

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

SBRHC, Inc.
C/o Deborah M. Rosenthal, Esq.
Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626

(Space Above This Line Reserved For Recorder's Use)

NOTICE OF COMPLIANCE
BY COUNTY OF SANTA BARBARA
EXECUTED PURSUANT TO SECTION 8.04
OF THE INLAND DEVELOPMENT AGREEMENT
FOR THE SANTA BARBARA RANCH PROJECT

NOTICE OF COMPLIANCE

1. In response to a written request by SBRHC, Inc. (“SBRHC”), the County of Santa Barbara (“County”) certifies pursuant to Section 8.04 of the Inland Development Agreement for the Santa Barbara Ranch Project (“Inland Development Agreement”) that:
 - a. The Inland Development Agreement is in full force and effect, pending the Superior Court’s decision in the ongoing case of Naples Coalition, et al. v. County of Santa Barbara, Santa Barbara Superior Court Case # 1304044, in which the petitioners challenged the County’s approval of the Santa Barbara Ranch Project and the County’s certification of an Environmental Impact Report for that project;
 - b. Section 10.06 of the Inland Development Agreement deems the above litigation to create an excusable delay to the Developer’s obligations pursuant to the Inland Development Agreement; and
 - c. Therefore, there are no current uncured defaults under the Inland Development Agreement.
2. Through the draft Notices of Compliance that SBRHC submitted to the County as attachments to SBRHC’s letters dated January 19, 2012, and January 23, 2012, SBRHC also:
 - a. Identified the original Developers within the Inland Development Agreement as: Matthew K. Osgood; Vintage Communities, Inc.; Santa Barbara Ranch, LLC; Vintage Vineyards, LLC, Osgood Farms, LLC, DLC Ranch, LLC; and TW Family Farm, LLC (“Original Developers”);
 - b. Requested that the County certify that the Inland Development Agreement was modified by SBRHC’s acquisition of all of the “Inland Project” and “Inland Project Site,” as those terms are defined in the Inland Development Agreement;
 - c. Requested that the County certify that SBRHC “is and shall be the Developer” under the Inland Development Agreement; and
 - d. Requested that the County certify that SBRHC “has and shall have all rights of the Developer” under the Inland Development Agreement.
3. As between SBRHC and the Original Developers, however:

- a. They are opposing parties in the ongoing “quiet title” litigation in Santa Barbara Superior Court Case #1379764, in part to determine their respective rights in the Inland Development Agreement; and
- b. The attorney representing the Original Developers in that “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.

Therefore, the County reasonably cannot at this time certify in this Notice of Compliance the respective rights of either SBRHC or the Original Developers in the Inland Development Agreement.

- 4. Through a majority vote in Open Session on February 7, 2012, the County Board of Supervisors authorized and directed execution of this Notice of Compliance.

COUNTY OF SANTA BARBARA

DATE: _____

By: _____

Doreen Farr
Chair, County Board of Supervisors

ATTEST:

By: _____

Chandra L. Wallar
Clerk of the Board

APPROVED AS TO FORM:

By: _____

Michael C. Ghizzoni
Chief Assistant County Counsel