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COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

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October 16, 2009

File No. 36550

Board of Supervisors
County of Santa Barbara
123 E. Anapamu Street
Santa Barbara, California 93101

Re: Santa Barbara Ranch – October 20, 2009 Board Agenda – P&D Departmental
Agenda

Dear Chair Centeno and Members of the Board:

We represent the Santa Barbara Ranch related interests,. Yesterday afternoon we obtained a copy of the Board Agenda Letter for this item. In particular, we reviewed the discussion regarding our client's funding commitment, which refers to a request that our clients further clarify their position regarding their commitment to fund processing of project approvals with the Coastal Commission. Our clients addressed this issue in their June 18, 2009 letter to the Board as well as before the Board at the June 23, 2009 hearing. While our clients believe their position as previously stated is clear, this letter is intended to provide the further clarification referenced in the Board Letter.

At the outset, it is important for the Board to understand that in October 2008 the Board approved two projects. First, there is an Inland Project, which consists of all of the proposed residential development on land located outside of the coastal zone. The Inland Project includes the Official Map lots on Santa Barbara Ranch located outside of the coastal zone and the residential subdivision located immediately north of the Santa Barbara Ranch lots. The Board approved coastal development permits related to the Inland Project, including permits for improvements to roads in the coastal zone leading to the Inland Project as well as other infrastructure improvements located in the coastal zone that would serve the Inland Project. The Inland Project also involves approvals to place over 2,600 acres in a permanent agricultural preserve, which includes the approval of coastal development permits for limited development on portions of Dos Pueblos Ranch located in the coastal zone. We refer to all of the coastal development permits just described as Inland Coastal Approvals.

Our clients did not reject the Inland Project approvals or the Inland Coastal Approvals under the terms of the Memorandum of Understanding ("MOU"). The Inland Coastal Approvals remain in effect and should be transmitted to the Coastal Commission.

Second, there is a Coastal Project, which consists of the development of 16 residential lots on Santa Barbara Ranch located in the coastal zone south of Highway 101. The Coastal Project approvals, includes the LCP amendment and the permits for the individual

residences, among other things. These approvals are referred to in the MOU as the Coastal Project Approvals. Under the terms of the MOU our clients rejected those approvals, which had the effect of terminating the MOU. The Coastal Project Approvals, as just described, are the only approvals our clients rejected under the MOU.

The practical effect of rejecting the Coastal Project Approvals was to terminate the MOU, and, therefore, Section 5.1.6 of the MOU, which some claimed linked the rezoning for the Inland Project to Coastal Commission approval of the rezoning for the Coastal Project.

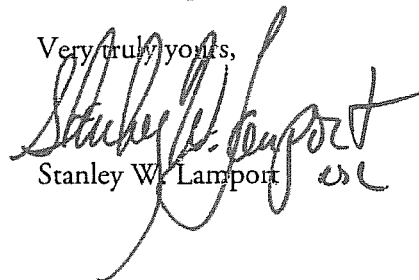
Even though the MOU is no longer in effect, the Coastal Project Approvals remain in effect. As our clients informed the Board at the last hearing, our clients are willing to cooperate with the County to allow the Coastal Commission to consider the Coastal Project Approvals. That would allow the County the opportunity to continue to pursue a result that would reduce the over 150 lots on Santa Barbara Ranch south of Highway 101 down to 16 lots.

In light of the foregoing, with respect to both the Inland Coastal Approvals and the Coastal Project Approvals, our clients will commit to continue to fund the processing of those approvals with the Coastal Commission on the same terms and on the same basis as they have funded the cost of processing those approvals with the County, subject to the following.

1. Our clients' agreement to continue to fund the processing of the Coastal Approvals shall not be deemed a waiver of their claims that the MOU has terminated, nor any of the claims with respect to the Brown Act.
2. Our clients' agreement to continue to fund the processing of the Coastal Approvals is independent of and not subject to the terms of the MOU.
3. Our clients reserve the right to withdraw at any time some or all of the approvals that the County forwards to the Coastal Commission for consideration. In the event that our clients choose to withdraw one or more of such approvals our clients will pay the reimbursable costs the County reasonably incurred with respect to the approval being withdrawn up to and including the withdrawal. Our clients will, of course, notify the County in writing in the event they choose to withdraw a County approval from consideration by the Coastal Commission.

If your Board requires any further clarification, please let us know.

Very truly yours,


Stanley W. Lampert

SWL/rsf

cc: Mr. Matthew K. Osgood