

RICHHARDY CORPORATION
5905 Sandspit Drive
Goleta, CA 93117

January 21, 2021

Mona Miyasato
County Executive Officer
County of Santa Barbara
123 East Anapamu Street, Suite 406
Santa Barbara, CA 93101

George Chapjian
Director of Community Services Department
County of Santa Barbara
123 East Anapamu Street, 2nd Floor
Santa Barbara, CA 93101

RE: Beachside Bar and Café Lease

Dear Mona and George,

Through Richhardy Corporation, we have continuously operated the Beachside Bar and Café under our Concession Agreement with the County for 36 years. As you know, our lease term ends on March 31, 2022.

The County's COVID-19 restrictions have greatly limited the Beachside Bar and Café's ability to operate over the past eleven months. As we informed you in a letter on August 26, 2020, due to the County Public Health Officer Orders, our business has declined to a point that we have been operating at a loss. We do not expect to operate anywhere near full capacity anytime in the foreseeable future.

Due to our inability to operate the business as contemplated under the Concession Agreement, we wish to close the Beachside Bar and Café and terminate our agreement with the County effective January 31, 2021. We are justified in doing so based upon the County Orders that have compelled us to restrict our operating capacity, thereby constituting a constructive eviction from the premises. We are further justified in terminating our lease because the County Orders have frustrated our ability to operate the restaurant at anywhere near full capacity, which is the purpose of the agreement. By terminating the agreement and our operations of the Beachside Bar Café, we would no longer make any minimum rent payments to the County.

We appreciate the business relationship we have enjoyed with the County for the past 36 years. By terminating the lease early, the County will be able to begin lease negotiations with a new tenant at current market rates.

We look forward to your acceptance of our proposal to terminate the agreement as outlined above.

Sincerely,

Larry Stone
Chief Executive Officer

Dave Hardy
Secretary