RECORDING REQUESTED BY,)
AND WHEN RECORDED MAIL TO:)
City of Santa Barbara)
Community Development Department)
630 Garden Street)
P.O. Drawer 1990)
Santa Barbara, CA 93102
Attn: Community Development Director

SEND ANOTHER COPY TO:

(Space Above for Recorder's Office)

HISTORIC PROPERTY PRESERVATION AGREEMENT

("MILLS ACT CONTRACT")

between

THE CITY OF SANTA BARBARA
a municipal corporation

and

Ethan J. Reece and Hsing-Yi Lin, Husband and Wife as joint tenants
PO Box 22939, Santa Barbara, CA 93121

Owner of the property located at

2012 Anacapa Street
APN: 025-321-012

HISTORIC PROPERTY PRESERVATION AGREEMENT

("MILLS ACT CONTRACT")

THIS AGREEMENT is made this _____, 2014, by and between the City of Santa Barbara, a municipal corporation ("City") and Ethan J. Reece and Hsing-Yi Lin (hereinafter collectively referred to as "Owner").

RECITALS

1. California Government Code section 50280, et. seq. allow cities the discretion to enter into contracts with the owners of qualified historic properties, as that term is defined in Government Code section 50280.1, for the purpose of providing for the use, maintenance, protection, and rehabilitation of such historic property so as to retain its characteristics as property of historic significance.

2. Owner holds fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 2012 Anacapa Street Santa Barbara, California ("Historic Property"). A legal description of the Historic Property is attached hereto as Exhibit "A," and incorporated herein by this reference.

3. On August 6, 1991, the Council of the City of Santa Barbara designated the Historic Property as a City Landmark pursuant to the terms and provisions of Title 22 of the Santa Barbara Municipal Code.

4. City and Owner desire to enter into this Agreement for the purpose of protecting and preserving the characteristics of historical significance of the Historic Property that help preserve and maintain the community's unique civic identity and character.

5. Owner, in consideration for abiding by the terms of this Agreement, shall be entitled to qualify for a reassessment of valuation of the Historic Property, pursuant to the provisions of Chapter 3, Part 2, of Division 1 of the California Revenue and Taxation Code, and any corresponding

adjustment in property taxes resulting therefrom.

TERMS

NOW, THEREFORE, the City and Owner in consideration of mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Preservation of Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements, and restrictions:

A. The Rehabilitation Plan. Owner has proposed a specific list of projects, acceptable to City, that are to be undertaken and completed for the rehabilitation, repair, maintenance, or rehabilitation of the Historic Property during the term of this agreement (hereinafter the "Rehabilitation Plan.") The proposed Rehabilitation Plan is listed in Exhibit "B," which exhibit is incorporated herein by this reference. Owner shall conduct at least one of the projects listed in the Rehabilitation Plan during each year of this agreement. All such projects shall be undertaken and completed in accordance with the Secretary of Interior Standards for Rehabilitation and the City of Santa Barbara design guidelines.

The projects in the Rehabilitation Plan are listed in chronological order by the contract year(s) in which the projects are expected to commence. In addition, the project list provides an estimated cost of completion for each project. The project commencement dates and cost estimates are provided for purposes of illustration. A project does not have to be completed within a single contract year, nor do all of the listed projects have to be completed during the term of the agreement. However, during each year of this contract, Owner is required to spend an amount at least equal to the annual property tax savings realized by Owner on one or more of the projects listed in the Rehabilitation Plan. Without altering Owner's obligation to invest the annual tax savings in the rehabilitation, repair, maintenance,

or rehabilitation of the Historic Property, the Rehabilitation Plan may be amended or altered from time to time by written agreement executed by the City Community Development Director or the Director's designee and Owner.

B. Maintenance Plan. In addition to the Rehabilitation Plan described in Subsection 1(A) above, Owner shall preserve and maintain the characteristics of the cultural and historical significance of the Historic Property. Attached hereto as Exhibit "C," and incorporated herein by this reference, is a listing of character defining features and the minimum standards and conditions for maintenance, use, protection, and preservation of the Historic Property, which shall apply to the Historic Property and with which Owner shall comply throughout the term of this Agreement. In addition, Owner shall comply with the terms of the City's Historic Structures Ordinance (Chapter 22.22) of the Santa Barbara Municipal Code), and shall obtain any applicable permits necessary to protect, preserve, restore, and rehabilitate the Historic Property so as to maintain its historical and cultural significance. At a minimum, during the term of this agreement Owner shall maintain the exterior of the Historic Property in a condition that is at least equal to the condition documented in Exhibit "D." The condition of the exterior of the Historic Property on the effective date of this Agreement is documented in photographs attached as Exhibit "D" and incorporated herein by this reference.

C. Public View of the Historic Property. Owner shall not construct, install, allow, or maintain any wall, fence, or landscaping along the right of way frontages of the Historic Property so as to prevent the viewing of the Historic Property from the public right-of-way.

2. Periodic Examinations. Upon reasonable advance notice, Owner shall allow reasonable periodic examinations of the interior and exterior of the Historic Property by representatives of the County Assessor, the State Department of Parks and Recreation, the State Board of Equalization and

City, as may be necessary to determine Owner's compliance with the terms and provisions of this Agreement.

3. Provision of Information of Compliance. Owner hereby agrees to furnish City with any and all information requested by City, which City deems necessary or advisable to determine eligibility of the Historic Property and compliance with the terms and provisions of this Agreement. Owner shall provide the City with photographs and receipts documenting the progress and expenditures on the required Rehabilitation Plan project(s) during each year of the agreement.

4. Effective Date and Term of Agreement. This Agreement shall be effective and commence on January 1, 2015 ("Effective Date") and shall remain in effect for a term of ten (10) years thereafter.

5. Yearly Renewal. Each year upon the anniversary of the Effective Date ("Renewal Date"), an additional one (1) year shall automatically be added to the remaining term of the Agreement unless a notice of nonrenewal is delivered as provided in Section 3 of this Agreement.

6. Nonrenewal. If either the Owner or City desires in any year not to renew this Agreement, Owner or City shall serve a written notice of nonrenewal upon the party in advance of the Renewal Date ("Notice of Nonrenewal"). The Notice of Nonrenewal shall be effective only if served by Owner upon City at least ninety (90) days prior to the Renewal Date, or if served by City upon Owner, the Notice of Nonrenewal shall be effective only if served upon Owner at least sixty (60) days prior to the Renewal Date. If either City or Owner serves a Notice of Nonrenewal in any year, this Agreement shall remain in effect for the balance of the term then remaining.

7. Owner Protest of City Nonrenewal. Within fifteen (15) days of Owner's receipt of the Notice of Nonrenewal from City, Owner may file with City a written protest of the Notice of Nonrenewal. Upon receipt of the written protect, the City Council shall set a hearing prior to the

expiration of the Renewal Date of this Agreement. Owner may furnish the City Council with any information which Owner deems relevant and shall furnish the City Council with any information it may require. The City Council may, at any time prior to the annual Renewal Date, withdraw its Notice of Nonrenewal.

8. Breach of Agreement; Remedies.

A. Notice of Breach; Opportunity to Cure. If Owner breaches any provision of this Agreement, City may give written notice to Owner by registered or certified mail detailing Owner's violations. If such violation is not corrected to the reasonable satisfaction of City within thirty (30) days after the date of notice of violation, or within such a reasonable time as may be required to cure the violation (provided the acts to cure the violation are commenced within thirty (30) days and thereafter diligently pursued to completion), the City may, without further notice, declare Owner to be in breach of this Agreement. Upon City's declaration of Owner's breach, City may pursue any remedy available under local, state, or federal law, including those specifically provided for in this section.

B. Remedy - Cancellation. City may cancel this Agreement if City determines, following a duly noticed public hearing in accordance with Government Code section 50285, that Owner breached any of the conditions of the Agreement, Owner allowed the Historic Property to deteriorate to the point that it no longer meets the standards for a qualified historic property, or Owner failed to maintain and preserve the Historic Property in accordance with the terms of this Agreement. If this Agreement is cancelled, under this paragraph, Owner shall pay a cancellation fee to the Office of the Auditor for the County of Santa Barbara as required by Government Code section 50286.

C. Alternative Remedies. As an alternative to cancellation of this Agreement for Owner's breach of any condition, City may bring an action in court necessary to enforce this Agreement

including, but not limited to, an action to enforce this Agreement by specific performance, injunction, or receivership.

9. Destruction of Property; Eminent Domain; Cancellation. If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than seventy-five percent (75%) of its market value immediately prior to the damage is lost, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code section 50286 shall be imposed if the Agreement is cancelled pursuant to this Section.

10. Waiver. City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a reach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

11. Binding Effect of Agreement. Owner hereby subjects the Historic Property to the covenants, conditions, and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, conditions, and restrictions set forth herein shall be deemed covenants running with the land and shall inure to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument herein after

executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

12. Covenants Run with the Land. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historical characteristics and significance of the Historic Property for the benefit of the public and the Owner.

13. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto:

City: City of Santa Barbara
Planning Division
630 Garden Street
Santa Barbara, CA 93101

Owner: Ethan J. Reece and Hsing-Yi Lin
PO Box 22939 Street
Santa Barbara, CA 93121

14. Effect of Agreement. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

15. Indemnity of City. Owner shall defend, indemnify, and hold harmless City and its elected

officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state or local governmental agency, arising out of or incident to (i) the direct or indirect use operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner's activities in connection with the Historic Property; and (iii) any restrictions on the use or development of the Historic Property, from application or enforcement of Title 22 of the City's Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner's obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

16. Binding Upon Successors. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

17. Legal Costs. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, conditions or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorneys' fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

18. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.

19. Recordation. No later than twenty (20) days after the Effective Date, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Santa Barbara. Owner shall provide written notice of the contract to the State Office of Historic Preservation within six (6) months of entering into the contract.

20. Amendments. This Agreement may be amended, in whole or in part, only by written recorded instrument executed by the parties hereto.

21. Governing Law and Venue. This Agreement shall be construed and governed in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Santa Barbara, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

IN WITNESS WHEREOF, the parties have executed this Mills Act Contract for 2012 Anacapa Street as of the date and year first written above.

CITY OF SANTA BARBARA
a Municipal Corporation

_____
Paul Casey
City Administrator

ATTEST:

_____

City Clerk Services Manager

APPROVED AS TO CONTENT:

_____
George Buell
Community Development Director

APPROVED AS TO FORM:
Ariel Pierre Calonne
City Attorney

By_____
Assistant City Attorney

OWNERS

_____
(Ethan J. Reece)

_____
(Hsing-Yi Lin)
Husband and Wife as Joint Tenants
2012 Anacapa Street
Santa Barbara, CA 93103

ACKNOWLEDGMENT

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

Exhibit "A"
Legal Description

The legal description from the grant deed

Those portions of block "A" of the Mission Addition to the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

Parcel One:
Beginning at a point in the northeasterly line of Anacapa Street, distant thereon 100 feet northwesterly from the northwesterly line of Mission Street and running. Thence northwesterly along said line of Anacapa Street 87.4 feet; thence at right angles northeasterly, 150 feet; thence at right angles southeasterly, 87.4 feet; thence at right angles southwesterly, 150 feet to the point of beginning. Excepting therefrom all oil and mineral rights below a depth of 500 feet.

Parcel Two:
Commencing at a point on the northeasterly side of Anacapa in said City, 187.4 feet northwesterly from the northerly corner of Anacapa and Mission Streets, said north corner being the south corner of lot 68 of the outside Pueblo Lands of said City, as surveyed and numbered by W.H. Norway; Thence northwesterly along said line of Anacapa Street, 25 feet to the south corner of the premises formerly called "The Howard Property" as shown on map of a survey of F.F. Flournoy, filed in the office of the county recorder of said county on June 14, 1904 and recorded in Book 3, page 46 of maps and surveys. Thence at right angles northeasterly along the line of said Howard Property, 150 feet to the intersection with the Northwesterly prolongation of the southwesterly line of the Francisco J. Manrique and Augusta W. Manrique Property; thence at right angles southeasterly along the northwesterly prolongation of the southwesterly line or said Manrique Property 13 feet to the most westerly corner thereof; thence along the southwesterly side of said Manrique Property, 12 feet to the corner of that certain parcel of land conveyed by Ida M. Stewart Chase, formerly Ida M. Stewart, to David C. Williams, by deed dated May 29, 1905 and recorded in book 106, page of deeds; thence at right angles southwesterly along the line of said land of Williams, 150 feet to said line of Anacapa Street, and the place of beginning. Excepting therefrom all oil and mineral rights below a depth of 500 feet.

Exhibit "B"

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Historic Landmarks Commission/staff review and approval before work begins as required by Title 22. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties*.

Retain copies of receipts and permits for submittal with the required annual reports.

The City of Santa Barbara does not make any of the Mills Act calculations and assumes no liability for the Mills Act calculations submitted by the applicant as part of the application or the Mills Act calculations of the Santa Barbara County Assessor's Office.

MILLS ACT PROGRAM TEN-YEAR REHABILITATION PLAN

2012 Anacapa Street, Pearl Chase House, City Landmark
City of Santa Barbara

Year/Range	Proposed Project	Estimated Cost
Year 1-2	Replace electrical to meet code	$25,000
	Replace plumbing	$26,000
	Install kitchen cabinets	$30,000
	Install marble kitchen countertops	$15,000
	Repair/replace composite shingle roof and install copper gutters	$20,000
	Rough carpentry	$25,000
	Finish carpentry	$50,000
	Original wood window repair	$20,000
	Tile installation for four bathrooms	$20,000
	Tile (materials)	$10,000
	Repair/replace wood flooring	$15,000
	Replace and add insulation	$5,000
	repair/replacement of deteriorated roof eaves, siding, and porch columns to match existing	$50,000
Year 2	Landscape rehabilitation improvements	$5,000

Total		**$316,000**

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit B.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Historic Landmarks Commission/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties.* Rehabilitation Plan may be amended or altered by mutual agreement. Retain copies of all receipts and permits for submittal with the required annual reports.

Exhibit “C”

Property Maintenance Minimum Standards

During the term of this Agreement, Owners shall maintain the Historic Property in compliance with all regulations of the state Health and Safety Code including compliance with the adopted Uniform Housing Code as referenced in Chapter 22.04 of the Santa Barbara Municipal Code. In addition, during the term of this Agreement, Owner shall:

1. Comply with Santa Barbara Municipal Code Section 22.22.070, Duty to Repair and Maintain Structures of Merit consistent with maintenance plan for preservation of character defining features.
2. Not store non-operational vehicles on the Historic Property in locations that are visible from the public right of way;
3. Not maintain stagnant or standing water on the Historic Property;
4. Not suffer or maintain overgrown or decaying landscaping on the Historic Property. All landscape features should be maintained including, but not limited to grass, trees, and any planting.

Exhibit “D”

Photos of the exterior are used as Exhibit “D”

Front, West, elevation of 2012 Anacapa Street. (2014)

Detail of front door. (2014)

Side, north, elevation (2014)

Rear, east, elevation (2014)

Cedar, shingle siding being restored (2015)

Deteriorated porch posts to be replaced (2015)