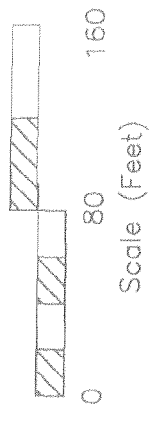


MAR 18 2010
#17



Santa Barbara Yacht Club
Exhibit "A"

DATE	2/24/2010	SCALE	NONE	APPROVED BY	SR	DRAWN BY	T. LAMLER
REVISIONS		ADDRESS				SHEET NO.	1 OF 1
						DRAWING NAME	1300-000

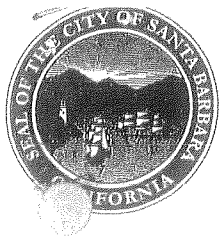


LEGEND
Lease Area

Santa Barbara Yacht Club
130 Harbor Way

Building: 5,936 SQ FT
 Parking Lot: 37,924 SQ FT
 Property: 67,469 SQ FT

ATTACHMENT #1



City of Santa Barbara

Waterfront Department

www.ci.santa-barbara.ca.us

MAR 18 2008
#7

October 21, 2004

Administration

Tel: 805.564.5531

Fax: 805.560.7580

Parking

Tel: 805.897.1965

Fax: 805.560.7580

Stearns Wharf

Tel: 805.564.5518

Fax: 805.963.1970

Harbor Patrol

Tel: 805.564.5530

Fax: 805.897.2588

Harbor Maintenance

Tel: 805.564.5522

Fax: 805.966.1431

PO Box 1990

Santa Barbara, CA

93102-1990

HAND DELIVERED/CERTIFIED MAIL

Dennis L. Friederich, Commadore
Santa Barbara Yacht Club
130 Harbor Way
Santa Barbara, CA 93109

Subject: Notice of Non-Renewal

Dear Mr. Friederich:

This letter is intended to respond to the Yacht Club's lease proposal dated September 1, 2004, and to issue the Notice of Non-Renewal per Section 5 of the Yacht Club's current lease with the City. As you are aware, Department staff, City Administrator and City Attorney's office discussed the price and terms of payment involving the current lease and the possibility of a new lease with the City Council in a Closed Session on Tuesday, October 12, 2004.

Regarding the Yacht Club's most recent lease proposal, the Department is of the opinion that the terms proposed divert from the progress achieved during the last few months of negotiations. For the most part, we see the proposal as an "agreement to agree." It does not provide the foundation necessary for the City to enter into a long term lease with the Club at this time.

For over a year, both Yacht Club representatives and Department staff have been diligently negotiating parameters of a new lease with the intent to replace the Club's current lease, which expired in 1994. We sincerely appreciate the efforts and progress that has been made in that regard. However, given the status of these negotiations and the Club's most recent proposal, the City is hereby issuing the Notice of Non-Renewal. The Notice of Non-Renewal will, as you know, end the annual automatic one-year extensions and allow the lease to continue in effect for ten (10) years, until December 31, 2014 (Termination Date).

I clearly want both the Board of Directors and members of the Yacht Club to understand and know that we share the importance of the Club's long standing relationship with the City and Waterfront Department. We believe the Yacht Club's activities and facilities are a benefit to the harbor and community. Even though I believe it is in the best interest of the City to issue the Notice of Non-

ATTACHMENT #2

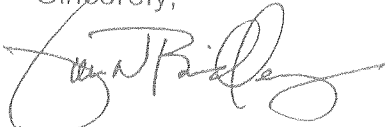
MAR 18 2010
#17

Renewal at this time, we stand ready to resume lease negotiations. However, in order for these negotiations to be mutually productive, we believe that it will be necessary to return to the progress achieved prior to the Club's most recent proposal.

Thank you for your consideration of these important lease matters. I also want to thank the members of the Yacht Club's lease negotiation committee, Kent Pierce and Ken Clements for all the hours they have devoted to this issue.

Please let me know if you have questions related to this letter and/or the Notice of Non-Renewal.

Sincerely,



John N. Bridley
Waterfront Director

Cc: Jim Armstrong, City Administrator
Steve Wiley, City Attorney
Sarah Knecht, Assistant City Attorney
✓ Scott Riedman, Waterfront Business Manager
Steve Amerikaner, Hatch & Parent
Kent R. Pierce
Kenneth M. Clements

ATTACHMENT #2

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MAR 18 2010
#7

MEMORANDUM

Date: May 20, 2004
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: Santa Barbara Yacht Club Lease

RECOMMENDATION:

That Harbor Commission establish an ad-hoc committee consisting of staff and two Commission members to discuss lease negotiation matters pertaining to the lease between the City and the Santa Barbara Yacht Club.

DISCUSSION:

The Santa Barbara Yacht Club (SBYC) leases approximately 67,500 square feet of land from the City under a ground lease. It is the oldest lease that the Department manages. The current lease commenced on February 13, 1979, and the initial term expired on December 31, 1993. The lease is an 'evergreen' lease and has a unique renewal clause which reads as follows:

"This lease shall be automatically extended from year to year after December 31, 1993 for an unlimited number of one-year extensions, but not to exceed fifty-one (51) such extensions unless notice of non-renewal is given in writing by either party. Upon notice of non-renewal being given by either party on or after December 31, 1983, this lease shall continue in effect for ten (10) years from the next succeeding December 31, and shall thereupon terminate."

The current rent is \$3,011 per month (\$0.044 per square foot/ month) and is adjusted each year, upward or downward, based on the current number of SBYC members.

Staff has had several meetings with SBYC representatives regarding the issuance of the notice of non-renewal or a possible new lease, and recommends meeting with a Harbor Commission ad-hoc committee to discuss the current status of the SBYC lease discussions. Staff believes that the 70's era lease should be updated to reflect current City standards, and that the rent provision should be updated as well.

Prepared by: Scott Riedman, Waterfront Business Manager

ATTACHMENT #3