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February 6, 2012

Via Email and Mail

Dr. Glenn Russell
Planning and Development Director
County of Santa Barbara
105 E. Anapamu, 2nd Floor
Santa Barbara, CA 93101

Re: Santa Barbara Ranch Inland Development Agreement

Dear Dr. Russell:

As you know, I represent Vintage Communities, Inc.; Santa Barbara Ranch, LLC; Vintage Vineyards, LLC; Osgood Farms, LLC; Matthew K. Osgood; DLC Ranch, LLC; and TW Family Farm, LLC.

In reviewing the draft Notice of Compliance, which is on the Board's agenda for tomorrow, we noticed that section 3.b. states: "The attorney representing the Original Developers in the 'quiet title' litigation informed County Counsel on January 23, 2012 that his clients cannot consent to the County certifying SBRHC as 'the Developer' having 'all rights of the Developer' under the Inland Development Agreement." I am not sure to which communication the foregoing statement refers, but I do not believe I made the statement that my clients "cannot consent to the County certifying SBRHC." The statement also does not accurately reflect my clients' position as stated in my January 30, 2012 letter to you and my February 1, 2012 letter to Ms. Rosenthal.

My clients' position is that a Transfer Agreement or some other agreement resolving all of the claims between my clients and the successor developer is a prerequisite to the County being in a position to approve a transfer of the Developer in the Inland Development Agreement. They have informed the County that they have not entered into such an agreement with SBRHC, Inc.

In sum, we believe that section 3.b. in the proposed Notice of Compliance is not accurate and should not be adopted by the Board of Supervisors, in addition to the three provisions in the

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Notice of Compliance that the Board Letter has recommended that the Board of Supervisors not adopt.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lance A. Adair". The signature is fluid and cursive, with a large initial "L" and "A".

Lance A. Adair

LAA:vw

cc: Michael Ghizzoni, Esq.
Ms. Dianne Black
Deborah Rosenthal, Esq.
Lol Sorensen, Esq.