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AND WHEN RECORDED MAIL TO:
CITY OF GOLETA
130 Cremona Drive, Suite B
Goleta, CA 93117
Attn: Deborah Constantino,
City Clerk

(Space Above Line For Recorder's Use Only)

DEVELOPMENT AGREEMENT BY AND BETWEEN:

CITY OF GOLETA AND GOLETA MOBILE HOME PARK, LP, A CALIFORNIA LIMITED PARTNERSHIP

Dated: March 3, 2009

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DEVELOPMENT AGREEMENT BETWEEN

CITY OF GOLETA AND GOLETA MOBILE HOME PARK, LP, A CALIFORNIA LIMITED PARTNERSHIP

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is entered into as of this 3rd day of March, 2009, by and between GOLETA MOBILE HOME PARK, LP, a California limited partnership (successor-in-interest to Dan and Susan Guggenheim, Trustees of the Dan and Susan Guggenheim Trust U.T.D. April 1, 1992) ("**Owner**") and the CITY OF GOLETA, a municipal corporation ("**City**") pursuant to the authority of Sections 65864 et seq. of the Government Code of the State of California.

RECITALS

This Agreement is entered into with reference to the following facts:

A. Capitalized terms used in these Recitals shall carry the definitions set forth in this Agreement.

B. Government Code Sections 65864-65869.5 (the "**Development Agreement Statute**") authorize the City to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property.

C. Owner has requested City to consider entering into a development agreement regarding Property commonly known as Rancho Mobile Home Park located at 7465 Hollister Avenue, Goleta, California referenced as Assessor Parcel Number 079-210-058. The property covered by this Agreement is more particularly described in Exhibit A attached hereto (the "**Property**").

D. Rancho Mobile Home Park ("**Park**"), located at 7465 Hollister Avenue, comprises 17.84 acres and consists of one legal parcel. Owner rents space within the Park to 149 individual mobile home tenants, with the remaining mobile home space housing the onsite Park manager.

E. On September 2, 2005 the Owner filed a tentative Tract Map application for a land based subdivision of the Park to create 150 mobile home lots and eight lots to accommodate common areas, infrastructure, roadways and parking, as well as Park amenities. Roughly two-thirds of the property proposed to be subdivided or nearly one-half of the proposed mobile home lots (73-spaces) are located within the California Coastal Zone.

F. On December 18, 2006 the Owner revised the application from a land based subdivision to a one lot subdivision for condominium purposes for the existing 150 mobile home spaces with the remaining areas of the park, including infrastructure,

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roadways and parking, and park amenities held in common ownership by a park lot owners association (hereafter "**Project**").

G. The City Council of the City ("**City Council**") has found that this Agreement is consistent with the City's General Plan, as amended ("**General Plan**").

H. The City has conducted an environmental review of the Project and determined that the Project is subject to a general rule exception to CEQA because there is no possibility that the activity may have a significant effect on the environment. (Cal. Code Reg., CEQA Guidelines, § 15061(b)(3).

I. Development of the Project will further the comprehensive planning objectives contained within the General Plan and will result in public benefits, including, among others, the following:

1. The opportunity for tenants of the Park to purchase their lots and obtain the benefits and assurances of land ownership.

2. Limited rental rate increases below that which is prescribed by state law for tenants who do not choose to purchase their lots.

3. Fiscal benefits to the City's general fund in terms of increased property tax revenues.

4. Dismissal of the five (5) Lawsuits filed by the Owner against the City referenced in Section 8.02 of this Agreement.

J. On January 12, 2009, the Planning Commission of the City ("**Planning Commission**") held a duly noticed public hearing and recommended approval of this Agreement.

K. On February 17, 2009 the City Council held a duly noticed public hearing and introduced Ordinance No. 09-02 ("**Ordinance**") approving this agreement. On March 3, 2009 the City Council approved the Tentative Tract Map, approved a Final Development Plan, conducted local review in concept of a Coastal Development Permit for the Property and adopted **Ordinance**.

L. This Agreement is intended to be, and shall be construed as, a development agreement within the meaning of the Development Agreement Statute and, in that connection, will, among other things, assure Owner that the Project may be completed in accordance with the terms of this Agreement. It is understood that the Project is subject to the issuance of a Coastal Development Permit by the California Coastal Commission, which approval is entirely outside of the jurisdiction of the City.

M. City and Owner have taken all actions mandated by and have fulfilled all requirements set forth in the Development Agreement Statute.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Owner and City agree as follows:

Section 1. Recitals.

The parties agree the foregoing Recitals are true and correct.

Section 2. Definitions.

2.01 Defined Terms. The following terms used in this Agreement, unless the context otherwise requires, shall have the following meanings:

(a) "**Agreement**" shall mean this Development Agreement between City and Owner.

(b) "**Applicable Law of the Project**" shall mean all of the statutes, ordinances, rules, regulations and official policies applicable to the Project as set forth in Section 3.03 hereof.

(c) "**CEQA**" shall mean the California Environmental Quality Act, California Public Resources Code § 21000 et seq.

(d) "**Conditions of Approval**" shall mean those conditions of approval applicable to the Project.

(e) "**City**" shall mean the City of Goleta, California, or its successors in interest.

(f) "**Owner**" shall mean Goleta Mobile Home Park, LP, a California limited partnership (successor-in-interest to Dan and Susan Guggenheim, Trustees of the Dan and Susan Guggenheim Trust U.T.D. April 1, 1992).

(g) "**Effective Date**" shall mean the 31st day following adoption of the Ordinance approving this Agreement by the City Council.

(h) "**Final Tract Map**" shall mean Final Tract Map No. TM 32,030

(i) "**Project**" shall have the meaning as described in Recital F above.

(j) "**Project Approvals**" shall mean those entitlement approvals issued by City for the Project concurrently with approval of this Agreement, including, but not limited to, approval and issuance of the Tentative Tract Map, Final Development Plan, Final Tract Map and local review in concept of a Coastal Development Permit, including conditions of approval, as well as a subsequent approval and issuance of a Coastal Development Permit by the California Coastal Commission.

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(k) "**Property**" shall mean the real property described in Recital C, above.

(l) "**Subsequent Approvals**" shall mean those certain future approvals for the Project, which the City agrees to grant pursuant to Section 4.02 below.

(m) "**Tentative Tract Map**" shall mean Tentative Tract Map No. 32,030.

(n) "**Final Development Plan**" shall mean Final Development Plan No. 05-140-FDP.

(o) "**Coastal Development Permit**" shall mean the "Coastal Development Permit" issued by the California Coastal Commission with respect to its review and approval of the Tentative Tract Map.

2.02 **Additional Defined Terms.** To the extent that any capitalized terms contained in this Agreement are not defined above, then such terms shall have the meaning otherwise ascribed to them in this Agreement.

Section 3. Project and Property Subject to this Agreement; Applicable Law of the Project.

3.01 Permitted Uses; Terms and Conditions of Development.

All of the Project and the Property shall be subject to this Agreement and the Project Approvals.

3.02 Vested Right to Develop; Effect of Agreement.

Owner shall have the vested right to develop the Project on the Property in accordance with the provisions of this Agreement and the Project Approvals. The parties agree that the purpose and effect of this Agreement is to authorize the development of the Project pursuant to the terms of this Agreement and Project Approvals. The Project Approvals and this Agreement shall supersede any inconsistent ordinances, rules, regulations, moratoriums or official policies which either currently exist or may be enacted in the future, except as specifically set forth herein. The Project Approvals, once granted by City, shall remain valid for the Term of this Agreement, notwithstanding any City regulation or provision of law to the contrary.

3.03 Applicable Law of the Project.

Except as otherwise provided in this Agreement, the ordinances, rules, regulations, and official policies of City governing the Property shall be those ordinances, rules, regulations and official policies in effect on the Effective Date (the "**Applicable Law of the Project**"). The City agrees that the Project, as conditioned, meets the requirements of and complies with the Applicable Law of the Project. This Agreement and the ordinance approving this Agreement shall take precedence over the

City's ordinance imposing a moratorium on conversions of mobile home parks and this Agreement is expressly exempted from the provisions of said moratorium ordinance.

3.04 Title 25.

Notwithstanding anything to the contrary herein, the Project shall remain subject to the applicable provisions of Title 25 of the California Code of Regulations, Housing and Community Development, including, but not limited to, the mobilehome park regulations contained in Title 25, Division 1, Chapter 2, commencing with Section 1000, with respect to park construction, maintenance, use, occupancy and design, lot identification, lighting and roadway width, plan and permit requirements, specific requirements for the installation of mobile homes, accessory structures and buildings, earthquake resistant bracing systems, application procedures and fees, and enforcement and appeal procedures.

3.05 Subsequent Enactments.

This Agreement shall not preclude the City, in subsequent actions applicable to the Property or the Project, from applying new rules, regulations and official policies which do not conflict with the Applicable Law of the Project, the Project Approvals or this Agreement, which carry out the objectives of this Agreement, and which facilitate the development of the Project. No moratorium, initiative, or other limitation affecting building permits or other land use entitlements or the rate, timing or sequencing thereof which is enforced by City shall apply to the Property or the Project Approvals; provided, however, that the provisions of this Section 3.05 shall not affect City's compliance with moratoria mandated by other governmental agencies or orders from a court of competent jurisdiction.

3.06 Changes in Federal or State Laws.

This Agreement shall not preclude application to the Project of any changes after the date hereof in federal or state laws or regulations applicable to the Project, nor any changes in City laws, ordinances, rules or regulations applicable to the Project which are expressly required to be made pursuant to changes in federal or state laws.

3.07 Fees and Costs.

Owner shall pay all applicable fees required to be paid to the City pursuant to City laws, regulations and ordinances pertaining to the Owner's subdivision of Park and development of the Project as described herein, including fees payable to the City pursuant to City laws, regulations and ordinances in connection with processing the Tentative Tract Map, the Final Tract Map and the Final Development Plan.

3.08 Amendments to Entitlements.

It is contemplated by City and Owner that Owner may, from time to time, seek amendments to one or more of the Project Approvals. Any such amendments are

contemplated by City and Owner as being within the scope of this Agreement as long as they are consistent with the Applicable Law of the Project and shall, upon approval by City, continue to constitute the Project Approvals as referenced herein. The parties agree that any such amendments shall not constitute an amendment to this Agreement nor require an amendment to this Agreement.

3.09 Termination.

Notwithstanding anything to the contrary herein, Owner's compliance with the terms of this Agreement and performance of Owner's obligations hereunder, including, without limitation, as described under Section 4.01 hereof, is contingent upon (i) submission of this Agreement and the Tentative Tract Map for City Council's initial reading and review by February 17, 2009, and (ii) the City Council's second reading, approval and adoption of such documents by March 3, 2009.

Section 4. Obligations of the Parties.

4.01 Obligations of Owner.

Owner shall comply with the following requirements with respect to its development of the Project:

4.01.01 Lower and Moderate Income Households.

A. As used herein, lower income households shall have the same meaning as defined in Section 50079.5 of the Health and Safety Code.

B. As used herein, moderate income households shall have the same meaning as defined in Section 50093 of the Health and Safety Code.

C. Discount: For those persons (i) who are tenants of the Park on the date of the delivery of the final public report to such tenants ("**Conversion Date**"), and (ii) who are tenants from lower and moderate income households and who within two (2) years from the Conversion Date notify Owner of their election to purchase their lot at the Park upon which their mobile home is situated ("**Qualifying Lower/Moderate Income Households**"), Owner agrees to a fifteen percent (15%) discount off of the Appraised Value of their lot ("**Sales Price Discount**"). Appraisal Value shall have the meaning as described in Section 4.01.05 hereof.

D. Financing: For Qualifying Lower/Moderate Income Households, Owner shall finance 15% of the purchase price at an interest rate of 5% per annum payable upon the earlier of (i) twenty (20) years, (ii) the transfer, lease or encumbrance of the lot or mobilehome securing such financing without Owner's prior consent, (iii) when the borrower ceases to occupy the lot or mobilehome securing such financing as their principal residence, or (iv) when there is a borrower default under the terms of such Owner financing. Owner agrees to subordinate such financing to standard mortgage financing and to purchase loans from any governmental entity. The form and

content of the loan documents to be entered into by Owner and borrowers with respect to such Owner financing shall be subject to the City's review and approval, which shall not be unreasonably withheld, conditioned or delayed.

E. Rent Increases: For those tenants from lower income households and moderate income households choosing not to purchase their lots, Owner agrees to the following provisions effective as of the Conversion Date:

(1) Such tenants may continue to rent their lots from Owner on the same terms and conditions currently in place, subject, however, to legally permitted changes in such terms and conditions, including, without limitation, to rental payment amounts as permitted by applicable law, and such other changes as may be permitted pursuant to the "Mobilehome Residency Law" as set forth under California Civil Code § 798 et seq. ("**Mobilehome Residency Law**") and applicable provisions of California law governing landlord and tenant matters ("**California Landlord and Tenant Law**");

(2) Tenant may only be evicted for failure to pay rent based upon the current ordinance of the City and applicable state laws and regulations, including the Mobilehome Residency Law and applicable provisions of California Landlord and Tenant Law;

(3) Any monthly rent increases subsequent to the Conversion Date shall be limited by the amount specified in California Government Code Section 66427.5(f)(2) with a cap on the rent increases based upon the Consumer Price Index with no new pass throughs for capital expenses, no pass through of any capital expenses for public safety infrastructure improvements pursuant to 4.01.03 C, herein, no hardship rent increases, no special assessments, no association fees nor any other types of pass throughs, and such tenants shall not be required to pay homeowner association dues.

F. Rent Increases Prior to Conversion Date: Increases in monthly rent prior to the Conversion Date shall be governed by applicable provisions of the City's rent control ordinance.

4.01.02 Above Moderate Income Households.

A. As used herein, above moderate income households shall mean households with an income in excess of the income maximum for moderate income households as defined in Section 50093 of the Health and Safety Code.

B. Discount: For those persons (i) who are tenants of the Park on the Conversion Date and (ii) who are tenants from above moderate income households who within the two (2) years from the Conversion Date notify Owner of their election to purchase their lot at the Park upon which their mobile home is situated

("**Qualifying Above Moderate Income Households**"), Owner agrees to the Sales Price Discount.

C. Financing: For Qualifying Above Moderate Income Households, Owner shall finance 15% of the purchase price at an interest rate of 5% per annum payable upon the earlier of (i) twenty (20) years, (ii) the transfer, lease or encumbrance of the lot or mobilehome securing such financing without Owner's prior consent, (iii) when the borrower ceases to occupy the lot or mobilehome securing such financing as their principal residence, or (iv) when there is a borrower default under the terms of such Owner financing. Owner agrees to subordinate such financing to standard mortgage financing and to purchase loans from any governmental entity. The form and content of the loan documents to be entered into by Owner and borrowers with respect to such Owner financing shall be subject to the City's review and approval which shall not be unreasonably withheld, conditioned or delayed.

D. Rent Increases: For those tenants from above moderate income households choosing not to purchase their lots, Owner agrees to the following provisions effective as of the Conversion Date:

(1) Such tenants may continue to rent their lots from Owner on the same terms and conditions currently in place, subject, however, to legally permitted changes in such terms and conditions, including, without limitation, to rental payment amounts as permitted by applicable law and such other changes as may be permitted pursuant to the Mobilehome Residency Law and California Landlord and Tenant Law;

(2) Tenant may only be evicted for failure to pay rent based upon the current ordinance of the City and applicable state laws and regulations, including the Mobilehome Residency Law and applicable provisions of California Landlord and Tenant Law;

(3) Any monthly rent increases subsequent to the Conversion Date shall be subject to a cap of $800 on rent increases with no new pass throughs for capital expenses, no pass through of any capital expenses for public safety infrastructure improvements pursuant to 4.01.03 C, herein, no hardship rent increases, no special assessments, no association fees nor any other types of pass throughs, and such tenants shall not be required to pay homeowner dues. Rent increases shall be applied in equal amounts, phased in over a period of seven (7) years ("Phase-In Period".) After the Phase-In Period, Owner may increase monthly rents to market levels.

F. Rent Increases Prior to Conversion Date: Increases in monthly rent prior to the Conversion Date shall be governed by applicable provisions of the City's rent control ordinance.

4.01.03 Common Area Facilities and Major Components.

A. Assurance of Operating and Maintenance Funds for Common Area Facilities and Services: Owner agrees that to assure the availability and source of funds to defray the cost of common area facilities and services for the Park (collectively, "**Common Area Costs**") the Owner shall comply with California Department of Real Estate ("**DRE**") requirements pursuant to California Business and Professions Code § 11018.5 and 10 California Code of Regulations § 2792.9, to furnish funds, a surety bond or other security convertible to cash to an escrow depository, before the sale of any lots to assure the Owner's fulfillment of the Owner's obligations as an owner of lots to pay assessments in order to cover such Common Area Costs. The aforementioned security requirement shall be in an amount equal to six (6) months' regular assessments for each lot covered by the final public report (or in such other amount as shall be required by the DRE) and subject to terms assuring that the Owner pays all assessments levied by the homeowners' association against lots owned by the Owner until 80% of the lots covered by the final public report have been sold. Such security requirements are DRE requirements that the Owner shall comply with before the DRE issues the final public report permitting the sale of lots in the Park.

B. Homeowners' Association Reserve Account Requirements: With respect to the Park's major components which the homeowners' association is obligated to repair, replace, restore or maintain pursuant to California Civil Code §1365.5(e) ("**Major Components**"), as required by the DRE the Owner shall deposit funds into escrow equal to an amount designated by the DRE ("**DRE Required Reserve Deposit Amount**"), which is a portion of certain reserve component amounts determined in accordance with a study of reserve account requirements ("**Reserve Account Requirements Study**") prepared by the Owner and acceptable to the DRE. The DRE Required Reserve Deposit Amount shall be based upon the cost amount attributable to the already used portion of the useful life estimated for the Major Components in accordance with the Reserve Account Requirements Study. Among other things, the Reserve Account Requirements Study shall (i) identify the Major Components that have a useful life of less than 30 years, (ii) determine the remaining useful life of the Major Components, (iii) estimate the cost of repair, replacement, restoration, or maintenance of the Major Components, (iv) estimate the total annual contribution necessary to defray such costs during and at the end of the useful life of the Major Components, and (v) provide a reserve funding plan describing how the homeowners' association plans to fund the amounts described in clause (iv) above to meet the homeowners' association's obligation to repair and replace all Major Components with an expected remaining life of 30 years or less. Before any lots are sold by the Owner, escrow shall release the DRE Required Reserve Deposit Amount to the homeowners' association to help defray certain of the costs to repair, replace, restore, or maintain Major Components in accordance with the Reserve Account Requirements Study as accepted by the DRE. Notwithstanding the foregoing, Owner acknowledges and agrees that at least forty-five (45) days before delivery of the Reserve Account Requirements Study to the DRE, Owner shall deliver the

Reserve Account Requirements Study to the City for the City's review and comment. The City shall have the right to deliver the City's comments regarding the Reserve Account Requirements Study to both the Owner and the DRE; provided, however, the Owner shall not be obligated by this provision to make any modifications or supplements to the Reserve Account Requirements Study pursuant to any such comments or review by the City.

C. Public Safety. Infrastructure Modifications. Prior to recordation of the final tract map owner agrees to complete the following public safety infrastructure modifications.

(1) Owner agrees to replace two substandard fire hydrants within the property with hydrants meeting current Fire Department requirements consisting of one 4 inch outlet and one 2.5 inch outlet, one between units #428 and #429 possibly served by a fire line stub off Seagull Drive & the second between units #439 and #440 possibly served by another fire line stub installed from Daytona. Owner agrees to verify fire line size and if necessary in order to meet current Fire Department requirements, bring the size of the fire line up to a minimum 8 inches or to the size of the Goleta Water District line on Seagull Drive, which ever is less.

(2) Owner agrees to install a fire line from the main on Hollister Avenue to the western corner of the entrance to the Property. This shall be a public fire hydrant within the existing road right of way and shall consist of one 4 inch outlet and two 2.5 inch outlets; or in the alternative, install a minimum 8 inch fire line from the hydrant between units #428 and #429 to a point adjacent to the swimming pool and installation of a hydrant meeting current Fire Department requirements consisting of one 4 inch outlet and one 2.5 inch outlet.

(3) Provided owner is issued all applicable permits required for construction, owner agrees to repave the existing car wash area as a Fire Department hammerhead turnaround meeting Fire Department standards.

(4) Provided owner is issued all applicable permits required for construction, owner agrees to install a fire line from the terminus of the Goleta Water District water main at the south end of Coronado Drive, east along the Goleta West Sanitary District Easement (**"GWSD EASEMENT"**) on the north side of Devereux Creek, to a fire hydrant at the future hammerhead turnaround area on the South end of the Property.

(5) Provided owner is issued all applicable permits required for construction, owner agrees to construct a 20 foot wide, all weather surface emergency vehicle access along the GWSD Easement on the north side of Devereux Creek from the South terminus of Coronado Drive, east to the Property and onto the Property connecting with the existing street system within the Property at the existing paved car washing area.

4.01.04 Conditions of Approval.

Owner agrees to comply with all Conditions of Approval for the Tentative Tract Map except that Owner shall have the right to challenge in an action filed in a court of law any of the Conditions of Approval which are inconsistent with state laws and regulations, including, without limitation, Section 66427.5 of the Government Code. A copy of said Conditions of Approval is attached hereto as Exhibit B.

4.01.05 Appraisal.

Owner agrees to propose three (3) MAI appraisers to conduct an appraisal of each of the lots within the Park. The Owner shall provide the names of the three (3) proposed MAI appraisers to the City. Each of such appraisers shall be experienced in conducting appraisals of subdivided mobilehome park lots. Within ten (10) calendar days after City's receipt of the names of Owner's proposed appraisers, the City shall notify Owner of City's selection of one (1) of the three (3) appraisers proposed by Owner. Failure of the City to notify Owner within such 10-day period of City's selection of one (1) of the three (3) appraisers proposed by Owner shall be deemed City's waiver of City's selection right and Owner's notice to City of Owner's selection of one (1) of the three (3) proposed appraisers shall be deemed final. Owner shall provide the City and the respective Park tenant with a copy of their lot appraisal within ten (10) working days of receipt of the appraisal, and shall provide the City with a copy of all offers to purchase lots in accordance with the terms herein. The value of a lot based upon the appraisal shall be referred to for purposes of this Agreement as the "**Appraised Value**".

4.01.06 Compliance with Impact Report and Survey of Support.

City acknowledges that (i) Owner has prepared and filed an impact report pursuant to the provisions of Government Code Section 66427.4, and (ii) Owner has submitted the results of a survey of support pursuant to the provisions of Government Code Section 66427.5(d). Owner shall have the right to supplement, modify or amend such impact report and survey of support.

4.01.07 Rental and Compliance Report.

Owner shall deliver to the City, within forty-five (45) days following the first anniversary date of the Effective Date and within forty-five (45) days following each anniversary date of the Effective Date thereafter during the Term, a completed rental report on a form substantially identical to the Rental Report Form attached hereto as Exhibit C together with a report summarizing Owner's compliance with Owner's outstanding obligations under this Agreement.

4.02 No Further Approvals or Permits.

City shall not require Owner to obtain any further discretionary approvals or permits for the Project from the City beyond the Project Approvals during the Term of this Agreement unless such further permits or approvals are required by the Applicable

Law of the Project ("**Subsequent Approvals**"). The City agrees that any conditions of approval or departmental conditions imposed upon the issuance of Subsequent Approvals shall not be in conflict with this Agreement or with the Applicable Law of the Project.

4.02.01 Environmental Review.

In approving this Agreement, City has taken whatever actions are required by CEQA.

4.02.02 Financing of Lot Purchases.

City will endeavor to assist Park tenants with obtaining financing for the purchase of their lots. In addition, with respect to MPROP funding, City agrees to serve as the "applicant" for MPROP funding in accordance with MPROP regulations in order to assist Park tenants and Owner in obtaining such funding for the purchase of lots by the Park tenants.

4.02.03 Income Survey.

Owner will assist City with City's conducting of an income survey of the Park tenants.

4.02.04 Other Governmental Permits and Approvals.

Except as herein provided, Owner shall be responsible for obtaining all permits and approvals required by governmental agencies having jurisdiction over the Project.

Section 5. Implementation of this Agreement.

5.01 Effective Date. The Effective Date of this Agreement shall be as defined in Section 2.01(g) hereof.

5.02 Term. The term of this Agreement ("**Term**") shall commence upon the Effective Date and shall remain in effect until all of the lots covered by the final public report have been sold.

Section 6. Amendment of Agreement and Discretionary Permits.

6.01 Amendment of Agreement.

This Agreement may be amended from time to time by mutual consent of the parties or their successors in interest, in accordance with California Government Code section 65868, with City costs being paid by Owner.

6.02 Minor Amendments.

Any amendment to this Agreement which does not relate to the Term of this Agreement, the payment of fees, or the permitted uses set forth in the Project Approvals may be processed and approved by City as a "**Minor Amendment**."

Upon the written request of Owner for a Minor Amendment, the Director of the Planning and Environmental Services Department for the City (the "**Director**") shall determine whether the requested amendment is a Minor Amendment and whether it is consistent with the Applicable Law of the Project. The determination whether such amendment is a Minor Amendment shall refer to whether the change in this Agreement is minor and not material in the context of the overall Project, is in substantial conformity with the Project Approvals, is consistent with the findings adopted by the City in approving the Project, and does not have the potential to create environmental impacts. If the Director finds that the proposed amendment is a Minor Amendment and consistent with the Applicable Law of the Project, he/she may approve said Minor Amendment without notice or public hearing. If he/she determines that the proposed amendment is not a Minor Amendment or is inconsistent with the Applicable Law of the Project, he/she shall forward the proposed amendment to the Planning Commission, along with his/her recommendation for action thereon.

Decisions of the Director and/or Planning Commission shall be subject to the procedures for appeal set forth in Goleta Municipal Code, Articles II and III.

Section 7. Default and Remedies; Impossibility of Performance; Cooperation in the Event of Legal Challenge; Applicable Law; Termination upon Completion of Development; Processing During Third Party Litigation.

7.01 Default; General Provisions. No party shall be in default of this Agreement unless it has failed to perform under this Agreement for a period of thirty (30) days after written notice from the other party of an event of default. The notice of an event of default shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent and continuous prosecution to completion of the cure as soon as is reasonably possible shall be deemed a cure (and a party shall not be deemed to be in default) within such period.

7.01.01. Default of Owner. Owner shall be in default under this Agreement upon a finding and determination by the City Council of the City that, upon the basis of substantial evidence, Owner has not complied with any one or more of the material terms and conditions of this Agreement.

7.01.02. Default of City. The City shall be in default under this Agreement if it fails to comply with any material term or condition of this Agreement applicable to City. In the event of default by City, Owner, at its sole discretion and without obligation

to do so, may apply for and process permits and seek development approval under the City's land use planning process then in effect as applicable to the Property. The enactment of any ordinances, rules, regulations and official policies other than the Applicable Law of the Project shall in no manner restrict the specific enforceability of this Agreement.

7.01.03. Remedies Upon Default. Except as provided herein, upon the default by any party under this Agreement, the party not in default shall have all rights and remedies provided by law, including but not limited to the right to terminate this Agreement pursuant to California Government Code Section 65865.1, the right to seek specific performance, or other injunctive or declaratory relief, and the right to seek writs of mandate compelling performance with the terms of this Agreement or requiring other action consistent with this Agreement.

7.01.04. Reference. Pursuant to Code of Civil Procedure Section 638, et seq., all legal actions may be heard by a referee who shall be a retired judge from either the California Superior Court, the California Court of Appeal, the United States District Court or the United States Court of Appeals, provided that the selected referee shall have experience in resolving land use and real property disputes. Owner and City shall agree upon a single referee who shall then try all issues, whether of fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances of the controversy before such referee. If Owner and City are unable to agree on a referee within ten (10) days of a written request to do so by either party hereto, either party may seek to have one appointed pursuant to Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by the parties. Any referee selected pursuant to this Section 7.01.04 shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution. Notwithstanding the provisions of this Section 7.01.04., either party shall be entitled to seek declaratory and injunctive relief in any court of competent jurisdiction to enforce the terms of this Agreement, or to enjoin the other party from an asserted breach thereof, pending the selection of a referee as provided in this Section 7.01.04, on a showing that the moving party would otherwise suffer irreparable harm.

7.01.05. Compliance with the California Claims Act. Compliance with the procedures set forth in this Section 7.01 shall be deemed full compliance with the requirements of the California Claims Act (Government Code §§900 et seq.), including, but not limited to, the notice of an event of default hereunder constituting full compliance with the requirements of Government Code §910.

7.02 Impossibility of Performance. Nonperformance by Owner or City hereunder shall not be deemed to be a default if such nonperformance is attributable to events beyond the reasonable control of Owner or City, such as acts of God, war, strikes, riots, floods, earthquakes, fires, casualties, acts of public enemy, other similar causes, litigation or administrative appeals to a governmental entity to set aside any Project Approval or this Agreement or any component thereof, or the issuance of a court order preventing development of the Project. If performance has been delayed by any such cause, the Term of this Agreement and times of performance under this Agreement

shall be extended for the period of the delay with such period commencing to run from the time of the commencement of the cause.

7.03 Cooperation in the Event of Legal Challenge; City's Indemnification. If any legal or equitable action or other proceeding (hereafter "**actions**") is brought by any person, private entity, governmental entity or official challenging the validity of any provision of this Agreement, the Project Approvals, or the EIR, the parties shall cooperate in defending such action or proceeding. Owner agrees to hold harmless the City from any such actions and shall defend and indemnify the City for all attorneys fees, litigation costs, settlement payments and judgments arising from or in any way related to such actions. Owner shall pay for the defense of the City as the costs of defense are incurred, with counsel selected by Owner subject to City's approval, which shall not be unreasonably withheld, conditioned or delayed. If this Agreement is adjudicated or determined to be invalid or unenforceable, in whole or in part, City and Owner agree to seek a declaration from the court as to the extent to which this Agreement is still valid and enforceable. After obtaining such declaration and after consultation with Owner, City agrees, to the extent permitted by law, to consider appropriate modifications to the Agreement, the intent of the parties being to accomplish the objectives of this Agreement, including development of the Property as conditioned by the City. If this Agreement is adjudicated or determined to be unenforceable or invalid, in whole or in part, as a result of any such action, Owner shall reimburse City for all fees and/or costs assessed against the City by the court.

7.04 Agreement Constitutes Legislative Act. Owner acknowledges and agrees that City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of City.

7.05 Processing During Third Party Litigation. The filing of any third party actions against City or Owner relating to CEQA compliance, this Agreement, the Project Approvals or to other development issues affecting the Property shall not delay or stop the development or processing of the Project or issuance of any Subsequent Approvals, unless the third party obtains a court order preventing the activity. City shall not stipulate to the issuance of any such order.

Section 8. General and Miscellaneous Provisions.

8.01 Covenants Running with the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons or entities acquiring the Property, any lot, parcel or any portion thereof, or any interest therein, whether by sale, operation of law or in any manner whatsoever, and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns. All of the provisions of this Agreement shall be enforceable during the Term hereof as equitable servitudes and shall constitute covenants running with the land pursuant to applicable

RHC

law, including but not limited to Section 1468 of the Civil Code of the State of California. Each covenant to do or refrain from doing some act on the Property hereunder, or with respect to any City-owned property or property interest: (i) is for the benefit of such properties and is a burden upon such property, (ii) runs with such properties, and (iii) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person or entity having any interest therein derived in any manner through any owner of such properties, or any portion thereof, and shall benefit each party and its property hereunder, and each other person or entity succeeding to an interest in such properties.

8.02 Lawsuits

8.02.01 The following five (5) lawsuits (hereafter "**Lawsuits**") have been filed by Owner's predecessor-in-interest against the City:

1. *Dan and Susan Guggenheim Trust U.T.D. April 1, 1992, a California Trust v. City of Goleta, a Municipal Corporation, et al.* Santa Barbara Superior Court Case No. 01246103;

2. *Dan and Susan Guggenheim Trust U.T.D. April 1, 1992, a California Trust, v. City of Goleta, a Municipal Corporation, et al.* Santa Barbara Superior Court Case No. 01246104;

3. *Dan and Susan Guggenheim Trust U.T.D. April 1, 1992, a California Trust, v. City of Goleta, a Municipal Corporation, et al.* Santa Barbara Superior Court Case No. 01264713; and

4. *Dan and Susan Guggenheim Trust U.T.D. April 1, 1992, a California Trust, v. City of Goleta, a Municipal Corporation, et al.* Santa Barbara Superior Court Case No. 01264714.

5. *Daniel Guggenheim, Susan Guggenheim and Maureen H. Pierce v. City of Goleta, et al.* U. S. Court of Appeals Docket No. 06-56306 [USDC Case No. CV 02-02478 FMC (RZx)]

8.02.02 Upon (i) approval of this Agreement by the City Council, (ii) approval of the Tentative Tract Map by the City, and (iii) the expiration of 90 days following approval of the tentative Tract Map by the City provided that no action has been filed challenging such approval, or, upon Resolution of all such legal challenges which are timely commenced, Owner agrees to file a dismissal with prejudice of the Lawsuits identified as items 1-4 above and to execute a mutual release in the standard form which shall include, among other things, a statement of release of the City for any liability for the acts referenced in the Lawsuits and a provision that each party to the Lawsuits shall bear their own costs and attorneys fees.

8.02.03 Upon (i) approval of this Agreement by the City Council, (ii) approval of the Tentative Tract Map by the City, and (iii) the expiration of 90 days

following issuance of the Coastal Development Permit approving the Project by the California Coastal Commission, provided that if approval of the Project by the California Coastal Commission includes conditions or changes in the Project that any such conditions or changes are acceptable to Owner, and provided no action has been filed challenging such approval, or, upon resolution of all such legal challenges which are timely commenced, Owner agrees to file a dismissal with prejudice of the Lawsuit identified as item 5 above and to execute a mutual release in the standard form which shall include, among other things, a statement of release of the City for any liability for the acts referenced in the Lawsuit and a provision that each party to the Lawsuits shall bear their own costs and attorneys fees. Owner acknowledges and agrees that if the California Coastal Commission issues the Coastal Development Permit approving the Project with changes or conditions which are unacceptable to Owner, then Owner shall have no right to proceed with development of the Project pursuant to the the terms of this Agreement.

8.03 Severability. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, then to the extent that the invalidity or unenforceability does not impair the application of this Agreement as intended by the parties, the remaining provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect.

8.04 Relationship of Agreement and Project Approvals; Cooperation of City. This Agreement and the Project Approvals (except those Project Approvals not approved by the City) shall be approved by City as a single interdependent group of approvals for development of the Property, each of which depends on the others for its effectiveness. In the event that a challenge is filed to this Agreement, the Project Approvals, or any portion thereof, in an action filed in a court of law, which action is brought within the time period provided for by law, this Agreement and the Project Approvals shall be suspended pending dismissal of such action, the expiration of the limitation period applicable to such action, or final resolution of such action. If as a result of such action, any portion of this Agreement or the Project Approvals is invalidated by a court of law in a manner which impairs the application of this Agreement as intended by the parties, the entire Agreement and all Project Approvals shall be reviewed by City for reconsideration of said Agreement and Project Approvals.

Notwithstanding anything to the contrary herein, the City shall cooperate with Owner (including, without limitation, provide Owner with the administrative record upon Owner's request) in obtaining the Project Approvals, all applicable permits and approvals from the California Coastal Commission and the DRE, as well as any and all Subsequent Approvals and permits applicable to the Project, and the City shall not interfere with nor delay Owner's efforts to obtain the Project Approvals, any Subsequent Approvals, and such other applicable State of California or other governmental permits and approvals for the Project. Owner acknowledges and agrees that the City's rights to deliver comments to the DRE regarding the Reserve Account Requirements Study shall not be deemed to be interference with or delay of Owner's efforts to obtain the permits and approvals described in the foregoing sentence.

8.05 Further Actions. Each party shall promptly take such further actions and execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

8.06 Notices. All notices, approvals, acceptances, demands and other communications required or permitted under this Agreement shall be in writing and shall be delivered in person or by U.S. mail (postage prepaid, certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

To City:

Director, Planning & Environmental Services City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

With a copy to:

City Attorney
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

To Owner:

c/o Newport Pacific Capital Company
17300 Redhill, Suite 280
Irvine, CA 92614
Attn: Clarke Fairbrother

With a copy to:

Gilchrist & Rutter Professional Corporation
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401
Attn: Richard H. Close, Esq.

Any written communication given by mail shall be deemed delivered two (2) working days after such mailing date; any written communication given by overnight delivery service shall be deemed delivered one (1) working day after the dispatch date; any delivery in person shall be deemed delivered when delivered to the party to whom it

is addressed. Either party may change its address by giving the other party written notice of its new address as provided above.

8.07 Owner's Interest. Owner represents that the Property is owned by Owner or that Owner has control of the Property described in Exhibit A.

8.08 No Third Party Beneficiary. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other party shall have any right, remedy or action based upon any provisions of this Agreement. There are no third party beneficiaries to this Agreement.

8.09 Relationship of Parties. It is understood that Owner is not an agent of the City and City is not an agent of Owner. It is specifically understood and agreed by and between the parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture, or other association of any kind between Owner and City is formed by this Agreement. The only relationship between City and Owner is that of a governmental entity regulating the development of private property with Owner as Owner of such private property.

8.10 Waiver. No waiver of any provision of this Agreement shall be effective unless made in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. No waiver of any right or remedy in respect to any occurrence or event shall be deemed a waiver of any right or remedy in respect to any other occurrence or event.

8.11 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement, with venue for any legal action lying in a court of competent jurisdiction in the County of Santa Barbara, State of California.

8.12 Time of Essence. Time is of the essence for this Agreement.

8.13 Recordation. This Agreement shall be submitted for recording with the County Clerk-Recorder of the County of Santa Barbara, at Owner's sole cost and expense, upon execution by the parties.

8.14 Entire Agreement and Amendment. This Agreement, together with all documents and exhibits referred to herein, contains all of the agreements of the parties with respect to the matters contained herein, and no other prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended except by an agreement in writing signed by the parties hereto or their respective successors in interest.

8.15 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

8.16 Counterparts and Exhibits. This Agreement is executed in four (4) duplicate counterparts, each of which is deemed to be an original. The following exhibits are attached to this Agreement:

Exhibit A: Legal Description of the Property
Exhibit B: Conditions of Approval
Exhibit C: Rental Report Form

8.17 Signatures.

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Owner and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8.18 Working Days.

As used in this Agreement, the term "**working days**" or "**business days**" shall mean days other than Saturdays, Sundays, and federal and state legal holidays, and "**days**" means calendar days. If the time for performance of an obligation under this Agreement falls on other than a working day, the time for performance shall be extended to the next working day.

8.19 Inconsistency.

In the event of any inconsistency between any Applicable Law of the Project and a Project Approval, the provisions of the Project Approval shall control. In the event of any inconsistency between any Applicable Law of the Project or Project Approval and this Agreement, the provisions of this Agreement shall control.

8.20 Estoppel Certificates.

Owner and City shall, at any time and from time to time, upon not less than fifteen (15) days' prior written request by the other, execute, acknowledge and deliver to the other (and to any other party whose identity and address are provided by the requesting party, at such address provided) a statement in writing, executed by an authorized officer certifying (i) that this Agreement is unmodified and in full effect (or, if there have been modifications, that this Agreement is in full effect as modified, setting forth such modifications), (ii) that to the knowledge of the party executing such certificate no default by either Owner or City exists hereunder or specifying each such default of which such party may have knowledge, (iii) that to the knowledge of the party executing such certificate, (X) there are no proceedings pending or threatened against such executing party before or by any court or administrative agency which if adversely decided would materially and adversely affect the performance of such executing party under this Agreement or if any such proceedings are pending or threatened to such party's knowledge, specifying and describing the same, and (Y) there has been no prior assignment, hypothecation or pledge of this Agreement, and (iv) certifying as to such

other matters regarding this Agreement, the City and Owner as shall be reasonably requested. It is intended that any such statements may be relied upon by a lender, the recipient of such statements or their assignees or by any prospective mortgagee, purchaser or assignee of the Project.

IN WITNESS WHEREOF, Owner and City have executed this Agreement as of the date first hereinabove written.

OWNER

GOLETA MOBILE HOME PARK, LP, a California limited partnership

By: Goleta Mobile Home Park, LLC, a California limited liability company
Its General Partner

By: _____
Dan Guggenheim, Manager

CITY

CITY OF GOLETA, a municipal corporation

_____
By: Roger S. Aceves
Its: Mayor

APPROVED AS TO FORM FOR OWNER:

Gilchrist & Rutter Professional Corporation

By: _____
Richard H. Close
Attorney

ATTEST

_____
By: Deborah Constantino, City Clerk

APPROVED AS TO ADMINISTRATION

_____
By: Daniel Singer, City Manager

APPROVED AS TO FORM

_____
By: Tim W. Giles, City Attorney

R.H.C

ACKNOWLEDGMENT

State of California
County of ORANGE } ss.

On FEBRUARY 25, 2009 before me, C.N. STERNER, NOTARY PUBLIC,
Notary Public, personally appeared DAN GUGGENHEIM

who 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~~ signatures~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

C. N. STERNER
Commission # 1748234
Notary Public - California
Orange County
My Comm. Expires Jun 26, 2011

C N Sterner
Signature

OPTIONAL INFORMATION

Date of Document UNDATED

Type or Title of Document DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF GOLETA AND GOLETA MOBILE HOME PARK, LP, A CALIF. LTD. PTSHP.

Number of Pages in Document -24-

Document in a Foreign Language No

Thumbprint of Signer

Type of Satisfactory Evidence:
_____ Personally Known with Paper Identification
_X_ Paper Identification CALIF. DRIVERS LICENSE
_____ Credible Witness(es)

☐ Check here if no thumbprint or fingerprint is available.

Capacity of Signer:
_____ Trustee
_____ Power of Attorney
_____ CEO / CFO / COO
_____ President / Vice-President / Secretary / Treasurer
_____ Other: _____

Other Information: _____

ACKNOWLEDGMENT

State of California
County of Santa Barbara)

On March 11th, 2009 before me, Donna L. Quaglia, Notary Public,
(insert name and title of the officer)

personally appeared Roger S. Jones
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

DONNA L. QUAGLIA
Commission # 1777857
Notary Public - California
Santa Barbara County
My Comm. Expires Dec 1, 2011

Signature Donna L. Quaglia (Seal)

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ACKNOWLEDGMENT

State of California
County of Santa Barbara)

On March 11th 2009 before me, Donna L. Quaglia Notary Public,
(insert name and title of the officer)

personally appeared Daniel Singer
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Donna L. Quaglia (Seal)

DONNA L. QUAGLIA
Commission # 1777857
Notary Public - California
Santa Barbara County
My Comm. Expires Dec 1, 2011

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ACKNOWLEDGMENT

State of California
County of Santa Barbara)

On March 11th 2009 before me. Donna L. Quaglia, Notary Public,
(insert name and title of the officer)

personally appeared Deborah Constantine
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

DONNA L. QUAGLIA
Commission # 1777857
Notary Public - California
Santa Barbara County
My Comm. Expires Dec 1, 2011

Signature Donna L. Quaglia (Seal)

AJS

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property situated in the County of Santa Barbara, State of California, described as follows:

Those portions of the Rancho Los Dos Pueblos, in the City of Goleta, County of Santa Barbara, State of California, described as follows:

Parcel One:

Beginning in the Northeasterly corner of the tract of land described in the deed to Jess C. Barnes, Jr., et al., recorded in Book 702, Page 113 of Official Records, in the office of the County Recorder of Said County;

thence along the Northerly line of said Barnes Tract of land South $88^0 51'$ West, 277.65 feet;

thence parallel with the easterly line of said last mentioned tract of land South $0^0 07'$ East, 1569.19 feet;

thence North along said Easterly line North $0^0 07'$ West, 1569.19 feet to the point of beginning.

Excepting therefrom all oil, gas, and other hydrocarbon substances in, upon, and under said land.

Also excepting therefrom an undivided $9/11^{th}$ interest in and to the well site, described as follows:

Beginning at the Northeasterly corner of the tract of land described in the deed to Jess C. Barnes, Jr., et al., recorded in Book 702, Page 113 of Official Records, in the office of the County Recorder of said County;

thence along the Easterly line of said Barnes Tract of land South $0^0 07'$ East, 347.2 feet;

thence West, 44.2 feet to the true point of beginning of the land herein to be described;

thence North $0^0 07'$ West, 10.00 feet;

thence South $89^0 53'$ West, 20.00 feet;

thence South $0^0 07'$ East, 20.00 feet;

thence North $89^0 53'$ East 20.00 feet;

thence North 0°07' West, 10.0 feet to the true point of beginning.

Parcel Two:

That portion of the Rancho Los Dos Pueblos in the County of Santa Barbara, State of California, described as follows:

Beginning at a ½ inch survey pipe set at the Southeast corner of the tract of land described as Parcel One in the deed to Richard C. Riding, et al., recorded November 23, 1955 as Instrument No. 21011 in Book 1347, Page 497 of Official Records, records of said County;

Thence South 0°07' East, at 792.29 feet a ¾ inch pipe, 1229.44 feet to a 4 inch x 6 inch post set at the Southeast corner of the tract of land described in the deed to Jess C. Barnes, Jr., et al., recorded in Book 702, Page 113 of Official Records, records of said County;

Thence South 89°43'09" West along the Southerly line of said Barnes Tract of land, 277.65 feet;

Thence North 0°07' West, 1229.44 feet to a ½ inch survey pipe set at the Southwest corner of said Riding Tract of land;

Thence North 88°51'45" East, 277.65 feet to the point of beginning.

Excepting the interest in the oil, gas, and other hydrocarbon substances in, upon, and under said land excepted in the following deeds:

Deed from E.A. Gilbert, et al., to H.C. Blankenship and Rosalind Blankenship, recorded February 27, 1945 as Instrument No. 2151 in Book 640, Page 165 Official Records, which excepts an undivided 1/4th.

Deed from H.C. Blankenship and Rosalind Blankenship, his wife, to Jess C. Barnes, Jr., a single man, and Jess C. Barnes, a married man, recorded August 20, 1946 as Instrument No. 13006 in Book 702, Page 113, of Official Records, reciting exception of an undivided 3/4th.

Deed from Jess C. Barnes and Aimee M. Barnes, his wife, to Richard C. Riding, et al., recorded September 5, 1958 as Instrument No. 21626 in Book 1552, Page 597 of Official Records, reciting an exception of 3/4th of all oil, gas, mineral, and other hydrocarbon substances in, upon, and under said land.

Assessor's Parcel Number 079-210-058

EXHIBIT B

CONDITIONS-OF-APPROVAL

EXHIBIT B

CONDITIONS-OF-APPROVAL

1. Authorization: This Ordinance Amendment, Tentative Tract Map (TM 32,030), Development Plan, and the conditions set forth below authorize development proposed in Case No. 05-140-OA, -TM, -DP marked "Officially Accepted, March 3, 2009, City Council Hearing Exhibits 1-3." Any deviations from the exhibits, project description, or conditions must be submitted to the City of Goleta for its review and approval. Deviations without the above-described approval will constitute a violation of the permit approval. The exhibits associated with this permit include:

   1) 05-140-TM: Tract Map 32,030 for Condominium Purposes dated November, 2006
   2) 05-140-DP: Development Plan for the Rancho Mobile Home Park dated November, 2006
   3) 05-140-OA: Development Agreement By and Between the City of Goleta and Goleta Mobile Home Park, LP, a California Limited Partnership dated March 3, 2009.

2. Authorized Development: The proposed project involves the subdivision of the existing Rancho Mobile Home Park, comprised of 17.84 acres (gross), into a one-lot subdivision of 150 residential condominium units with utilities, accessways, drainageways, amenities, and open space to be held in common ownership by a lot-owner's association. No additional mobile homes or mobile home sites would be created by the proposed subdivision. No physical alterations to the project site or any new signage are proposed as part of the subdivision application beyond that required under a Development Agreement between the park owner and the City. All of the proposed mobile home spaces would be offered for sale to the current mobile home owners pursuant to the Development Agreement. Non-purchasing residents would be allowed to continue to rent their space pursuant to the terms of the Development Agreement.

3. The Final Map shall not be recorded unless or until a Coastal Development Permit (CDP) has been approved by the California Coastal Commission and the CDP has been issued to the applicant. Approval of a Land Use Permit by the City of Goleta is required and the City shall have evidence of issuance of the CDP prior to approval of a Land Use Permit for recordation of the Final Map.

4. Prior to recordation of the final map(s) and subject to City approval as to form and content, the applicant shall include all of the mitigation measures, conditions, agreements and specific plans associated with or required by this project approval on a separate informational sheet to be recorded with the final map(s). All applicable conditions and mitigation measures for the project shall be printed on grading and/or building plans and shall be graphically illustrated where feasible.

For any subsequent development on any parcels created by the project, each set of plans accompanying a Land Use Permit shall contain these conditions.

5. Prior to recordation of the final map, and subject to City approval as to form and content, the applicant shall record the fully executed Development Agreement between the City of Goleta and the Goleta Mobile Home Park LP dated March 3, 2009 and deliver a certified copy of the recorded Development Agreement to the City.

6. If the proposed final map(s) are substantially revised from the approved tentative map, or if substantial changes to conditions are sought, approval shall be in the same manner as for the originally approved tentative map. Non-substantial changes may be approved by the Director of Planning & Environmental Services.

7. Five (5) copies of the final tract map to implement the approved tentative map(s) and required review fees in effect at the time shall be submitted to Planning & Environmental Services for compliance review of conditions before Planning & Environmental Services will issue map clearance to the Santa Barbara County Surveyor. The map shall show statistics for net lot area (gross area less any public road right of way).

8. Title to the common open space shall be held by a non-profit association of Rancho Mobile Home Park lot-owners. The common open space shall not be conveyed to any other group than the lot-owners association unless conveyed to the City of Goleta.

9. Prior to recordation of the final map, the applicant shall submit a copy of proposed Covenants, Conditions & Restrictions (CC&Rs) for review of condition compliance by the City of Goleta. The CC&Rs shall at minimum provide for shared maintenance of common areas, including but not limited to, private roads, drainage facilities, fences, trails, street lighting, signage, all park infrastructure including water lines, electrical systems, and sewer lines, and landscaping. The CC&Rs shall also include by reference the responsibility for all lot owners to maintain the property in compliance with all conditions of approval for the project.

10. Prior to recordation of the final map, public utility easements shall be provided at the locations and of widths required by the serving utilities. The subdivider shall submit to the City a set of prints of the final map accompanied by a letter from each utility and water and sewer district serving the property stating that the easements shown thereon are acceptable pursuant to Section 21-30, Chapter 21 of the Goleta Municipal Code.

11. The Tentative Map shall expire three (3) years after approval or conditional approval by the California Coastal Commission of a Coastal Development Permit

for the proposed subdivision unless otherwise provided in the Subdivision Map Act, Government Code Section 66452.6.

12. Prior to final map recordation for the project, the owner shall sign and record an agreement to comply with the project description and all conditions of approval.

13. The applicant shall comply with the Santa Barbara County Fire Department Conditions of Approval letter dated February 11, 2009 prior to recordation of the final map.

14. The final map shall be prepared by a licensed land surveyor or registered civil engineer in conformance with current Subdivision Map Act requirements and in conformance with the requirements of City of Goleta Subdivision Regulations.

15. No permits for development, including grading, shall be issued except in conformance with the approved Development Plan. The size, shape, arrangement, use, and location of buildings, walkways, parking areas, drainage facilities, and common amenities such as the Community Center/recreation facilities, roadways, and landscaped areas shall be maintained in substantial conformity with the approved Development Plan marked City Council Hearing Exhibit 3, dated February 17, 2009. Substantial conformity shall be determined by the Director of Planning & Environmental Services.

16. The Development Plan approval runs with the land and the rights and obligations thereof, including responsibility to comply with conditions of approval and shall be binding upon successors in interest in the real property unless or until such permits are expressly abandoned.

17. On the date a subsequent Preliminary or Final Development Plan is approved for this site, any previously approved but unbuilt plans shall become null and void.

18. Revised plans incorporating all conditions of approval for this project shall be coordinated and submitted to Planning & Environmental Services as one package in accordance with plan check requirements. All plans, including site, grading, landscape, irrigation, mechanical, and street improvement plans shall be reviewed for condition compliance prior to issuance of any permits such as grading, building, or encroachment permits. Any change to the size, colors, construction materials, design or location of any structure onsite, or other site or landscape improvements, except to the extent such changes are deemed in substantial conformity, shall not be made without prior City approval.

19. All plans submitted for approval of any Land Use, building, and/or grading permit shall include all applicable conditions of project approval.

20. Prior to approval of the final map for recordation the applicant shall pay all applicable City of Goleta permit processing fees in full.

21. When exhibits and/or written conditions of approval are in conflict, the written conditions shall prevail.

22. The applicant shall pay all applicable development impact fees prior to recordation.

23. No new signs are authorized with this permit. All signs require separate permits and shall comply with, Article I, Chapter 35 of the City of Goleta Municipal Code (Sign Regulations) and with setbacks specified in Articles II and III, Chapter 35 of the Municipal Code (Coastal and Inland Zoning Ordinances).

24. The applicant shall be responsible for the completeness and accuracy of all forms and supporting materials submitted in connection with any application. Any errors or discrepancies found therein may constitute grounds for the revocation of any approvals.

25. The developer agrees, as a condition of this approval, at the developer's own expense, to indemnify, defend, and hold harmless the City and its agents, officers, and employees from and against any claim, action, or proceeding to attack, review, set aside, void or annul, in whole or in part, the City's approval of the vesting tentative map and development plan or any condition attached thereto or any proceedings, acts, or determinations taken, done or made prior to the approval that were part of the approval process.

26. In the event that any condition imposing a fee, exaction, dedication or other mitigation measure is challenged by the project sponsors in an action filed in a court of law or threatened to be filed therein, this approval shall be suspended pending dismissal of such action, the expiration of the limitation period applicable to such action, or final resolution of such action. If any condition is invalidated by a court of law, the entire project shall be reviewed by the City and no approval shall be issued unless substitute feasible mitigation measures are imposed.

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EXHIBIT C

RENTAL REPORT FORM

[See Attached Rental Report Form]

RANCHO MOBILE HOME PARK

Development Agreement Compliance Exhibit

For the period -

Space #	Qualification[1]	Base Rent	Rent Increase	% Rent Increase	Current Rent	Market Rent[2]

[1] Lower, Moderate, Above-Moderate, Lot Sold (date)

[2] Applicable for Above-Moderate only