

RECORDING REQUESTED BY AND RETURN TO:

Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street
Santa Barbara, CA 93101

SEND ANOTHER COPY TO:

Housing and Community Development Department
County of Santa Barbara
105 East Anapamu Street, Room 105
Santa Barbara, CA 93101-2062

Attn: Affordable Housing Program

A.P.N : 103-200-026

AGREEMENT TO PROVIDE AFFORDABLE HOUSING

Harp Springs
(Project Name)

TM 14,478
(Project Case Number)

This AGREEMENT between the County of Santa Barbara (hereinafter "County") and MLB HS 44, LLC (hereinafter "Developer") is made and entered into on the date set forth below.

Developer proposes to develop a residential development consisting of 44 units as described in TM 14,478 and 98-DP-017. Said development is further identified as Assessor Parcel Number(s) 103-200-026 and is to be called Harp Springs and is more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Subject Property").

RECITALS

WHEREAS, the County determined that the granting of approval for TM 14,478 and 98-DP-017 required that the following condition be imposed:

"Five (5) dwelling units (11% of project units) shall be provided on Key Site 17, as part of the Stonegate project, (APN 105-330-004, Case no.'s TM 14,481 and 98-DP-019) at sales prices affordable to low income households, with an

affordability target of 80% of median income, consistent with the Housing Element and the Housing Element Implementation Guidelines. The applicant shall deposit to the county, in an interest bearing account, an amount equal to \$53,150.00 per affordable unit. Said funds will be held for a period of up to three years. If the Stonegate project is unable to build the affordable units within three years of the approval of TM 14,478, said funds will be released to the County's affordable housing program. If the Stonegate project is approved and built within the three year period the County will release the approximate \$270,000 (initial deposit plus interest) to the applicant."

WHEREAS, the Stonegate project can not be built within the three year period referenced above.

WHEREAS, Developer purchased the Harp Springs after approval of TM 14,478 and does not own or have any control over the Stonegate project.

WHEREAS, Developer therefore can not construct or require the construction of affordable units in the Stonegate project.

WHEREAS, the Conditions approval quoted above allow the Developer to pay monies into the County's affordable housing program in the event that the Stonegate project can not be built within the 3 year time frame provided.

WHEREAS, Developer desires to comply with the conditions of approval by paying funds into the County's affordable housing program;

WHEREAS, the purpose of this agreement is to assure that the developer complies with the County requirements for provision of affordable housing;

NOW, THEREFORE the parties hereto agree as follows:

1. The above recitals are true and correct.
2. Developer agrees to pay to the County the sum of Two hundred Sixty Five Thousand Seven Hundred and Fifty dollars (\$265,750.00) plus two percent accrued interest since approval date of TM 14,478 prior to Board of Supervisor's approval of recordation of TM 14,478.

3. County agrees that such payment shall constitute full and complete satisfaction of TM 14,478 condition Number 73 and that no further action shall be required of Developer pursuant to such condition.
4. Developer agrees that it shall have no right to reimbursement of the above payment.
5. The Developer and County shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest.
6. Developer agrees that should County be required to enforce any provision of this Agreement through legal proceedings, Developer will, in addition to any other amount owing County, pay County all reasonable legal costs including attorneys' fees.
7. This Agreement shall be recorded by County immediately following its execution. This Agreement is for the benefit of the real property described on the attached Exhibit "A" and shall inure to and benefit the owners thereof and the County of Santa Barbara. The burdens and benefits of this Agreement shall be both a covenant running with the land and equitable servitudes, binding the Developer, and the heirs, representatives, successors in interest and assigns of the Developer.

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

COUNTY OF SANTA BARBARA

DATED: _____

BY: _____
Chair Board of Supervisors

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

BY: _____

BY: _____
Edward Moses, Director
Housing and Community Development

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

BY: _____
Deputy County Counsel

DATED: _____

DATED: _____

~~MLB HS 44, LLC~~

BY: _____

Its: _____

BY: _____

Its: _____

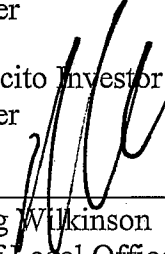
(SIGNATURE(S) MUST BE NOTARIZED)

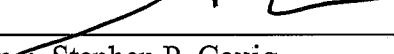
SEE ATTACHED SIGNATURE PAGE

MLB HS 44, LLC, a Delaware limited liability company

By: Montecito Land Fund I, LLC, a Delaware limited liability company
Its: Member

By: Montecito Investor Group, LLC, a Delaware limited liability company
Its: Member

By: 
Name: Dag Wilkinson
Title: Chief Legal Officer & Secretary

By: 
Name: Stephen P. Couig
Title: Chief Operating Officer

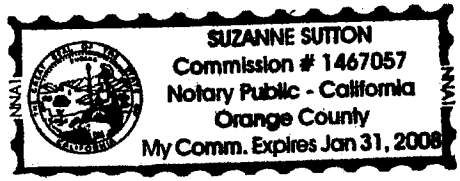
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Orange } ss.

On Jan. 26, 2006 before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Dag Wilkinson & Stephen P. Coing
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.
Suzanne Sutton
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Agreement to Provide Affordable Housing
Document Date: _____ Number of Pages: 37 pp.
Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer

Signer's Name: Dag Wilkinson & Stephen P. Coing

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

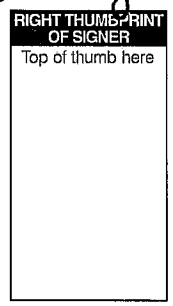


EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

AFFORDABLE HOUSING CONDITION(S)
FOR

Harp Springs

TM 14,478

Five (5) dwelling units (11% of project units) shall be provided on Key Site 17, as part of the Stonegate project, (APN 105-330-004, Case no.'s TM 14,481 and 98-DP-019) at sales prices affordable to low income households, with an affordability target of 80% of median income, consistent with the Housing Element and the Housing Element Implementation Guidelines. The applicant shall deposit to the county, in an interest bearing account, an amount equal to \$53,150.00 per affordable unit. Said funds will be held for a period of up to three years. If the Stonegate project is unable to build the affordable units within three years of the approval of TM 14,478, said funds will be released to the County's affordable housing program. If the Stonegate project is approved and built within the three year period the County will release the approximate \$270,000 (initial deposit plus interest) to the applicant. **(Plan Requirements and Timing:** Prior to final map recordation and land use clearance, the applicant shall enter into and record an Agreement to Provide Affordable Housing and a Shared Equity Appreciation Restrictive Covenant with the County of Santa Barbara, agreeing to provide [5] affordable units at sale prices affordable to low income households, as required by the Housing Element and Housing Element Implementation Guidelines for the Santa Maria Housing Market Area. This agreement shall be recorded with the TM 14,478 on APN 105-350-004. A Shared Equity Appreciation Restrictive Covenant shall be recorded upon the sale of each restricted unit for sale. The Agreement and Covenant shall be based upon the County's model agreement and covenant. Both shall be subject to review and approval by Planning & Development, Treasurer and County Counsel. These documents shall specify affordability consistent with the terms described above and shall include provisions describing marketing and lottery requirements for the initial sale of units. Income eligibility of prospective purchasers shall be determined by the County or its designee. An intent to reside statement shall be required for potential owners of the affordable units. The maximum sales price for the affordable units shall not exceed the maximum levels established by the Board of Supervisors, consistent with the provisions of the Housing Element. The units shall be subject to the provisions of the Shared Equity Appreciation Restrictive Covenant for ten (10) years after the owner takes title or until the owner transfers the property, whichever occurs first.