ordinance (“Effective Date”). The term of this Agreement shall extend for a period of five (5) years after the Effective Date (“Term”), unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto.

4.1. Tolling and Extension During Legal Challenge or Moratoria. In the event this Agreement, any of the land use entitlements related to the Hotel Parcel or the Parking Lot Parcel, the Environmental Document, or any subsequent approvals or permits required to implement the land use entitlements for the Hotel Parcel, the Parking Lot Parcel or this Agreement are subjected to legal challenge and the Parker Family is unable to proceed with development of the Hotel Parcel or Parking Lot Parcel due to such legal challenge (or the Parker Family provides written notice to the City that it is electing not to proceed with development of the Hotel Parcel or Parking Lot Parcel until such legal challenge is resolved to the Parker Family’s satisfaction), the Term of this Agreement and timing for obligations imposed by this Agreement shall be extended and tolled during such legal challenge until the entry of a final order or judgment upholding this Agreement, the Environmental Document, or the land use entitlements, approvals, or permits related to this Agreement, or the litigation is dismissed by stipulation of the parties; provided, however, that notwithstanding the foregoing, the Parker Family shall have the right to elect, in the Parker Family’s sole and absolute discretion, to proceed with development of the Hotel Parcel or the Parking Lot Parcel at any point by providing the City written notice that it is

electing to proceed, in which event the tolling of the Term of this Agreement shall cease as of the date of such notice. Similarly, if the Parker Family is unable to develop the Hotel Parcel or the Parking Lot Parcel due to the imposition by the City or other public agency of a development moratoria for a public health and safety reason unrelated to the performance of the Parker Family's obligations under this Agreement (including without limitation, moratoria imposed due to the unavailability of water or sewer to serve the Hotel Parcel), then the Term of this Agreement and the timing for obligations imposed pursuant to this Agreement shall be extended and tolled for the period of time that such moratoria prevents development of the Hotel Parcel or the Parking Lot Parcel.

5. Amendment to Agreement. This Agreement may be amended from time to time by mutual written consent of the parties in accordance with applicable laws governing development agreements. The parties acknowledge that under the City Zoning Ordinance and applicable rules, regulations and policies of the City, the Community Development Director or his or her designee has the discretion to approve alterations or revisions to any approved land use entitlement for the Hotel Parcel or the Parking Lot Parcel that are in substantial conformance with the Hotel and Parking Lot Parcel Approvals depicted in the plans approved by building permits (BLD2007-01318 and BLD2007-02954). Accordingly, any alteration or revision to an entitlement or approval that is determined by the City Community Development Director to be in substantial conformance with the approved land use entitlements and relates to the Hotel Parcel or the Parking Lot Parcel shall not constitute nor require an amendment to this Agreement to be effective.

6. Permitted Uses. The permitted uses of the Hotel Parcel, the intensity and density of use, the maximum height of structures, the location of public improvements and other terms and conditions of development applicable to the Hotel Parcel shall be those set forth in the Amended Specific Plan and Existing City Laws, as defined below, Ordinance 4920, and this Agreement. The permitted uses of the Parking Lot Parcel, the intensity and density of use, the maximum height of structures, the location of public improvements and other terms and conditions of development applicable to the Parking Lot Parcel shall be those set forth in the Existing City Laws, the Parking Lot Parcel Approvals, and this Agreement.

7. Vested Entitlements. Subject to the provisions and conditions of this Agreement, the City hereby agrees that the City is granting, and grants herewith, a fully vested entitlement and right to develop the Hotel Parcel and Parking Lot Parcel in accordance with the terms and conditions of this Agreement. The Parker Family's vested right to proceed with the development of the Hotel Parcel and Parking Lot Parcel may be subject to a subsequent approval process as set forth in this Agreement; provided that any conditions, terms, restrictions and requirements for such subsequent actions shall not prevent development of the Hotel Parcel or the Parking Lot Parcel for the uses set forth in the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals and Existing City Law, or reduce the intensity or density of development, or limit the rate or timing of development set forth in the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals, Existing City Laws and this Agreement, unless so requested by the Parker Family and so long as the Parker Family is not in default under this Agreement.

7.1 Conflicting Ordinances or Moratoria. Except as provided in this Agreement and subject to applicable law relating to the vesting provisions of development agreements, so long as this Agreement remains in full force and effect, no future resolution, rule, ordinance or legislation adopted by the City or by initiative (whether initiated by the City Council or by voter petition, other than a referendum that specifically overturns the City's approval of this Agreement) shall directly or indirectly limit the rate, timing, sequencing or otherwise impede development of the Hotel Parcel or the Parking Lot Parcel from occurring in accordance with this Agreement. To the extent any future rules, ordinances, regulations or policies applicable to development of the Hotel Parcel or the Parking Lot Parcel are not inconsistent with the Amended Specific Plan, Existing City Laws, or this Agreement, such rules, ordinances, regulations and policies shall be applicable.

7.2 Authority of City. This Agreement shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, or to limit the discretion of the City with regard to applicable laws that would require the exercise of discretion by the City, provided that subsequent discretionary actions shall not prevent or delay development of the Hotel Parcel and the Parking Lot Parcel for the uses and the density and intensity of development as provided by the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals, Existing City Laws and this Agreement.

8. Application and Project Development Fees: Credit for Development Mitigation Fees. The Parker Family shall pay those application, processing, inspection and plan check fees as may be required by the City under the then-current regulations for processing applications and requests for any subsequent entitlements for the Hotel Parcel or Parking Lot Parcel, including without limitation any New Development Proposal, as defined below. Consistent with the terms of this Agreement, the City shall have the right to impose and the Parker Family shall pay such development fees, impact fees and other such fees levied or collected by the City to offset or mitigate the impacts of development of the Hotel Parcel and the Parking Lot Parcel pursuant to any subsequent entitlements, including without limitation any New Development Proposal, and which will be used to pay for public utilities and improvements attributable to the Hotel Parcel or the Parking Lot Parcel as have been adopted by the City as of the Effective Date of this Agreement ("Development Mitigation Fees"). Notwithstanding the foregoing, the Parker Family shall receive a credit against any and all Development Mitigation Fees, including without limitation any Development Mitigation Fees imposed on or attributable to any subsequent entitlements, including without limitation, any New Development Proposal, as defined below, for those certain impact fees, mitigation fees, public improvements, and public dedications set forth in Sections 8.3-8.7, below. Unless otherwise specifically provided in this Agreement, any Development Mitigation Fees shall be paid at the time of issuance of building permit.

8.1 Adjustment to Development Mitigation Fees. The City may adjust the Development Mitigation Fees from time-to-time and all such adjustments shall be done in accordance with City policy regarding the assumptions and methodology governing adjustments of City fees generally and in accordance with the Mitigation Fee Act (California Government Code Section 66000 *et seq.*, as may be amended or revised) or other applicable law. In the event the Development Mitigation Fees are reduced or eliminated prior to the time in which the Parker

Family is obligated to pay such Development Mitigation Fee, the Parker Family shall be entitled to receive the benefit of such reduction.

8.2 New Development Mitigation Fees. In the event that after the Effective Date of the Agreement the City adopts a new development mitigation fee in accordance with the Mitigation Fee Act (“New Development Mitigation Fee”) and the New Development Mitigation Fee is applicable on a city-wide basis and includes the Hotel Parcel or the Parking Lot Parcel, development of the Hotel Parcel or the Parking Lot Parcel will be subject to the New Development Mitigation Fee.

8.3 Provision of a Hostel. The City hereby acknowledges and agrees that the Parker Family has fully satisfied the requirements of the Amended Specific Plan, Existing City Laws and any additional requirements or mitigation measures that may be applicable to any development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal, related to the accommodation or construction of a hostel by and through development of the Hostel at 12 E. Montecito Street. The City shall not require as a condition of approval or otherwise for development of the Hotel Parcel or the Parking Lot Parcel any additional fees, dedications or expenditures by the Parker Family related to the accommodation or construction of a hostel or affordable or lower-cost visitor accommodations.

8.4 Dedication of Parks and Open Space and Park Maintenance Funding. The City hereby acknowledges and agrees that the Parker Family’s dedication of the 4.9 acre Park Parcel, annual payment of \$62,500 for park maintenance fees (\$1,125,000.00 to date), and agreement to pay additional annual maintenance fees for thirty five years from completion of the Hotel fully satisfies the City’s development mitigation requirements for providing parks and recreation facilities as they relate to development of the Hotel Parcel and the Parking Lot Parcel under this Agreement, including without limitation any development pursuant to a New Development Proposal. The City shall not require as a condition of approval or otherwise for development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement any additional fees, dedications or expenditures by the Parker Family related to parks, open space, or public recreation facilities, except as required by the Development Approvals. Notwithstanding the foregoing, prior to, and throughout construction of the Hotel, the Parker Family shall maintain temporary construction fencing surrounding the Hotel Parcel in good order, with a uniform green color (Malaga Green), and keep the project site secure. Until the commencement of construction of the Hotel, all trees identified in the April 12, 2013 City Parks and Recreation Department memorandum shall be maintained by the Parker Family and subject to periodic inspection by Parks and Recreation staff.

8.5 Traffic Impact Fees. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel, the Parker Family has contributed \$124,014.00 for the installation of the traffic signal at U.S. 101 / Cabrillo Boulevard intersection and \$413,300.00 for the cost of the Calle Cesar Chavez expansion project. The Parker Family shall be credited for said improvements and the contribution of said funds against any Development Mitigation Fee or New Development Mitigation Fee related to traffic and circulation impacts imposed for development of the Hotel Parcel or the Parking Lot Parcel

pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal.

8.6 School Mitigation Fee. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel, the Parker Family has contributed \$47,190.00 in school mitigation fees. The Parker Family shall be credited for said fee against any Development Mitigation Fee or New Development Mitigation Fee related to school impacts imposed for the development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal. Final determinations as to any school mitigation fees shall be made by the Santa Barbara School District.

8.7. Public Works Fees. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel and Parking Lot Parcel, the Parker Family has paid Water and Sewer Buy-in Fees, as well as Water and Sewer Tap Fees, to the Public Works Department under the permits PBW2008-00729 and PBW2008-00975. The Parker Family shall be credited for said fee, in the dollar amount paid, against any Water or Sewer Buy-in Fees and/or Water and Sewer Tap Fees related to the supply, purveyance or distribution of water or sewer services imposed for the development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal. The applicant shall be responsible for paying all applicable fees, minus the credit described above, per the City's current Fee Resolution at the time of Public Works Permit application(s).

9. Applications for Approvals and Entitlements.

9.1 Actions by the City. City agrees it will accept, in good faith, for processing, review and action all applications for development permits or other land use entitlements for use of the Hotel Parcel or the Parking Lot Parcel, including without limitation any New Development Proposal, in accordance with this Agreement, the Amended Specific Plan, and Existing City Laws. Accordingly, to the extent that the applications and submittals are in conformity with the Amended Specific Plan, Existing City Laws and this Agreement, the City agrees to accept, review and take action on all subsequent applications and submittals made to the City by the Parker Family for developing the Hotel Parcel or the Parking Lot Parcel.

10. Continuing Development of Hotel. The City approves, affirms, and consents to the continuing development of the Hotel Parcel and the Parking Lot Parcel and to the construction of a hotel and any other works of improvement (including right-of-way and parking improvements) permitted by the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals subject to required Conditions of Approval, Existing City Laws and subject to the terms and conditions of this Agreement at any time during the Term, subject only to the following conditions:

10.1. Expiration of Hotel Building Permits; Development Pursuant to Existing Development Approvals; Substantial Conformance Determination. Upon the expiration of all appeal periods, including but not limited to any appeal to the California Coastal Commission, and statutes of limitation to bring a legal challenge against the City or the Parker Family related

to this Agreement or the validity of this Agreement, and the resolution of such appeal or legal challenge in favor of upholding the validity of this Agreement without amendment or revision (“Appeal Period”), the Hotel Building Permits and Public Works Permits shall expire and until such Appeal Period has expired the Hotel Building Permits and Public Works Permits shall remain valid. If the Parker Family, in its sole and absolute discretion, elects to construct the Hotel and associated improvements on the Hotel Parcel and the Parking Lot Parcel pursuant to the Development Approvals, Conditions of Approval and Parking Lot Parcel Approvals, the Parker Family shall comply with the Development Approvals, Conditions of Approval and Parking Lot Parcel Approvals and shall apply for and obtain new building permits and public works permits for the Hotel (“New Building Permits and New Public Works Permits”). An application for New Building Permits or New Public Works Permits shall be reviewed and considered for approval in accordance with the version of the California Building Code, as duly adopted and amended by the City, in effect at the time the application for New Building Permits or New Public Works Permits is submitted. Because the Hotel and the associated improvements on the Hotel Parcel were designed and approved prior to the adoption of the City’s Storm Water Management Ordinance (Chapter 22.87 of the Santa Barbara Municipal Code), it is not possible to construct the Hotel, as approved by the Building Permits and Public Works Permits, in a manner that strictly complies with the detention requirements of the City’s Storm Water Management Ordinance; however, the Hotel will comply with all treatment requirements of the City’s Storm Water Management Ordinance, including without limitation the Storm Water Management Plan Tier 3 treatment requirements. Therefore, with the sole exception of the detention requirements, any application for New Building Permits and New Public Works Permits that relates to the Hotel and the associated improvements on the Hotel Parcel shall comply with all provisions of the City’s Storm Water Management Ordinance.

The continuing right to develop the Hotel Parcel and the Parking Lot Parcel is contained within this Agreement. With the exception of the New Building Permits and New Public Works Permits, the City shall not require any additional dedications, public improvements, or the payment of any additional fees or costs, other than those fees charged by the City to obtain the New Building Permits and New Public Works Permits. The Parker Family shall have four (4) years from the Effective Date of this Agreement to submit an application to the City for the New Building Permits and New Public Works Permits and shall obtain the New Building Permits and New Public Works Permits ~~within five (5) years of the Effective Date during the Term of this Agreement~~, which time periods shall be extended as set forth in Sections 4.1 and 18 of this Agreement. Upon receipt of any application for the New Building Permits and Public Works Permits, the City shall diligently process said application and the time periods set forth in this Section 10.1 shall be extended by any unreasonable delay by the City in the processing or review of said application. If the Parker Family does not obtain the New Building Permits and Public Works Permits ~~within five (5) years of the Effective Date during the Term of this Agreement~~ (as may be extended pursuant to this Agreement), the Parker Family shall be deemed to have terminated its vested rights to develop or its ability to construct the Hotel pursuant to the Development Approvals, Conditions of Approval and Parking Lot Approvals ~~shall expire~~.

Nothing herein shall prevent the Parker Family from requesting the Hotel, the Parking Lot Parcel Approvals, or the Development Approvals be revised pursuant to the City’s “Substantial Conformance Determination” process, as set forth in the City Planning Commission

Guidelines adopted by the City Council on July 15, 1997 (“SCD Guidelines”). Any request by the Parker Family for a Substantial Conformance Determination shall be processed by the City in conformance with the SCD Guidelines as a Level 4 proposal with a hearing before the Planning Commission and shall be considered in relationship to the Hotel and Parking Lot Parcel Approvals depicted in the plans approved by building permits (BLD2007-01318 and BLD2007-02954). The parties hereby agree and acknowledge that for purposes of applying the SCD Guidelines to any request by the Parker Family for a substantial conformance determination regarding a proposed revision to the Hotel and the Parking Lot Parcel Approvals, a determination of “substantial conformance” shall be made in consideration of (A) whether the proposed revision results in a cumulative or overall increase to any of the following: (i) the total number of guest rooms on the Hotel Parcel, (ii) the total square footage of guest rooms on the Hotel Parcel, (iii) the square footage of total development on the Hotel Parcel and Parking Lot Parcel, (iv) the visual, traffic or circulation impacts of the Hotel, (v) the total building footprint of the Hotel and related improvements on the Hotel Parcel and the Parking Lot Parcel, and (vi) the overall height of the Hotel and related improvements on the Hotel Parcel and the Parking Lot Parcel; and (B) whether the proposed revisions conform with the Amended Specific Plan and do not require new or additional environmental review under the California Environmental Quality Act, other than an addendum to the FEIR. Nothing in this Section 10.1 shall in any way require or commit the City to approve a Substantial Conformance Determination request at any time in the future. Any revision of the Hotel or related improvements on the Hotel Parcel or the Parking Lot Parcel submitted for consideration pursuant to the Substantial Conformance Determination process shall comply with all aspects of the City’s Storm Water Management Ordinance.

10.2 Development Pursuant to New Development Proposal. Alternatively, the Parker Family, in its sole and absolute discretion, may pursue an alternative development of the Hotel Parcel subject to the terms and conditions of this Agreement (“New Development Proposal”). Any application for a New Development Proposal submitted to the City during the Term of this Agreement shall be subject only to the Amended Specific Plan, Existing City Laws and this Agreement. For purposes of clarity, any application for a New Development Proposal shall comply with all aspects of the City’s Storm Water Management Ordinance.

10.3 Development of Parking Lot Parcel. The Parking Lot Parcel Approvals shall remain in full force and effect for the Term of this Agreement. In the event the Parker Family, in its sole and absolute discretion, elects to pursue an alternative development on the Parking Lot Parcel, such development shall comply with Existing City Laws and this Agreement.

11. Transfer of Existing Development Rights. The City hereby affirms the Parker Family’s existing vested right to develop a total 142,647 square feet of commercial square footage on the Hotel Parcel (“Approved Square Footage”), which includes One Hundred Fifty (150) Hotel Rooms within 59,575 square feet of floor area (“Approved Hotel Rooms”) and 83,072 square feet of non-room floor area (“Approved Non-room Square Footage”) as set forth in the Development Approvals and the Hotel Building Permits. In the event the Parker Family elects, in its sole discretion, to develop a hotel on the Hotel Parcel that reduces the overall number of Approved Hotel Rooms and/or Approved Non-room Square Footage on the Hotel Parcel, the Parker Family may submit an application to the City to transfer some or all of the undeveloped Approved Hotel Rooms and/or Approved Non-room Square Footage from the Hotel Parcel to

one or more receiving sites, which transfer of development rights shall be subject to the terms and conditions of this [Paragraph-Section 11](#).

In calculating the amount of undeveloped Approved Hotel Rooms and/or Approved Non-room square footage available for transfer from the Hotel Parcel, the Approved Project shall be treated as if it were constructed in accordance with the Hotel Building Permits.

Upon the Effective Date, the Parker Family shall have the right to transfer up to seventy (70) Approved Hotel Rooms and up to 39,044 square feet of Approved Non-room Square Footage (collectively, "Initial TEDR") from the Hotel Parcel to one or more receiving sites, pursuant to this Agreement. Prior to the transfer of any Approved Hotel Rooms or Approved Non-room Square Footage in excess of the Initial TEDR from the Hotel Parcel to one or more receiving sites, the Parker Family shall first obtain building permits from the City for development of a hotel on the Hotel Parcel.

To the extent this [Paragraph-Section 11](#) conflicts with Existing City Laws, including but not limited to Chapter 28.95 of the Santa Barbara Municipal Code and its implementing procedures and guidelines, for purposes of this Agreement, the terms of this [Paragraph-Section 11](#) shall control. During the term of this Agreement, any transfer of Approved Hotel Rooms from the Hotel Parcel shall be subject to this [Paragraph-Section 11](#) and shall not be subject to any future ordinance or regulation adopted by the City that is intended to regulate the transfer of existing development rights, unless the Parker Family elects to rely on the City laws in effect at the time of a proposed transfer, as identified in Section 11.2 below.

The Parker Family's ability to transfer undeveloped Approved Hotel Rooms from the Hotel Parcel to one or more receiving sites on a "room for room" basis, shall expressly survive termination or expiration of this Agreement. In addition, the Approved Hotel Rooms and the Approved Non-room Square Footage shall be treated as Approved Floor Area for purposes of Section 28.95.020.2 of the Santa Barbara Municipal Code (notwithstanding any expiration of the Parker Family's ability to construct the Hotel pursuant to Section 10.1 or the termination of this Agreement). However, but for the right to transfer undeveloped Approved Hotel Rooms on a room for room basis (as opposed to a square footage basis) and the recognition of the Approved Hotel Rooms and Approved Non-room Square Footage as Approved Floor Area, any application for the transfer of undeveloped Approved Hotel Rooms or Approved Non-room Square Footage that is submitted after the termination or expiration of this Agreement shall be processed in accordance with the City laws in effect as of the time such an application is submitted.

11.1 Process for Transfer of Existing Development Rights. If the Parker Family submits an application to the City to transfer any Approved Hotel Rooms or Approved Non-room Square Footage from the Hotel Parcel to another parcel, the following terms and conditions shall apply:

1. The Parker Family's transferable development rights in the Approved Hotel Rooms shall be available for transfer on a "room for room" basis or measured by square feet of floor area, which for purposes of this [Paragraph-Section 11.1](#) is deemed to be 397 square feet per Approved Hotel Room.

2. The City hereby acknowledges and agrees that any transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel does not require an allocation from the allowable square footage specified in subsection A of Section 28.85.010 of the Santa Barbara Municipal Code.

3. In its review of any application to transfer development rights from the Hotel Parcel to the Fess Parker Hotel Parcel, the City shall take into consideration and give appropriate credit to the Parker Family for those fees, dedications and public improvements made by the Parker Family in satisfaction of its obligations under Development Agreement No. 1, including without limitation its provision of lower-cost visitor accommodations through development of the Hostel, provision of parks and open space through the dedication of the Park Parcel and ongoing annual payments to the City of park maintenance fees, and the provision of traffic and circulation improvements through the payment of fees for the installation of the traffic signal at U.S. 101 / Cabrillo Boulevard and expansion of Calle Cesar Chavez.

4. Given the physical proximity of the Hotel Parcel to the Fess Parker Hotel Parcel and the similarity of uses at the properties, the City shall use, where appropriate, all applicable reports, environmental documents, studies and other documents prepared by or on behalf of the Parker Family for the development of the Hotel Parcel in its review of any proposed development on the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel. Notwithstanding the foregoing, the City may request additional information or studies with respect to any proposed development of the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel and any proposed transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel shall be considered a new development proposal on the Fess Parker Hotel Parcel and shall require a separate development plan application and the requisite environmental review and approvals from the City at such time as the Parker Family may request such transfer.

5. Except as otherwise expressly stated herein, any application for a transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel shall be processed by the City in accordance with Existing City Laws (including, but not limited to, the City's Traffic Management Strategy and Chapters 28.85 and 28.95 of the Santa Barbara Municipal Code), the Amended Specific Plan and this Agreement.

11.2 Transfer of Existing Development Rights Under Future Regulations.

Notwithstanding any provision herein, the Parker Family may elect, in its sole discretion, to process any request for a transfer of existing development rights from the Hotel Parcel in accordance with any City laws relating to the transfer of existing development rights in effect at the time of such proposed transfer, including without limitation Chapter 28.95 of the Santa Barbara Municipal Code. If the Parker Family elects to process a transfer of existing development rights in accordance with future City regulations, as opposed to the provisions of the Existing City Laws and this Agreement, any such transfer shall be processed in accordance with the entire regulatory scheme of the future regulations relating to the transfer of existing development rights. The Parker Family cannot elect to use portions of the Existing City Laws

and this Agreement relating to the transfer of existing development rights and portions of the future regulations relating to the transfer of existing development rights.

11.3 No Effect if Amendments to Chapter 28.95 are Not Approved. In conjunction with this Agreement, the City Council of City is considering amendments to Chapter 28.95 of the Santa Barbara Municipal Code which, if they become effective, will authorize this Agreement to supersede the requirements of Chapter 28.95. If those amendments do not for any reason become effective, including without limitation a successful referendum, then the provisions of this Section 11 shall have no force or effect.

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12. Cooperation in the Event of a Legal Challenge. In the event any legal action instituted by any third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action.

13. Enforceability. The City agrees that unless this Agreement is amended or canceled pursuant to the provisions set forth herein it shall be enforceable according to its terms by any party hereto notwithstanding any change hereafter to any general plan, specific plan, local coastal program, zoning ordinance, subdivision ordinance or building regulation adopted by the City or initiative, which changes, alters or amends the rules, regulations and policies applicable to the development of the Hotel Parcel or the Parking Lot Parcel or the rights granted to the Parker Family in this Agreement as of the Effective Date of this Agreement.

14. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature of the default. The party receiving the request hereunder shall execute and return such certificate to the requesting party within thirty (30) days following receipt thereof. City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of the Parker Family.

15. Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit the Parker Family's ability to encumber the Hotel Parcel or the Parking Lot Parcel, or any portion thereof, or any improvement thereon by any mortgage, deed of trust or any other security or financing instrument. City acknowledges that the Parker Family's lenders or potential lenders may require certain interpretations of the Agreement and modifications and agrees to meet with the Parker Family and representatives of such lenders or potential lenders to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any lender that obtains a mortgage or deed of trust against the Hotel Parcel or the Parking Lot Parcel shall be entitled to the following rights and privileges:

A. Neither entering this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Hotel Parcel or the Parking Lot Parcel made in good faith for value, unless otherwise required by law.

B. The mortgagee of any mortgage or deed of trust encumbering the Hotel Parcel or the Parking Lot Parcel, or any part thereof, which the mortgagee has submitted a written request to the City to receive notices, may request to receive written notification from the City of any default by the Parker Family in the performance of the Parker Family's obligations under this Agreement.

C. If the City timely receives a request from a mortgagee requesting a copy of any notice of default given to the Parker Family under the terms of this Agreement, the City shall provide a copy of that notice to the mortgagee within ten (10) days of sending notice of default to the Parker Family. The mortgagee shall have the right, but not the obligation, to cure the default during any cure period allowed to the Parker Family under this Agreement.

D. Any mortgagee who comes into possession of the Hotel Parcel or the Parking Lot Parcel, or any part thereof, by any means, whether pursuant to foreclosure or deed in lieu of foreclosure or otherwise, shall take the Hotel Parcel or the Parking Lot Parcel, or part thereof, subject to the terms of this Agreement. Provided, however, notwithstanding anything to the contrary above, any mortgagee, or the successors or assigns of any mortgagee, who becomes owner of the Hotel Parcel or the Parking Lot Parcel, or part thereof, through foreclosure shall not be obligated to pay any fees or construct or complete any improvements, unless such owner desires to continue development of the Hotel Parcel or the Parking Lot Parcel consistent with this Agreement and the applicable land use entitlements, in which case the owner by foreclosure shall assume the obligations of the Parker Family hereunder in a form acceptable to the City.

E. The foregoing limitation on mortgagees and owners by foreclosure shall not restrict the City's ability to specifically enforce against such mortgagees or owners by foreclosure any dedication requirements under this Agreement or under any conditions of any other land use entitlements or approvals related to the Hotel Parcel or the Parking Lot Parcel.

16. State or Federal Law and Regulations. The Parker Family acknowledges that applications for development permits may be subject to other agency applications, review, permitting, and applicable fees. In the event state or federal law or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans or permits approved or issued by the City, this Agreement shall be suspended or, with the Parker Family's written consent, modified or extended as necessary to comply with such laws or regulations. Promptly following the enactment of any such law or regulation, the Parker Family and the City shall meet and confer in good faith to determine the feasibility of any such modification, extension or suspension based on the effect such modification, extension or suspension would have on the purposes and intent of this Agreement and the cost to the Parker Family of constructing and completing development of the Hotel Parcel and the Parking Lot Parcel. In addition, the Parker Family shall have the right to challenge such law or regulation, and in the event such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

17. No Waiver. No failure, delay, or omission by a party in exercising or asserting any right, power, or remedy hereunder shall impair such right, power, or remedy, and no failure, delay, or omission by a party occurring upon the other party's noncompliance with or failure to perform the terms and conditions of this Agreement shall be construed as a waiver thereof. A waiver by either party of any failure, delay or omission on the part of the other party shall not be construed as a waiver of any succeeding failure, delay, or omission of the same or other terms or conditions hereof.

18. Force Majeure. In the event any party to this Agreement is unable to perform or fulfill any of the terms or conditions of this Agreement on account of acts of God, enemy action, war, strikes, walk outs, riots, governmental actions or restrictions, administrative appeals or legal actions, judicial orders, third-party actions, floods, earthquakes, fire, casualties, or similar bases for excused performance which is not within the reasonable control of the party to be excused, the party obligated to so perform or prevented from performing thereby shall be excused from said performance until such time as said party shall no longer be prevented from performing on account of any of the foregoing reasons.

19. No Joint Venture or Partnership. Nothing contained herein or in any document executed in connection herewith shall be construed as making the City and the Parker Family joint venturers or partners.

20. Assignment, Assumption and Release. The rights and obligations of the Parker Family under this Agreement may be transferred or assigned, provided: (i) such transfer or assignment is made as part of a transfer, assignment, sale or long-term lease of the Hotel Parcel or the Parking Lot Parcel and a concurrent transfer of rights to complete the development of the Hotel Parcel and the Parking Lot Parcel, and (ii) prior to such an assignment, the assignee executes and delivers to the City a written assumption of the Parker Family's obligations under this Agreement. Any such transfer or assignment shall be subject to the provisions of this Agreement. During the Term of this Agreement, any such assignee or transferee shall observe and perform all of the duties and obligations of the Parker Family contained in this Agreement as such duties and obligations pertain to the Hotel Parcel and the Parking Lot Parcel so transferred or assigned. The Parker Family shall give the City prompt written notice of any such transfer or assignment. The Parker Family may free itself from its obligations under this Agreement provided that the transferee or assignee expressly assumes such obligations and agrees to be bound by the terms and conditions of this Agreement with respect to the Hotel Parcel and the Parking Lot Parcel. Upon the full execution of the assumption and assignment agreement, the transferee or assignee shall thenceforth be deemed to be "the Parker Family" hereunder. Notwithstanding the foregoing, this ~~Paragraph~~ Section 20 shall not apply to any mortgagee who comes into possession of the Hotel Parcel or the Parking Lot Parcel, for any part thereof, by any means, whether pursuant to foreclosure or deed in lieu of foreclosure or otherwise.

21. Permitted Extensions by City. In addition to any extensions of time otherwise provided in this Agreement, the City, in its sole discretion and acting through its Community Development Director or his or her designee, may extend the time for performance by the Parker Family of any obligation hereunder. Any such extension shall not require an amendment to this Agreement, so

long as such extension only involves the time for performance thereof and does not change the obligations to be performed by the Parker Family as a condition of such extension.

22. Notices. Any notice or communication required by this Agreement must be in writing and may be given either by personal service or registered or certified mail, return receipt requested. Any notice or communication personally served shall be deemed given and received on the date of personal service on the party noticed at the appropriate address designated below, and any notice or communication sent by registered or certified mail, return receipt requested, properly addressed to the appropriate address designated below, with postage prepaid, shall be deemed given and received on the date appearing on the signed return receipt. Any party hereto may at any time and from time to time, in the manner provided herein, designate any other address in substitution of the address to which such notice or communication shall be given. All such notices or communications shall be given to the parties at the addresses hereinafter set forth:

IF TO THE CITY:

Community Development Director
City of Santa Barbara
630 Garden Street
Post Office Box 1990
Santa Barbara, CA 93102

with copies to:

Santa Barbara City Attorney
740 State Street, Suite 201
Santa Barbara, CA 93101

IF TO THE PARKER FAMILY:

American Tradition, LLC
800 Miramonte Drive, Suite 350
Santa Barbara, CA 93109
Attn: Eli Parker and Ashley Parker Snider

with copies to:

Mullen & Henzell L.L.P.
112 East Victoria Street
Santa Barbara, CA 93101
Attn: Graham Lyons and J. Robert Andrews

23. Obligations of the Parker Family. As a condition of developing the Hotel Parcel, the Parker Family shall have the following affirmative obligation(s) for the benefit of the City:

23.1 Annual Payment of Maintenance Assessment. Payment of all annual assessments provided for in the Assessment Resolution (as that term is defined in Section 4.2 of Development Agreement No. 1) that have been due and payable from the effective date of the Development Agreement No. 1 through the Effective Date of this Agreement.

24. Enforceability. Except as otherwise provided herein, the rights of the parties under this Agreement shall be enforceable notwithstanding any change subsequent to the Effective Date in any applicable general plan, specific plan, local coastal plan, municipal ordinance, or building, zoning, subdivision or other land use ordinance or regulation.

25. Limitation of Remedies. It is acknowledged by the parties that neither party would have entered into this Agreement if doing so would subject it to the risk of incurring liability in money damages, either for breach of this Agreement, anticipatory breach, repudiation of the Agreement, or for any actions with respect to its implementation or application. The parties intend by the provisions of this Section 25 that neither of the parties shall have any liability for money damages arising out of a breach or repudiation of this Agreement, and no liability in money damages for any claims arising out of the application process, negotiation, execution and adoption, or the implementation or application of this Agreement. Each of the parties to this Agreement may pursue any remedy at law or equity available for the breach of any provision of this Agreement, including but not limited to specific performance, temporary or permanent injunctive relief, declaratory relief, or restraining orders, except that the parties shall have no liability in money damages for any acts which are alleged to have arisen out of or relate to this Agreement.
The parties further acknowledge that money damages and remedies at law generally are inadequate, and specific performance is the most appropriate remedy for the enforcement of this Agreement and should be available to all parties for the following reasons:

(a) Money damages are excluded as provided above.

(b) Due to the size, nature, and scope of development of the Hotel Parcel and Parking Lot Parcel, it may not be practical or possible to restore the Hotel Parcel or the Parking Lot Parcel to their original condition once implementation of this Agreement has begun. After such implementation, the Parker Family may be foreclosed from other choices they may have had to utilize the Hotel Parcel or the Parking Lot Parcel or portions thereof. The Parker Family have invested significant time and resources and performed extensive planning and processing of the Development Approvals in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Development Approvals in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate the Parker Family for such efforts.

Except for claims, demands, actions, or suits in which non-money damages is the sole remedy sought, including without limitation the remedy of specific performance, temporary or permanent injunctive relief, declaratory relief, or restraining orders, the Parker Family, on the one hand, and the City, on the other hand, for themselves, their successors and assignees, hereby release one another's officers, trustees, directors, partners, agents and employees from any and

all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth and Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seeks to impose any money damages, whatsoever, upon the parties because the parties entered into this Agreement, because of the terms of this Agreement, or because of the manner of implementation or performance of this Agreement.

26. Annual Reviews. As required by California Government Code § 65865.1 and any City procedures adopted pursuant thereto, the City's Public Works Director and Community Development Director shall review the Parker Family's performance pursuant to the terms of this Agreement at least once every twelve (12) months throughout the Term of this Agreement.

27. Definitions.

Amended Specific Plan. That certain amended specific plan approved and adopted by the Santa Barbara City Council on or about March 22, 1994 thereby amending the Park Plaza Specific Plan and affecting the real property located at 325-433 East Cabrillo Boulevard and 33 West Montecito Street, as described in more detail on Redevelopment Parcel Map 95-20,587 as Parcels 1, 2, and 3 (and recorded in the Official Records of Santa Barbara County on August 9, 1996 in Book 51, pp. 91-96), approving various permits for the affected properties and amending the zoning designation for the affected real property to HRC-2, S-D-3, SP-1 Hotel and Related Commerce 2 with Coastal Overlay Zone, Specific Plan No. 1 and General Plan designation of Open Space, Parking and Buffer/Stream for a proposed public/private project to be jointly developed by the Redevelopment Agency of the City and the Parker Family, consisting of a 150-room luxury hotel on the 3-acre Hotel Parcel, a 100-bed hostel, and an approximately 10-acre public park to be known as Chase Palm Park.

Conditions of Approval. Those certain conditions of approval imposed by the City: (a) on development of the Hotel, as set forth in Section 3, Phase II (Construction of Hotel) of Ordinance No. 4920; and (b) on development of the parking lot, as set forth in Planning Commission Resolution No. 032-07.

Development Agreement No. 1. That certain Development Agreement entered into by and between American Tradition G.P. and the City of Santa Barbara dated August 2, 1996 and recorded in the Official Records of the County of Santa Barbara as Instrument No. 96-047998.

Development Approvals. Those certain development approvals related to the Hotel adopted by the City through City Council Resolution No. 020-94: (a) incorporating the modifications and the additional conditions required by the California Coastal Commission for development of the Hotel into the Specific Plan No. 1; (b) granting development plan approvals for the Hotel; and (c) making the findings required by the City's Zoning Ordinance (Title 28 of the Santa Barbara Municipal Code) and the California Environmental Quality Act ("CEQA"); Ordinance No. 4920; and Resolution No. 032-07.

Existing City Laws. The City's general plan, local coastal plan, ordinances, resolutions, codes, rules, regulations, and official policies governing the permitted uses of land, density and intensity of use, maximum height, bulk, size, scale, design, location and construction standards and specifications applicable to this Agreement, the Hotel, the Hotel Building Permits, the Public Works Permits, the Conditions of Approval, and the Hotel Parcel and Parking Lot Parcel in effect as of the Effective Date without regard to any amendments or modifications thereto that become effective after the Effective Date.

FEIR. That certain Final Environmental Impact Report (ENV92-0107; SCH#92091038) and its Addendum dated June 8, 1995 adopted by the City of Santa Barbara pursuant to Ordinance No. 4920 adopted and approved by the Santa Barbara City Council on August 15, 1996.

Fess Parker Hotel Parcel. That certain real property located at 633 East Cabrillo Boulevard, which is presently developed with the Fess Parker Hotel and related improvements.

Hotel Building Permits. Those certain building permits related to the construction and occupancy of the Hotel, including without limitation those certain permits issued by the City of Santa Barbara authorizing construction of the Hotel and certain associated works of improvement: (i) BLD2007-00999 (issued 9/20/07), (ii) BLD2007-02146 (issued 9/20/07), (iii) BLD2007-00810 (issued 9/21/07 and thereafter amended and re-issued 8/12/08), (iv) BLD2007-2406 (issued 10/26/07), (v) BLD2007-2737 (issued 12/7/07), (vi) BLD2007-2871 (issued 1/9/08), (vii) BLD2007-01318 (issued 5/20/08), (viii) BLD2007-02954 (issued 7/2/08), (ix) BLD2009-00414 (issued 2/25/09).

Hotel. That certain 150-room hotel and associated improvements located on the Hotel Parcel and Parking Lot Parcel approved by the City pursuant to the Hotel Building Permits, Development Agreement No. 1, Ordinance No. 4920 and Parking Lot Parcel Approvals.

Hostel. That certain 100-bed hostel located at 12 East Montecito Street approved by the City of Santa Barbara pursuant to Coastal Development Permit CDP No. 95-0016 and subsequently issued approvals, modifications, and permits related thereto.

Hostel Conditions of Approval. Those certain conditions of approval for the Hotel set forth in: (1) Recital F and Recital I of Development Agreement No. 1 requiring the Hostel Property be used solely and exclusively for the construction, operation and maintenance of a 100-bed hostel; and (2) Section 3, Phase II (Construction of Hotel), Condition #F4 of Ordinance No. 4920 requiring issuance of a Certificate of Occupancy for the Hostel as a pre-requisite for issuance of a Certificate of Occupancy for the Hotel.

Hostel Property. That certain real property located at 12 East Montecito Street acquired by The Rodney James Shull Memorial Foundation, a California nonprofit public benefit corporation, by that certain Gift Deed recorded in the Official Records of the County of Santa Barbara on December 30, 1998 as Instrument No. 98-102124, in accordance with and in

satisfaction of Condition of Approval No. 4 of Part II B of Planning Commission Resolution 027-95, approved by the City of Santa Barbara Planning Commission on April 20, 1995.

Ordinance No. 4920. That certain ordinance of the City of Santa Barbara approved by the City Council on or about August 15, 1996, which approved the following: Development Agreement No.1; certain mitigation measures related to the Hotel; the FEIR and the necessary findings to approve and adopt the FEIR; the necessary findings to approve Development Agreement No. 1 and the Hotel pursuant to the Santa Barbara Municipal Code Chapters 28.22, 28.45, and 28.87; and the Conditions of Approval.

Parking Lot Parcel Approvals. Those certain permits and approvals issued by the City of Santa Barbara related to the construction and development of certain improvements and uses on the Parking Lot Parcel, including without limitation: Coastal Development Permit and a Conditional Use Permit approved through Resolution Number 032-07 adopted by on or about August 30, 2007 by the City Planning Commission; and building permit (BLD2007-02954) issued on or about July 2, 2008. Unless expressly stated otherwise in this Agreement, the Parking Lot Parcel Approvals constitute part of the Development Approvals.

Public Works Permits. Those certain permits issued by the City of Santa Barbara Public Works Department related to the development of the Hotel, including without limitation PBW 2008-0729 (issued 5/20/08).

28. City's Authority to Enter into Agreement. California Government Code §§ 65864-65869.5 authorize local agencies to enter into a binding development agreement (as such agreements are defined by California Government Code §§ 65864-65869.5) with a property owner for the development of property in order to give assurances to the property owner and the city that upon approval, a development project can proceed in accordance with existing land development policies, rules and regulations. Government Code § 65869 specifically provides that a statutory development agreement such as this Agreement need not be approved by the state Coastal Commission for any development project located in an area for which a local coastal program is required so long as the required local coastal program has been certified pursuant to the Coastal Act by the Coastal Commission prior to the date the development agreement is approved by the local agency. The City of Santa Barbara's Local Coastal Program was certified by the state Coastal Commission on November 12, 1986 and duly amended from time to time since then. Under the Santa Barbara City Charter, the City exercises control over municipal affairs, including the land development process, and has the authority to enter into development agreements for purposes consistent with the public health, safety and general welfare. On October 17, 1989, the City Council adopted Resolution No. 89-120 establishing procedures for considering statutory development agreements, which resolution sets forth in Recitals A-D thereof the City authority and public purpose of such agreements. Based on the foregoing, the City is authorized to enter into this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties thereto as of the Execution Date.

CITY OF SANTA BARBARA

PARKER FAMILY

By: _____
City Administrator

American Tradition, LLC
a California limited liability company

By: _____

Its: _____

ATTEST:

City Clerk

APPROVED AS TO CONTENT:

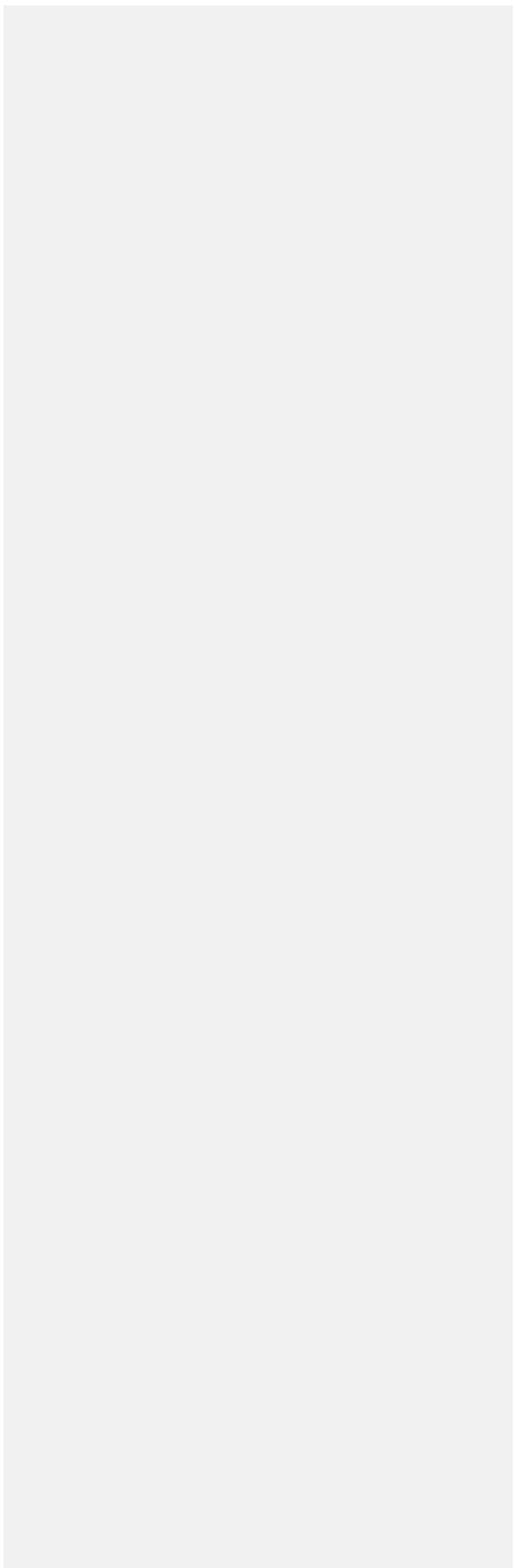
Community Development Director

APPROVED AS TO FORM

Public Works Director

APPROVED AS TO FORM

City Attorney



LEGAL DESCRIPTION

Real property in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 20,587, IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED ON 8-9-1996, IN BOOK 51, PAGES 91 THROUGH 96, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS LYING WITHIN PARCEL TWO OF MAP NO. 20,587 AS SAME IS SHOWN ON MAP NO. 20,587 ABOVE REFERRED TO AS "20' EASEMENT FOR INGRESS AND EGRESS PURPOSES IN FAVOR OF PARCEL ONE PER THIS MAP."

PARCEL C:

AN EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE LYING WITHIN PARCEL THREE OF MAP NO. 20,587 AS SAME IS SHOWN ON MAP NO. 20,587 ABOVE REFERRED TO AS "EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE IN FAVOR OF PARCEL ONE PER THIS MAP."

PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA

OWNER'S STATEMENT. THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AND AMERICAN TRADITION STATES THAT THEY ARE THE OWNERS OF, OR HAVE AN INTEREST IN, THE LAND INCLUDED WITHIN THE REDEVELOPMENT SHOWN ON THIS MAP...

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, CALIFORNIA, A PUBLIC BODY CORPORATE AND POLITICAL...

Harriet Miller, Chairperson; David G. Davis, Asst. Secretary. Attest.

American Tradition, A California General Partnership, represented by Fess Elshar Parker, Jr., Trustee.

TRUSTEES OF THE PARKER FAMILY TRUST, VIA DATED JUNE 5, 1970, GENERAL PARTNER:

Fess Elshar Parker III, General Partner; Ashley Allen Rinehart, General Partner.

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On August 6, 1996 before me, David S. Guzman, a Notary Public in and for said county and state, personally appeared...

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On August 6, 1996 before me, David S. Guzman, a Notary Public in and for said county and state, personally appeared...

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On July 31, 1996 before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On July 31, 1996 before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On July 31, 1996 before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

SURVEYOR'S STATEMENT. THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, CALIFORNIA, IN JULY, 1995...



MEN KUENCER LS 5617

REDEVELOPMENT AGENCY STATEMENT

I HEREBY STATE THAT THIS MAP WAS DULY ACCEPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, CALIFORNIA, ON JULY 11, 1996...

DAVID S. GUZMAN, EXECUTIVE DIRECTOR OF THE CITY OF SANTA BARBARA

NOTE

PURSUANT TO SECTIONS 66499.20 1/2 OF THE GOVERNMENT CODE (SUBDIVISION MAP ACT) THIS MAP REPRESENTS A MERGER AND RESUBDIVISION WITHOUT REVERSION AS INDICATED HEREIN, WHEREIN ALL EASEMENTS AND RIGHTS-OF-WAY, OTHER THAN PUBLIC UTILITIES, NOT SHOWN HEREON HAVE BEEN ABANDONED.

CITY ENGINEER STATEMENT

THIS MAP CONFORMS WITH REQUIREMENTS OF SECTION 66428 OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES

PAT KELLY, CITY ENGINEER, R.C.E. 27073, EXP. MARCH 30, 1997



CITY COUNCIL STATEMENT

I HEREBY STATE THAT THIS MAP WAS DULY ADOPTED AND ACCEPTED BY THE CITY COUNCIL OF THE CITY OF SANTA BARBARA, CALIFORNIA, ON AUGUST 6, 1996...

LILY ROSSI, CHIEF DEPUTY CITY CLERK, THE CITY OF SANTA BARBARA

PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA

FOR REDEVELOPMENT PURPOSES PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW

BEING A REDEVELOPMENT OF PORTIONS OF CITY BLOCKS 320, 321, 345, 345 1/2, 345 1/4, 335, 336, AND 335 1/2 AND INTERESTS THEREIN, TOGETHER WITH A PORTION OF LAGUNA STREET, SANTA BARBARA, CALIFORNIA, AND PORTIONS OF STREETS AND ALLEYS...

JULY, 1996

Penfield & Smith, ENGINEERS - SURVEYORS, 111 E. VICTORIA ST., SANTA BARBARA, CALIF. 93101

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On July 31, 1996 before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On August 6, 1996 before me, Joyce L. Carpenter, a Notary Public in and for said state, personally appeared...

RECORDER'S STATEMENT FILED THIS 9th DAY OF August, 1996, AT 1:00 A.M. IN BOOK 51 DAY OF Parcel Maps, AT PAGES 91 THROUGH 96.

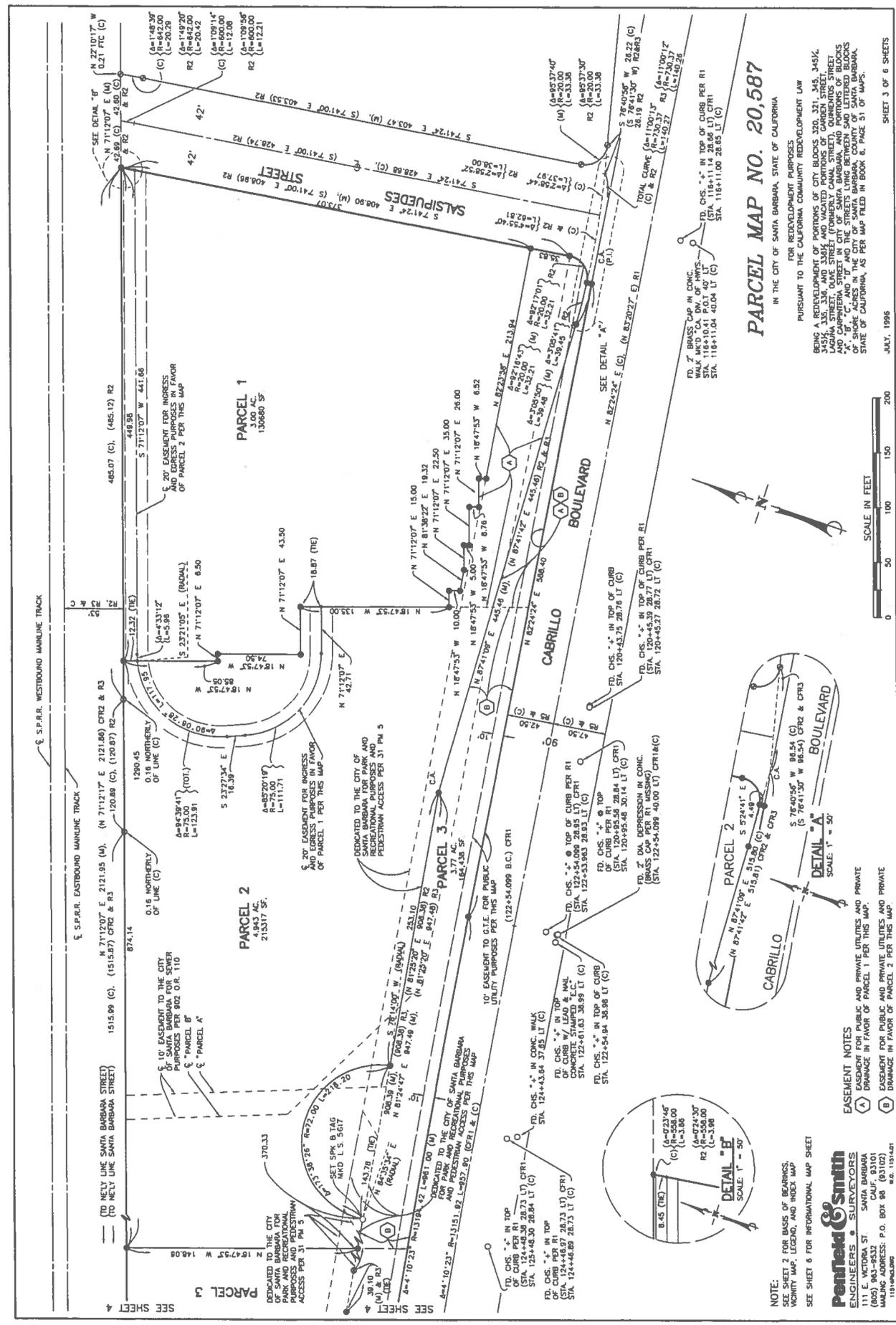
AT THE REQUEST OF PENFIELD & SMITH ENGINEERS - SURVEYORS.

BY: Kenneth A. Pettit, County Clerk-Recorder, Santa Barbara County, California

CLERK OF THE BOARD STATEMENT

I, KENT M. TAYLOR, CLERK OF THE BOARD OF SUPERVISORS OF SANTA BARBARA COUNTY, CALIFORNIA, HEREBY STATE PURSUANT TO GOVERNMENT CODE SECTION 66464 OF THE SUBDIVISION MAP ACT THAT CERTIFICATES AND DEPOSITS REQUIRED UNDER GOVERNMENT CODE SECTIONS 66492 AND 66493 OF THE PROPERTY CODE HAVE BEEN PAID OR BONDED FOR UNLESS SUCH BOND HAS BEEN WAIVED.

KENT M. TAYLOR, CLERK OF THE BOARD OF SUPERVISORS; Charles L. Carpenter, Deputy



PARCEL MAP NO. 20.587
 IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA

FOR REDEVELOPMENT PURPOSES
 PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
 BEING A REDEVELOPMENT OF PORTIONS OF BLOCKS 320, 321, 345, 345 1/2, 345 1/4, 335, 336, AND 330 1/2 AND VACATED PORTIONS OF GARDEN STREET, CARRILLO STREET, CARRILLO BOULEVARD, CARRILLO STREET AND CARRILLO STREET IN THE CITY OF SANTA BARBARA, AND PORTIONS OF BLOCKS "A", "B", "C", AND "D" AND THE STREETS LYING BETWEEN SAID LETTERED BLOCKS "A", "B", "C", AND "D" IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 0, PAGE 51 OF MAPS.

JULY, 1998
 SHEET 3 OF 6 SHEETS

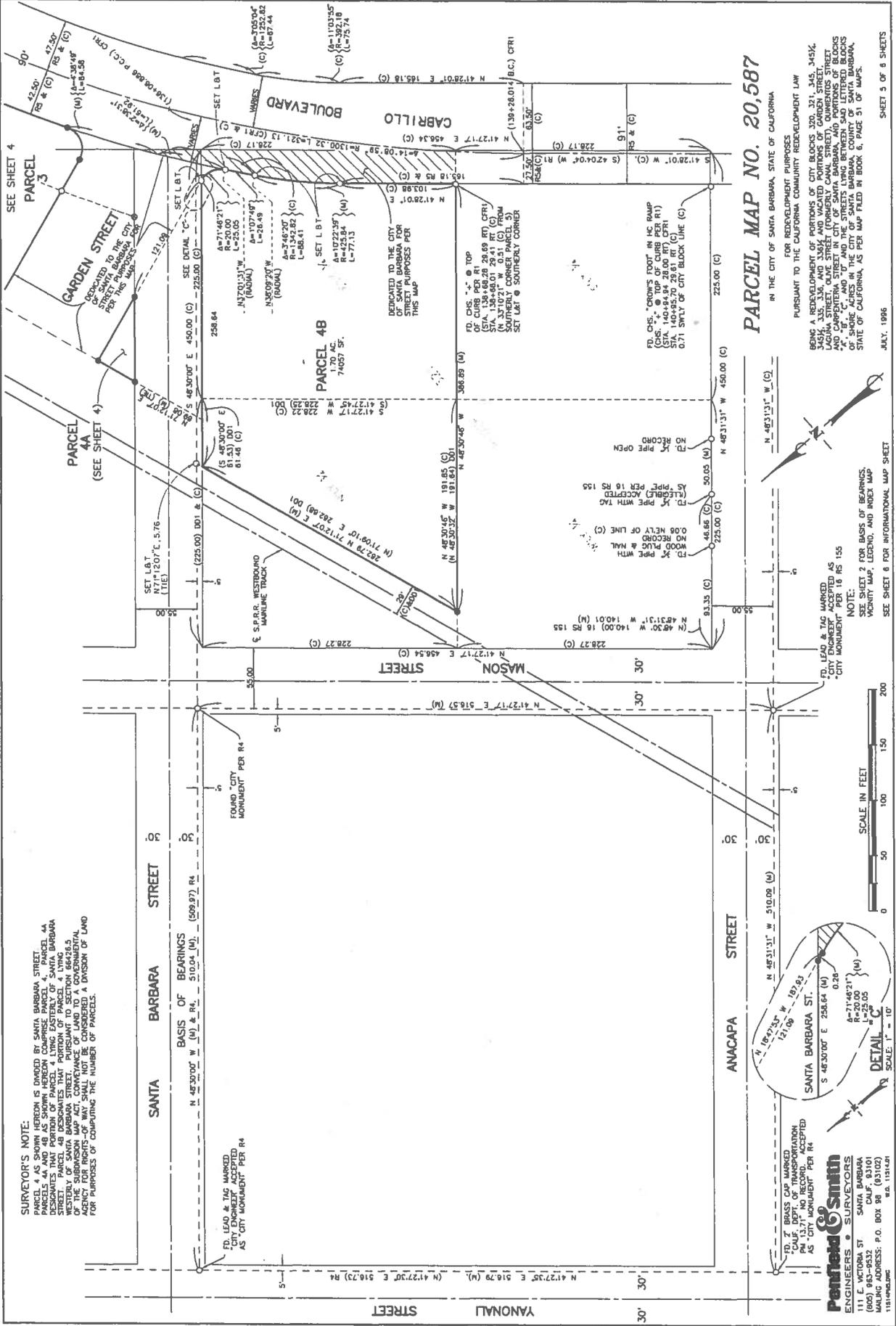
Penfield & Smith
 ENGINEERS & SURVEYORS
 111 E. VICTORIA ST.
 SANTA BARBARA, CALIF. 93101
 (805) 963-9633
 MAILING ADDRESS: P.O. BOX 98
 93102
 11519penf.com

EASEMENT NOTES
 (A) EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE IN FAVOR OF PARCEL 1 PER THIS MAP.
 (B) EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE IN FAVOR OF PARCEL 2 PER THIS MAP.

NOTE:
 SHEET 2 FOR BASIS OF BEARINGS
 VICINITY MAP, LEGEND, AND INDEX MAP
 SEE SHEET 6 FOR INFORMATIONAL MAP SHEET

SEE SHEET 4
 SEE SHEET 5
 SEE SHEET 6

SEE SHEET 6 FOR INFORMATIONAL MAP SHEET



SURVEYOR'S NOTE:
 PARCEL 4 AS SHOWN HEREON IS DIVIDED BY SANTA BARBARA STREET
 PARCELS 4A AND 4B AS SHOWN HEREON COMPRISE PARCEL 4, PARCEL 4A
 DESCRIBES THAT PORTION OF PARCEL 4 LYING EASTWARD OF SANTA BARBARA
 WESTERLY OF SANTA BARBARA STREET. PURSUANT TO SECTION 56426.5
 OF THE SUBDIVISION MAP ACT, CONVEYANCE OF LAND TO A GOVERNMENTAL
 ENTITY SHALL BE CONSIDERED TO BE A DIVISION OF LAND
 FOR PURPOSES OF COMPUTING THE NUMBER OF PARCELS.

SANTA BARBARA STREET
 BASIS OF BEARINGS
 N 48°30'00" W (M) & R4 = 510.04 (M)
 (509.97) R4

FD. LEAD & TAG MARKED
 AS "CITY MONUMENT" PER R4

FOUND "CITY
 MONUMENT" PER R4

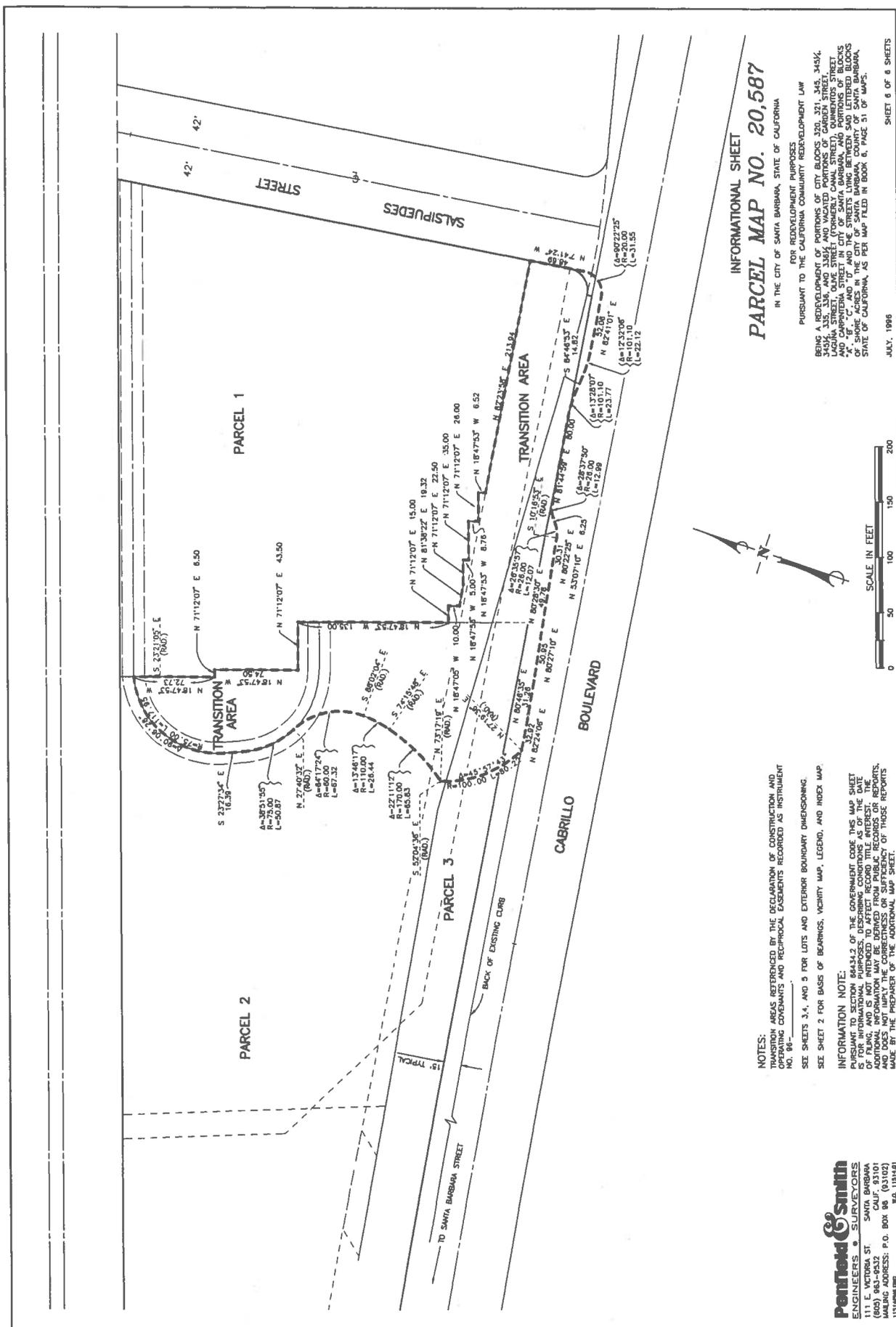
FD. 7" BRASS CAP MARKED
 CALIF. DEPT. OF TRANSPORTATION
 AS "CITY MONUMENT" PER R4

Penfield & Smith
 ENGINEERS & SURVEYORS
 1115 VICTORIA ST
 SANTA BARBARA, CALIF. 93101
 MAILING ADDRESS: P.O. BOX 98 (93102)
 W.A. 1131421

PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA
 FOR REDEVELOPMENT PURPOSES
 PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
 BEING A REDEVELOPMENT OF PORTIONS OF CITY BLOCKS 370, 371, 345, 345K,
 345K, 335, 33A, AND 335K AND VACATED PORTIONS OF GARDEN STREET,
 LAGUNA STREET, OLIVE STREET (FORMERLY CANAL STREET), CUMMINGS STREET
 AND PORTIONS OF SANTA BARBARA STREET, SANTA BARBARA STREET
 AND PORTIONS OF MASON STREET AND THE STREETS LYING BETWEEN SAID LETTERED BLOCKS
 OF SHORE ACRES IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA,
 STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 6, PAGE 31 OF MAPS.

JULY, 1995
 SHEET 5 OF 6 SHEETS



INFORMATIONAL SHEET
PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA
 PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
 FOR REDEVELOPMENT PURPOSES
 BEING A REDEVELOPMENT OF PORTIONS OF CITY BLOCKS 320, 321, 343, 343K, 343L, 338, 33A, AND 338K AND VACATED PORTIONS OF GARDEN STREET, LAGUNA STREET, OLIVE STREET (FORMERLY CALLED SAN JUAN), AND PORTIONS OF BLOCKS 343, 343K, 338, 33A, AND 338K, AND THE STREETS LYING BETWEEN SAID LETTERED BLOCKS OF SHORE ACRES IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 14, PAGE 31, OF MAPS.

JULY, 1996
 SHEET 6 OF 8 SHEETS



NOTES:
 1. UNIMPROVED AREAS REFERENCED BY THE DECLARATION OF CONSTRUCTION AND OPERATING AGREEMENTS AND REPROVIDAL EASEMENTS RECORDED AS INSTRUMENT NO. 94-_____
 2. SEE SHEETS 3, 4, AND 5 FOR LOTS AND EXTERIOR BOUNDARY DIMENSIONING.
 3. SEE SHEET 2 FOR BASIS OF BEARINGS, VICINITY MAP, LEGEND, AND INDEX MAP.
 INFORMATION NOTE:
 4. THIS PARCEL MAP IS PREPARED IN ACCORDANCE WITH SECTION 8434.2 OF THE GOVERNMENT CODE THIS MAP SHEET IS FOR INFORMATIONAL PURPOSES, DESCRIBING CONDITIONS AS OF THE DATE OF FILING, AND IS NOT INTENDED TO AFFECT RECORD TITLE INTERESTS THEREIN, NOR DOES IT IMPLY THE CORRECTNESS OR SUFFICIENCY OF THOSE REPORTS MADE BY THE PREPARER OF THE ADDITIONAL MAP SHEET.

Penfield & Smith
 ENGINEERS & SURVEYORS
 111 E. VICTORIA ST.
 SANTA BARBARA, CALIFORNIA 93101
 MAILING ADDRESS: P.O. BOX 98 (93102)
 113 (4996) (09/96)
 W.A. 11814.01

Legal Description

Those portions of Block 334, Block 335, Olive Street (formerly Canal Street), and Carpinteria Street, in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, described as a whole as follows:

Beginning at the northwest corner of the parcel, hereinafter to be referred to as Parcel One, described in the Corrected Certificate of Compliance recorded in the office of the County Recorder of said County June 9, 1999, as Instrument No. 99-047105 of Official Records, said corner being at the westerly terminus of that certain course recited as having a bearing and distance of "South 71°12'17" West 174.80 feet" in said document;

Thence, 1st, along the northerly line of said Parcel One, North 71°12'17" East, 450.35 feet to the northeast corner of said Parcel One, said corner being in the southwesterly line of Olive Street, 60.00 feet wide, now abandoned, and being the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037729 of Official Records;

Thence, 2nd, along the northerly line of said last-mentioned parcel, North 71°12'17" East, 69.11 feet to the northeasterly line of Olive Street and the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037731 of Official Records;

Thence, 3rd, along the northerly line of said last-mentioned parcel, North 71°12'17" East, 64.79 feet to the northeast corner of said parcel and the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037733 of Official Records;

Thence, 4th, along the northerly line of said last-mentioned parcel, North 71°12'17" East 65.33 feet to the northernmost corner of said parcel;

Thence, 5th, along the northeasterly line of said parcel, South 48°32'39" East, 7.23 feet to a point in the northwesterly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037735 of Official Records, said last-mentioned parcel to be hereinafter referred to as Parcel Nine, said point also being in the northwesterly line of Carpinteria Street, 60.00 feet wide, now abandoned;

Thence, 6th, along said northwesterly line of said Parcel Nine, North 41°26'16" East, 331.29 feet to the northernmost corner of said Parcel Nine and the beginning of a non tangent curve concave southwesterly, having a radius of 558.00 feet and a radial center which bears South 49°59'47" West;

Thence, 7th, southeasterly, along the northeasterly line of said Parcel Nine and along said curve, through a central angle of 06°17'43", an arc distance of 61.31 feet to the southeast corner of said Parcel Nine and the southeasterly line of said Carpinteria Street;

Thence, 8th, along the northeasterly prolongation of said southeasterly line, and along the northwesterly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037736 of Official Records, North 41°26'16" East, 34.77 feet to northernmost corner of said parcel and the beginning of a non tangent curve concave southwesterly, having a radius of 600.00 feet and a radial center which bears South 53°46'33" West;

Thence, 9th, southeasterly, along the northeasterly line of said parcel and along said curve, through a central angle of 18°37'22", an arc distance of 195.02 feet to the southeast corner of said parcel and the northerly line of the Union Pacific Railroad (formerly Southern Pacific Railroad);

Thence, 10th, along said railroad right of way, and the southerly line of said parcel, South 71°12'17" West, 363.49 feet to the westernmost corner of said parcel and the southerly line of the hereinabove referenced Parcel Nine;

Thence, 11th, along said southerly line and continuing along said railroad right of way, South 71°12'17" West, 120.86 feet to an angle point in the southerly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037730 of Official Records;

Thence, 12th, along said southerly line, and continuing along said right of way, South 71°12'17" West, 39.77 feet to the southeasterly corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder June 9, 1999 as Instrument No. 99-047106 of Official Records;

Thence, 13th, along the southerly line of said last-mentioned parcel, South 71°12'17" West, 493.21 feet to the southwest corner of said parcel;

Thence, 14th, along the westerly line of said parcel, North 18°47'43" West, 62.00 feet to the southwest corner of the hereinabove referenced Parcel One;

Thence, 15th, along the westerly line of said Parcel One, North 18°47'43" West, 13.01 feet to the point of beginning.

Containing 2.42 acres, more or less.

Prepared by:

Kenneth S. Hughes
PLS 6170
License expiration
date: 3/31/10



Kenneth S. Hughes
APRIL 24, 2008

Page 2 of 2

LINE	BEARING	DISTANCE
L1	N 71°12'17" E	69.11
L2	N 71°12'17" E	64.79
L3	N 71°12'17" E	65.33
L4	S 48°32'39" E	7.23
L5	N 41°26'16" E	34.77
L6	S 71°12'17" W	120.86
L7	S 71°12'17" W	39.77
L8	N 18°47'43" W	62.00
L9	N 18°47'43" W	13.01

CURVE	DELTA	RADIUS	LENGTH
C1	617°43"	558.00	61.31
C2	1837°22"	600.00	195.02

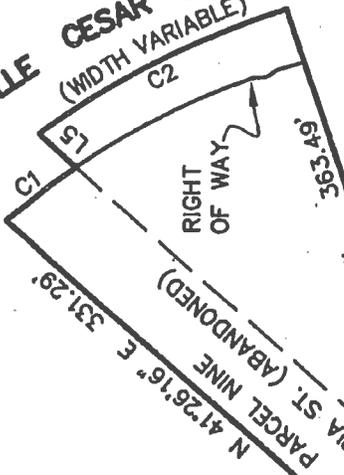
APN 017-113-022

APN 017-113-023

APN 017-113-016

APN 017-113-019

CALLE CESAR CHAVEZ
(WIDTH VARIABLE)



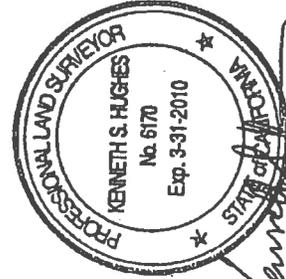
OLIVE ST.
(ABANDONED)

A.1

UNION PACIFIC RAILROAD

MERGED PARCEL
AREA=2.42 ACRES
MORE OR LESS

POINT OF BEGINNING
FOR LEGAL
DESCRIPTION



Kenneth S. Hughes
APRIL 24, 2008

EXHIBIT 'B'
VOLUNTARY MERGER
APN 017-113-020

CITY OF SANTA BARBARA
STATE OF CALIFORNIA

SCALE: 1"=120' APRIL 24, 2008



Penfield & Smith
Engineering · Surveying · Planning
· Construction Management ·

111 East Victoria Street, Santa Barbara, CA 93101
Phone: (805) 963-9532 Fax: (805) 966-9801
W.O. 17753.04 17753VOL-MERGER.DWG