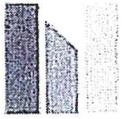


Attachment 6: Letter from Cox, Castle, & Nicholson dated March 19, 2015



COX CASTLE
NICHOLSON

Cox, Castle & Nicholson LLP
555 California Street, 10th Floor
San Francisco, California 94104-1513
P: 415.262.5100 F: 415.262.5199

Stanley W. Lamport
310.284.2275
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March 19, 2015

File No. 71989

VIA E-MAIL AND U.S. MAIL

Ms. Dianne Black
Director of Development Services
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101-2058

Re: Santa Barbara Ranch –Inland Development Agreement Compliance

Dear Ms. Black:

This letter is intended to provide an update on the Developer's good faith compliance with terms of the Development Agreement for the Inland Entitlements ("IDA").

On January 29, 2015, our client, Standard Portfolios Asset Management Co. LLC ("Standard Portfolios"), closed escrow and purchased the entirety of the Inland Project Site (as defined in the IDA) from SBRHC, Inc. ("SBRHC"). SBRHC and Standard Portfolios have entered into a Transfer Agreement to transfer all of SBRHC's interests in the IDA to Standard Portfolios. On December 1, 2014, SBRHC requested the County's consent to the Transfer Agreement. On December 5, 2014, the County planning director declined to consent to the Transfer Agreement. On December 12, 2014, SBRHC authorized Standard Portfolios to act as its agent with respect to appealing the County planning director's decision to your Board. In that capacity, on December 15, 2014, Standard Portfolios appealed the planning director's determination to the Board of Supervisors.

Article 8 of the IDA allows SBRHC, as the current Developer under the terms of the IDA, the option of entering into a Transfer Agreement to transfer its interests in the IDA to Standard Portfolios. Under the IDA, the transfer takes effect once the County approves the Transfer Agreement. However, the IDA also gives SBRHC the option, in its sole discretion, to allow Standard Portfolios, to acquire the Inland Project Site as a non-assuming transferee. Under Section 8.03 of the IDA, a non-assuming transferee assumes the vested rights afforded by the IDA, but does not assume any of SBRHC's obligations under the IDA, until such time as the County approves a Transfer Agreement.

At this juncture, Standard Portfolios owns the Inland Project Site as a non-assuming transferee. However, SBRHC has authorized Standard Portfolios to perform the Developer's obligations in its stead until such time as the County consents to the Transfer

Agreement. Since closing escrow, Standard Portfolios has been carrying out the Developer's obligations in that capacity.

Since acquiring title, Standard Portfolio's focus has been on providing all reasonable assistance to California Rangeland Trust ("CRT") to complete a creek restoration plan for Dos Pueblos Creek pursuant to IDA Section 2.02(a).

In 2008, CRT was designated by the Developer (at that time Vintage Communities and related entities) to be the resource organization in connection with the preparation of a creek restoration plan for Dos Pueblos Creek. In 2009, pursuant to the IDA, the Developer entered into a written Contribution Agreement with CRT, pursuant to which the Developer paid CRT \$100,000 for the preparation of a creek restoration plan. Pursuant to the Contribution Agreement, CRT agreed to hold the funds pending a further agreement governing the expenditure of those funds. SBRHC assigned its interest in the Contribution Agreement with CRT and the \$100,000 paid to CRT pursuant to the Contribution Agreement, effective at the close of escrow. CRT continues to hold the \$100,000.

Preliminary work on a creek restoration plan was begun in 2010. Since closing escrow, Standard Portfolios has orally authorized CRT to expend the \$100,000 to pay the costs to complete a creek restoration plan. Standard Portfolios and CRT are in the process of formalizing a new written agreement regarding the expenditure of funds for the completion of a creek restoration plan. We expect the agreement to be completed in the near future. However, the parties have orally agreed that the work on a creek restoration plan would proceed while a formal agreement is being completed.

As a result, work on completing a creek restoration plan is occurring. Standard Portfolios has been providing all reasonable assistance to CRT to complete the creek restoration plan. In that regard:

- Standard Portfolios helped CRT locate technical consultants to assist in assembling the data and completing a creek restoration plan. A team of technical consultants has been assembled by Ken Marshall at Dudek and has been at work preparing a draft creek restoration plan for CRT.
- Standard Portfolios has engaged Matthew Osgood and me to pursue its interests on Santa Barbara Ranch. Mr. Osgood and I have access to a considerable amount of information about Dos Pueblos Creek and the water system on Dos Pueblos Ranch, which was developed in connection with pursuing the 2008 approvals and in connection with the initial work on the plan. We have made that information available to CRT and the consulting team.
- Mr. Osgood and I have been working with Dos Pueblos Ranch to assure that CRT and the consulting team has all necessary access to Dos Pueblos Creek and surrounding areas for purposes of preparing a creek restoration plan. Through

Ms. Dianne Black
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this effort, CRT and the consulting team has had all needed access to Dos Pueblos Ranch to complete a creek restoration plan.

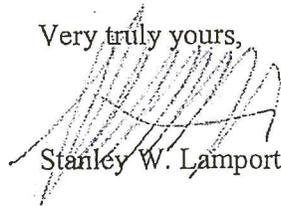
- I met with CRT and the consulting team on Dos Pueblos Ranch and gave them an extensive tour of the creek and the water system, so that they would have the benefit of everything I learned about the creek and water system over the years.
- Standard Portfolios continues to assist CRT and the consulting team in accomplishing a creek restoration plan. We have been promptly responding to inquiries as they arise and will continue to do so.

Through these efforts a creek restoration plan is being completed. Standard Portfolios is optimistic that CRT will be able to produce a Creek Restoration Plan within the time contemplated in the IDA.

In addition, although not required by the IDA, Standard Portfolios is placing \$2,000,000 in an escrow this week to be used exclusively to ensure performance of any Developer obligations that may arise under the IDA. As a result, Standard Portfolios stands ready to continue to perform the Developer's obligations that will arise under the IDA.

If you have any questions or require any further information, please do not hesitate to contact us.

Very truly yours,



Stanley W. Lamport

SWL/chc