

Santa Barbara Ranch –Inland Development Agreement (IDA)

Request for County Consent to Transfer Developer's
Interests to Standard Portfolios Asset Management
Company LLC

Appeal Case No. 14 APL-00000-00029

July 7, 2015

Criteria for County's Consent

“[The County's] consent shall not be unreasonably withheld or delayed . . . County may refuse to give its consent only if, in light of the proposed transferee's reputation or financial resources, such transferee would not in the County's reasonable opinion be able to perform the obligations proposed to be assumed by such transferee” (Emphasis Added.)

Core Criteria

- *Ability to perform* the Developer IDA obligations *is the standard*.
- Reputation and financial resources are relevant only to the extent they prove that Standard Portfolios would not be able to perform the Developer's IDA obligations.

Developer's IDA Obligations

- Pay \$100,000 to non-profit conservation organization to prepare a Dos Pueblos Creek restoration plan by April 2015. **Done**
- Provide all reasonable assistance to the conservation organization to complete the plan. **Done**
- Pay \$300,000 prior to grading or construction to a non-profit to implement the restoration plan. **In Escrow**
- Offer all reasonable assistance to implement the plan. **Ongoing**

Standard Portfolios Has Performed

- Vintage entities paid the \$100,000 in 2009
- With Standard Portfolios' assistance, the restoration plan was completed on time
- Standard Portfolios deposited \$2 million in an escrow to be used exclusively to fund any Developer obligations that may arise under the IDA.
- Standard Portfolios' efforts were found to constitute good faith compliance with the IDA in annual review.

Standard Portfolios Is Able to Perform

- Standard Portfolios has:
 - *Fully funded* all remaining financial obligations.
 - Hired an *experienced team* that:
 - Assisted in the timely completion of the creek restoration plan.
 - Has the ability to assist in implementing the restoration plan.

No Obligation for Additional Funding

- IDA Section 2.02(a), final sentence

“The expressed intent of this subsection and the Developer’s obligation hereunder is to initiate planning and restoration efforts with the expectation that the Developer’s financial contribution will be used to attract other resources to complete the Creek Restoration Plan.”

Proven Ability to Perform

- Standard Portfolios has:
 - *Proven its ability to meet the remaining IDA financial obligations* by fully funding those obligations.
 - *Proven its ability provide reasonable assistance* to implement the restoration plan by assisting in the timely completion of the plan.

Conclusion

The fact that Standard Portfolios has performed *proves that Standard Portfolios is able to perform.*