

MEMORANDUM OF UNDERSTANDING

RICE RANCH

Project Case Numbers 03RZN-00000-00003, 97-SP-001, TM 14,430, TM 14,636, 03ORD-00000-00008

03DVP-00000-0009,-00010, 00011,-00012,-00013,-00014

This Memorandum of Understanding (MOU) between the County of Santa Barbara (hereinafter "County") and Rice Ranch Ventures, LLC (hereinafter "Developer") is made and entered into on this date set forth below.

The Developer proposes to develop a residential development consisting of 725 units as described in the above listed project case numbers. Said development is further identified as located along the south side Stubblefield and Rice Ranch Road in the south portion of Orcutt Community, fourth Supervisorial District and is to be called Rice Ranch (the Subject Property) and is more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

RECITALS

WHEREAS, County has determined that the granting of approval for Rice Ranch on December 3, 2003 requires as a condition of approval that Developer provide affordable housing.

WHEREAS, Condition of Approval number 50 of TM 14,430 requires developer to construct affordable units concurrent with the construction of market rate units with occupancy clearance for no more than 10% of the market rate units be allowed prior to occupancy clearance for the same percentage of the affordable units.

WHEREAS, Developer desires to comply with condition of approval number 50 of TM14, 430 by constructing, marketing, and sale of 73 Workforce units, 50 of the units in the 120% medium income level and 23 units at the 150% medium income range all concurrently with construction, marketing and sale of market rate units.

WHEREAS, In addition, Developer and County propose that occupancy clearance for no more than 10% of the market rate be granted prior to occupancy clearance for the same percentage of the affordable units. These units will be committed to the 30 year resale control provision of the Housing Element and will be recorded under an "Agreement to Provide Affordable Workforce Housing" agreement.

WHEREAS, The County's current Housing Element Development Standard 1.2.7 allows developers of projects outside of the Coastal Zone to satisfy their inclusionary housing requirement through payment of in-lieu fees.

WHEREAS, The Developer intends to apply to the County to amend certain plans and entitlements that currently require that affordable low income units in the Rice Ranch Project be built on site. Specifically Developer intends to apply to amend: the Orcutt Community Plan KS12-2, the Rice Ranch Development Agreement sections 3.2.3 and Exhibits A-5 and A-9, the Rice Ranch Specific Plan section 4-3, Development plan condition 57, and Condition number 49 of TM 14, 430 to pay in lieu fee instead of building on site low income affordable units thereby providing capital to the affordable housing program to assist in other housing projects.

NOW, THEREFORE the parties hereto agree as follows:

1. Developer agrees to build 73 Restricted units in Pine Creek with 50 of the units in the 120% medium income level and 23 units in the 150% medium income range as determined by the Santa Barbara County Housing and Community Development Developer will submit to County an Agreement to Provide consistent with the above provisions which will be recorded under separate agreement prior to Map Recordation. Construction, marketing and sale of the above described units shall be concurrent with the construction of the market rate units throughout the development. The County will not grant final occupancy clearance for more than 10% of the market rate prior to occupancy of the same percentage of these workforce affordable units.
2. Developer agrees that after the construction of the 73 units affordable to the work force and a proportionate share of market rate units, it will construct 73 units affordable to low-income with an affordability target of 75% of median income concurrent with the construction of market rate as required by condition of approval number 49 of TM 14,430. Occupancy clearance for no more that 10% of the market rate shall be allowed prior to occupancy of the same percentage of these low-income affordable units. These low-income affordable units need not be constructed if the amendments to the plans and entitlements referred to in paragraph #4 below have been approved.
3. Developer agrees to work with the County to identify potential sites for affordable units that in-lieu fees from the Rice Ranch Project could be spent. This may involve working with the County to establish a project in conjunction with a local non-project housing developer in which to direct those fees to assure that the housing product is developed on a timely manner. Both the Developer and the county recognize that these in-lieu funds may be better used with matching funds to develop more low-income rental units than those that would have been provided on the subject property.
4. Nothing in this Agreement shall obligate or bind the County, the Santa Barbara Planning Commission, the Santa Barbara County Board of Supervisors, or any county agencies, departments, commissions, agents, officers, or employees to exercise its/his/her discretionary authority in any particular way or fashion, take or consider a particular legislative action, or to delegate any discretionary authority, to issue any county discretionary land use entitlement, or issue any County approvals in regard to any project

of the Developer or other project, or in any proceedings related to such project or on any application for such project.

5. Authority and Capacity. Developer and Developers's signator(ies) each warrant and represent that each has full authority and capacity to enter into this agreement.
6. Negotiated Agreement. This agreement has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code section 1654.
7. Independent Advice. Each party hereby represents and warrants that in executing this agreement it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this agreement and the rights and duties arising out of this agreement, or that such party willingly foregoes any such consultation.
8. No Reliance on Representations. Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true.

IN WITNESS WHEREOF, the parties have entered into this agreement on the date appearing below.

COUNTY OF SANTA BARBARA

DATED: _____ BY: _____
Brooks Firestone
Chair Board of Supervisors

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

BY: _____ BY: _____
John Torell, Director
Housing and Community Development Department

RICE RANCH VENTURES, LLC,
a Delaware limited liability company

By: Troxler Residential Ventures 31, LLC,
a Delaware limited liability company
its Managing Member

By: Troxler Ventures Partners III, LLC,
a California limited liability company
its Operating Member

By: _____
BRYAN PAYNE TROXLER, as Settlor
and Trustee of the Troxler Family Trust,
dated January 7, 1993, amended and
completely restated December 3, 1996
its Sole Member

Attest:

Bryan P. Troxler
Manager, Troxler Ventures Partners III, LLC

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

BY: _____
Mary McMaster
Deputy County Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

LOT 201, INCLUSIVE, OF RICE RANCH TRACT 14,430 UNIT 1, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, RECORDED _____, 2007, IN BOOK _____ PAGES _____ THROUGH _____ INCLUSIVE, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

A.P.N. 101-390-004