

**CONSTRUCTION, OPERATION AND
RECIPROCAL EASEMENT AGREEMENT**

February 24, 1989

Part IV

Northwesterly, parallel with said line of Chapala Street 33.71 feet to said Southeasterly line of the 20 foot private alleyway hereinbefore referred to; thence at right angles Southwesterly along said last mentioned line 225 feet to the point of beginning.

PARCEL THREE:

That portion of Block 158, in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at the intersection of the Northwesterly line of Canon Perdido Street with the Southwesterly line of the alleyway extending into said Block 158 from Canon Perdido Street and described in Deed to Edward A. Johnson, recorded January 27, 1921 in Book 187 at Page 274 of Deeds records of said County, said point of intersection being distant Southwesterly along said Northwesterly line of Canon Perdido Street 133.86 feet from the East corner of said Block 158; thence Northwesterly, at right angles to said line of Canon Perdido Street and along the Southwesterly line of said alleyway and its Northwesterly prolongation, 157.8 feet to intersect the Northwesterly line of the Tract described as Parcel Three in Deed to Both in Helping Fund, a corporation, recorded June 9, 1920 in Book 186 at Page 15 of Deeds, records of said County; thence Southwesterly along said last mentioned line 65 feet, more or less, to the most Northerly corner of the tract of land described in Deed to Edward A. Johnson, above referred to; thence along the Northeasterly boundary line of said last mentioned tract of land, the following courses and distances: South 48°30' East 21.83 feet; South 37°09'30" West 2.88 feet; South 48°30' East 49.08 feet; South 41°30" West 16 feet; and South 48°30' East 86.7 feet to the Northwesterly line of Canon Perdido Street; thence Northeasterly along said street line 85.34 feet to the point of beginning.

PARCEL FOUR:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at the point of intersection of the Northeasterly line of Chapala Street, as the said street now exists, 80 feet wide, with the Northwesterly line of the tract of land described in Deed to G. B. Parma, recorded June 16, 1887 in Book 14 at Page 389 of Deeds, records of said County; thence Northeasterly along said Northwesterly line of said Parma tract of land, 155 feet to the most Northerly corner of said tract and the true point of beginning of the tract of land herein described; thence Northeasterly along the Northeasterly prolongation of the Northwesterly line of said Parma tract of land 60 feet; thence at right

angles Southeasterly 3 feet, more or less, to the Northwesterly line of the tract of land described in Deed to W. H. Aiken, recorded March 31, 1902 in Book 81 at Page 346 of Deeds, records of said County; thence at right angles Southwesterly 60 feet to the Northeasterly line of the tract of land described in Deed to G. B. Parma, above referred to; thence Northwesterly along said last mentioned line to the point of beginning.

EXCEPT that portion lying Northeasterly of "line of fence" along the Southeasterly line of the "land of Stage Company" as recited in Deed from Mortimer Cook to Archibald Rice, et al., recorded February 27, 1873 in Book "K" at Page 189 of Deeds, records of said County.

PARCEL FIVE:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at a point on the Northeasterly line of Chapala Street as the same existed, 60 feet wide, prior to January 1, 1925, distant thereon Northwesterly 108.83 feet from the South corner of said Block 158; thence Northwesterly along said Northeasterly line of Chapala Street 50 feet to the Northwesterly line of the tract of land described in Deed to G. B. Parma, recorded June 16, 1887 in Book 14, Page 389 of Deeds, records of said County; thence at right angles Northeasterly along said last mentioned line 165 feet; thence at right angles Southeasterly 50 feet to a point distant Northwesterly 108.83 feet from the Northwesterly line of Canon Perdido Street, measured at right angles thereto; thence Southwesterly 165 feet to the point of beginning.

PARCEL SIX:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at a point in the Northeasterly line of Chapala Street, as the same existed 60 feet wide, prior to January 1, 1925, distant thereon 210 feet Southeasterly from the most Westerly corner of said Block 158; thence Southeasterly along said Northeasterly line of Chapala Street 10 feet; thence at right angles Northeasterly into said Block 225 feet; thence at right angles Northwesterly 50 feet to the most Northerly corner of the tract of land described in Deed to The Tucker Shops, Inc., a corporation, recorded in Book 94, Page 263 of Official Records, records of said County; thence Southerly along the Easterly line of the land so described in said last mentioned Deed 56.80 feet to the most Easterly corner of the first parcel of land described in Deed to The

Tucker Shops, Inc., a corporation recorded in Book 95, Page 302 of Official Records, records of said County; thence Southwesterly along the Southeasterly line of said last mentioned tract of land 185 feet to the point of beginning.

Said land is shown together with other lands on a map of survey filed in Book 28, Page 188 of Record of Surveys, in the office of the County Recorder of said County.

PARCEL SEVEN:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at a point in the Northeasterly line of Chapala Street, as the same now exists, 80 feet wide, distant thereon Northwesterly 196.58 feet from the Northwest line of Canon Perdido Street; thence Northwesterly along said Northeasterly line of Chapala Street 34 feet; thence at right angles Northeasterly 215 feet; thence at right angles Southeasterly 34 feet; thence at right angles Southwesterly 215 feet to the point of beginning.

PARCEL EIGHT:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

Beginning at a point on the Northeasterly line of Chapala Street, as the same now exists, 80 feet wide, distant thereon Northwesterly 158.66 feet from the Northwesterly line of Canon Perdido Street, said point of beginning being a point in the Northwesterly line of the tract of land described in Deed to G. B. Parma, recorded June 16, 1887, in Book 14 at Page 389 of Deeds, records of said County; thence Northwesterly along said Northeasterly line of Chapala Street 37.92 feet to the most Westerly corner of the tract of land firstly described in Deed to Martin DePiazzi, recorded April 16, 1936 as Instrument No. 2804 in Book 335 at Page 36 of Official Records, records of said County; thence at right angles Northeasterly 215 feet; thence at right angles Southeasterly 37.92 feet; thence at right angles Southwesterly to and along said Northwesterly line of said Parma tract of land hereinbefore referred to, 215 feet to the point of beginning.

PARCEL NINE:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

Beginning at a point on the Southwesterly line of State Street, distant thereon South $48^{\circ}30'$ East, 166.83 feet, from the most Northerly corner of said block; thence, South $41^{\circ}30'$ West at right angles to said street line and parallel with Carrillo Street 163.49 feet to the true point of beginning; thence continuing along said last line South $41^{\circ}30'$ West 61.51 feet to a point; thence North $48^{\circ}30'$ West at right angles to Carrillo Street and parallel with State Street 30.62 feet to a point; thence North $41^{\circ}30'$ East, parallel with Carrillo Street 61.52 feet to a point; thence South $48^{\circ}30'$ East parallel with State Street 30.62 feet to the point of beginning.

PARCEL TEN:

That portion of Block 158 in the said City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof described as follows:

Beginning at a point on the Southwesterly line of State Street, distant thereon South $48^{\circ}31'06''$ East, 166.83 feet, from the most Northerly corner of said block; thence South $41^{\circ}28'14''$ West 163.49 feet to the true point of beginning; thence South $41^{\circ}28'14''$ West, 61.51 feet, thence South $48^{\circ}31'06''$ East, 19.38 feet; thence North $41^{\circ}28'14''$ East, 61.51 feet, thence North $48^{\circ}31'06''$ West, 19.38 feet to the true point of beginning.

PARCEL TEN (A):

An easement for ingress and egress, vehicular and pedestrian traffic over that portion of said land as described in the deed to John Turnbull, Individually, and John Phillip Turnbull and Mary Joan Schacht, as Trustees under Will of Gloria A. Turnbull, deceased, recorded April 29, 1965 as Instrument No. 15143 in Book 2102, Page 1488 of Official Records.

PARCEL TEN (B):

A right of way connecting with said premises from Chapala Street in said City over land situated in Block No. 158 aforesaid, as described in a deed to Fanny V. De G. Stevenson recorded February 6, 1911 in Book 131, Page 28 of Deeds, bounded and described as follows:

Beginning on the Northeast line of said Chapala Street at the South corner of a lot conveyed to Hannah A. Garland by E. S. Cordero and Manuela O. Cordero, his wife, by deed dated July 25, 1901, and recorded in the office of the Recorder of the aforesaid County in Book 74, Page 170 of Deeds and running thence first, Northeasterly along the Southeasterly line of said lot so conveyed to Hannah A. Garland, 190 feet; thence second, Northerly 49 feet 6 inches, more or less, to a

point on the Northeasterly side of said lot so conveyed to Hannah A. Garland, distant 35 feet Northwesterly from the East corner of said lot; thence third, along the Northeasterly side of said lot in a Northwesterly direction to the North corner of said lot; thence fourth, Southerly parallel to the second course in the description of this right of way, 56 feet 6 inches; thence fifth, parallel to the first course in the description of this right of way and distant 10 feet Northwesterly therefrom Southwesterly 185 feet to Chapala Street; thence sixth, Southeasterly along Chapala Street 10 feet to the place of beginning.

PARCEL ELEVEN:

Beginning at a point on the Southwesterly line of State Street, distant thereon 268.45 feet Southeasterly from the most Northerly corner of said block; said point being also the most Easterly corner of the tract of land now or formerly of A. Garland; thence Southeasterly along said street line 25.03 feet to the most Northerly corner of said block, said point being also the most Easterly corner of the tract of land now or formerly of A. Garland; thence Southeasterly along said street line 25.03 feet to the most Northerly corner of the tract of land described in the deed to Bothin Real Estate Company, dated February 20, 1914 and recorded in Book 142, Page 536 of Deeds, in the office of the County Recorder of said County, thence at right angles Southwesterly, along the Northwesterly line of said Bothin Real Estate Company Tract 159.97 feet to the true point of beginning; thence North $64^{\circ}02'32''$ West, 17.03 feet, thence South $41^{\circ}30'03''$ West 1.60 feet, thence North $48^{\circ}30'00''$ West 8.63 feet to a point in the Southeasterly line of said above mentioned A. Garland Tract, said point being Southwesterly 166.12 feet from the most Easterly corner of said A. Garland Tract; thence Southwesterly along the Southeasterly line of said A. Garland Tract 58.88 feet; thence at right angles Southeasterly 25.03 feet to the Northwesterly line of said Bothin Real Estate Company Tract; thence Northeasterly along said last mentioned line 65.03 to the true point of beginning.

PARCEL TWELVE:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

Beginning at a point on the Southwesterly line of State Street, distant thereon South $48^{\circ}31'06''$ East, 186.21 feet from the most Northerly corner of said block; thence, South $41^{\circ}28'14''$ West, 163.49 feet to the true point of beginning, thence, South $41^{\circ}28'14''$ West 61.51 feet, thence South $48^{\circ}31'06''$ East, 56.00 feet, thence North $41^{\circ}28'14''$ East, 61.49 feet, thence North $48^{\circ}30'00''$ West, 56.00 feet to the point of beginning.

PARCEL TWELVE (A): - (Construction Easement for One Year)

A temporary construction easement for one year commencing with construction on January 15, 1988, whichever is later, to be used for construction purposes in, on and over the following described property:

Beginning at the most Northerly corner of the previously described parcel, said point being distant thereon South $41^{\circ}28'14''$ West, 163.49 feet from the Southwesterly boundary of State Street, thence South $48^{\circ}30'00''$ East, 56.00 feet, thence North $41^{\circ}28'14''$ East, 9.00 feet more or less, to the wall of the existing building, thence North $48^{\circ}30'00''$ West, along the face of the building, 20.00 feet to the existing landing, thence South $41^{\circ}28'14''$ West 9.00 feet more or less, to the end of the landing, thence Northwesterly, along the face of the landing 36.00 feet more or less, to the Northwesterly boundary of the previously described Parcel Twelve, thence South $41^{\circ}28'14''$ West to the point of beginning. Said parcel containing 200 square feet, more or less.

EXCEPTING therefrom all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft, or other means of exploring for, reaching or extracting such substances shall not be located within the Central City Redevelopment Project Area and shall not penetrate any part or portion of said project area within 500 feet of the surface thereof.

PARCEL THIRTEEN:

That portion of Block 158 in the City of Santa Barbara, County of Santa Barbara, State of California, as shown on the official map thereof, described as follows:

Beginning at a point on the Southwesterly line of State Street, distant thereon South $48^{\circ}31'06''$ East, 242.21 feet from the most Northerly corner of said block; thence South $41^{\circ}28'14''$ West, 169.52 feet to the true point of beginning; thence South $41^{\circ}28'14''$ West, 55.48 feet, thence South $48^{\circ}31'06''$ East, 26.24 feet, thence North $41^{\circ}28'14''$ East, 55.49 feet, thence North $48^{\circ}30'00''$ West, 26.24 feet to the true point of beginning. Said parcel contains an area of 1613.34 square feet.

EXCEPTING therefrom all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft or other means of exploring for, reaching or extracting such substances shall not be located within the Central City Redevelopment Project Area and shall not penetrate any part or portion of said project area within 500 feet of the surface thereof.

DESCRIPTION:

PARCEL ONE:

That portion of Block 210 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, described as follows:

Beginning at the most Southerly corner of said Block 210, said corner being the most Southerly corner of the real property described in the indenture filed for record December 12, 1942 in Book 561 at Page 442 of Official Records in the office of the Santa Barbara County Recorder, said corner being the intersection of the Northwesterly line of Cota Street and the Northeasterly line of State Street; thence along the Northwesterly line of Cota Street North $41^{\circ}30'15''$ East 180.07 feet to the most Easterly corner of the real property described in said Book 561 at Page 442, said corner being the true point of beginning; thence along the Northeasterly boundary of said Book 561 at Page 442 and its Northwesterly extension North $48^{\circ}30'31''$ West 266.97 feet to the most Northerly corner of the real property described as Parcel One in the Grant Deed filed for record June 30, 1961 in Book 1856 at Page 488 of Official Records; thence North $85^{\circ}23'34''$ West 47.40 feet to a point on the Northwesterly boundary of the real property described as Parcel Two in said Grant Deed in Book 1856 at Page 488; thence North $48^{\circ}48'59''$ West 11.08 feet; thence North $0^{\circ}08'31''$ West 18.10 feet; thence North $48^{\circ}30'30''$ West 15.39 feet to a point on the Southeasterly boundary of the real property described in the Quitclaim Deed filed for record July 12, 1977 as Reel No. 77-35055 in the office of the County Recorder; thence North $59^{\circ}36'07''$ West 25.47 feet to a point on the Southeasterly boundary of the real property described as Parcel One in the Grant Deed filed for record February 28, 1975 in Book 2554 at Page 424 of Official Records; thence along the Southeasterly boundary of said Parcel One in Book 2554 at Page 424 north $41^{\circ}30'18''$ East 7.9 feet to the most Easterly corner of said Parcel One in Book 2554 at Page 424; thence along the Northeasterly boundary of said Parcel One in Book 2554 at Page 424 North $48^{\circ}30'30''$ West 16.86 feet to the most Northerly corner of said Parcel One in Book 2554 at Page 424; thence along the Northwesterly boundary of said Parcel One in Book 2554 at Page 424 South $41^{\circ}31'18''$ West 11.2 feet; thence North $59^{\circ}36'07''$ West 9.37 feet; thence North $35^{\circ}34'56''$ West 31.30 feet; thence North $41^{\circ}30'18''$ East 6.00 feet to a point on the Northeasterly boundary of the real property described as Parcel One in the Grant Deed filed for record January 4, 1979 as Reel No. 79-549 in the office of the County Recorder; thence along the Northeasterly boundary

of said Parcel One in Reel 79-549 and its Northwesterly extension North $48^{\circ}30'30''$ West 25.94 feet to the Southeasterly line of Ortega Street and the most Westerly corner of the real property described as Parcel One in the Deed by Trustees filed for record May 24, 1968 in Book 2233 at Page 511 of Official Records; thence along the Southeasterly line of Ortega Street North $41^{\circ}30'18''$ East 12.00 feet; thence on a line parallel with the Southwesterly boundary of said Parcel One in Book 2233 at Page 511 South $48^{\circ}30'30''$ East 143.70 feet to its most Southerly corner; thence along the Southeasterly boundary of said Parcel One in Book 2233 at Page 511 North $36^{\circ}56'35''$ East 39.36 feet to its most Easterly corner; thence along the Northeasterly boundary of said Parcel One in Book 2233 at Page 511 North $48^{\circ}30'47''$ West 140.58 feet to the Southeasterly line of Ortega Street; thence along the Southeasterly line of Ortega Street North $41^{\circ}30'18''$ East 84.83 feet to the most Westerly corner of the real property described in the Decree of Final Distribution filed for record February 2, 1956 in Book 1359 at Page 305 of Official Records; thence along the Southwesterly boundary of said Book 1359 at Page 305 South $48^{\circ}30'03''$ East 28.00 feet to the most Westerly corner of the real property described in the Grant Deed filed for record December 5, 1979 as Reel No. 79-57059 in the office of the County Recorder; thence along the Northwesterly boundary of said Reel No. 79-57059 North $41^{\circ}30'18''$ East 12.00 feet to its most Northerly corner; thence along the Northeasterly boundary of said Reel No. 79-57059, South $48^{\circ}29'59''$ East 108.50 feet to its most Easterly corner; thence North $40^{\circ}19'59''$ East 32.06 feet to the most Easterly corner of said Book 1359 at Page 305; thence along the Northeasterly boundary of said Book 1359 at Page 305 North $48^{\circ}30'04''$ West 135.84 feet to the Southeasterly line of Ortega Street; thence along the Southeasterly line of Ortega Street North $41^{\circ}30'18''$ East 104.20 feet to its intersection with the Southwesterly line of Anacapa Street, said intersection being the most Northerly corner of said Block 210; thence along the Southwesterly line of Anacapa Street South $48^{\circ}30'30''$ East 300.87 feet to the most Easterly corner of the real property described in Exhibit "B" of the Quitclaim Deed and Easement Agreement filed for record December 26, 1979 as Reel No. 79-59896 in the office of the County Recorder; thence along the Southerly boundary of Exhibit "B" of 79-59896 South $86^{\circ}29'22''$ West 14.14 feet to a point on the Northwesterly boundary of the real property described as Parcel One in the Corporation Grant Deed filed for record May 1, 1980 as Reel No. 80-17853 in the office of the County Recorder; thence along the Northwesterly boundary of said Parcel One of 80-17853 South $41^{\circ}30'37''$ West 212.28 feet to the most Westerly corner of said Parcel One of 80-17853; thence along the Southwesterly

boundary of said Parcel One of 80-17853 South 48°30'30" East 160.00 feet to the Northwesterly line of Cota Street; thence along the Northwesterly line of Cota Street South 41°30'14" West 50.00 feet to the true point of beginning.

PARCEL TWO:

An easement for public vehicular and pedestrian ingress and egress, including the right to improve said easement for said purposes, on and over a portion of Block 210 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof described as Parcel One in the Grant Deed recorded February 28, 1975 in Book 2554 at Page 424 of Official Records in the office of the County Recorder of said County, described as follows:

Beginning at the most Northerly corner of said Parcel One in Book 2554 at Page 424; thence along the Northwesterly boundary of said Parcel One, South 41°30'18" West 11.2 feet; thence South 59°36'07" East 17.16 feet to a point on the Southeasterly boundary of said Parcel One; thence along the Southeasterly boundary of said Parcel One North 41°30'18" East 7.9 feet to the most Easterly corner of said Parcel One; thence along the Northeasterly boundary of said Parcel One North 48°30'30" West 16.86 feet to the point of beginning.

PARCEL THREE:

An easement for the purpose of pedestrian travel, landscaping, and purposes incident thereto, over, along and across a portion of Block 210, in the City of Santa Barbara, County of Santa Barbara, State of California, as shown upon that record of survey map filed for record in Book 111 of Record of Surveys at Page 42 in the office of the County Recorder of said County, said portion being more particularly described as follows:

Beginning at a nail and tag marked "LS 3306" set at the intersection of the City Monument Line located 5.00 feet Southeast-erly of and parallel to the Northwesterly line of Ortega Street and a line located 5.00 feet Southwesterly of and parallel to the Northeasterly line of State Street; thence the following courses: South 48°29'45" East 182.81 feet, North 41°30'00" East 5.00 feet to the Northeasterly line of State Street and the true point of beginning, North 41°30'00" East 106.00 feet, South 48°50'00" East 7.58 feet, North 41°30'00" East 50.65 feet, South 48°49'17" East 10.00 feet, South 41°30'00" West 71.71 feet, North 48°50'00" West 7.58 feet, South 41°30'00" West 84.97 feet to the Northeasterly line of State Street, North 48°29'45" West along the Northeasterly line of State Street 10.00 feet to the true point of beginning. Said easement excludes all air space above elevation 36.10 feet, said elevation based on USC & GS benchmark J-324, elevation 41.590 feet (1979 adjusted) located at the base of flagpole, De La Guerra Plaza.

EXHIBIT A - PART VII

1000 North 1st Street
 Philadelphia, PA 19108
 Tel: 215-261-1000
 Fax: 215-261-1001

PASCO MUELLER
 Chief Architect

DEVELOPER
 Strategic Development
 1000 North 1st Street
 Philadelphia, PA 19108

OWNER
 The Pennsylvania State University
 300 North 3rd Street
 Harrisburg, PA 17102

CONSULTING ARCHITECT
 Park Avenue
 Philadelphia, PA 19106

DATE
 10/10/00

PROJECT
 1000 North 1st Street
 Philadelphia, PA 19108

SCALE
 1/8" = 1'-0"

DATE
 10/10/00

PROJECT
 1000 North 1st Street
 Philadelphia, PA 19108

SCALE
 1/8" = 1'-0"

DATE
 10/10/00

PROJECT
 1000 North 1st Street
 Philadelphia, PA 19108

SCALE
 1/8" = 1'-0"

DATE
 10/10/00

PROJECT
 1000 North 1st Street
 Philadelphia, PA 19108

SCALE
 1/8" = 1'-0"

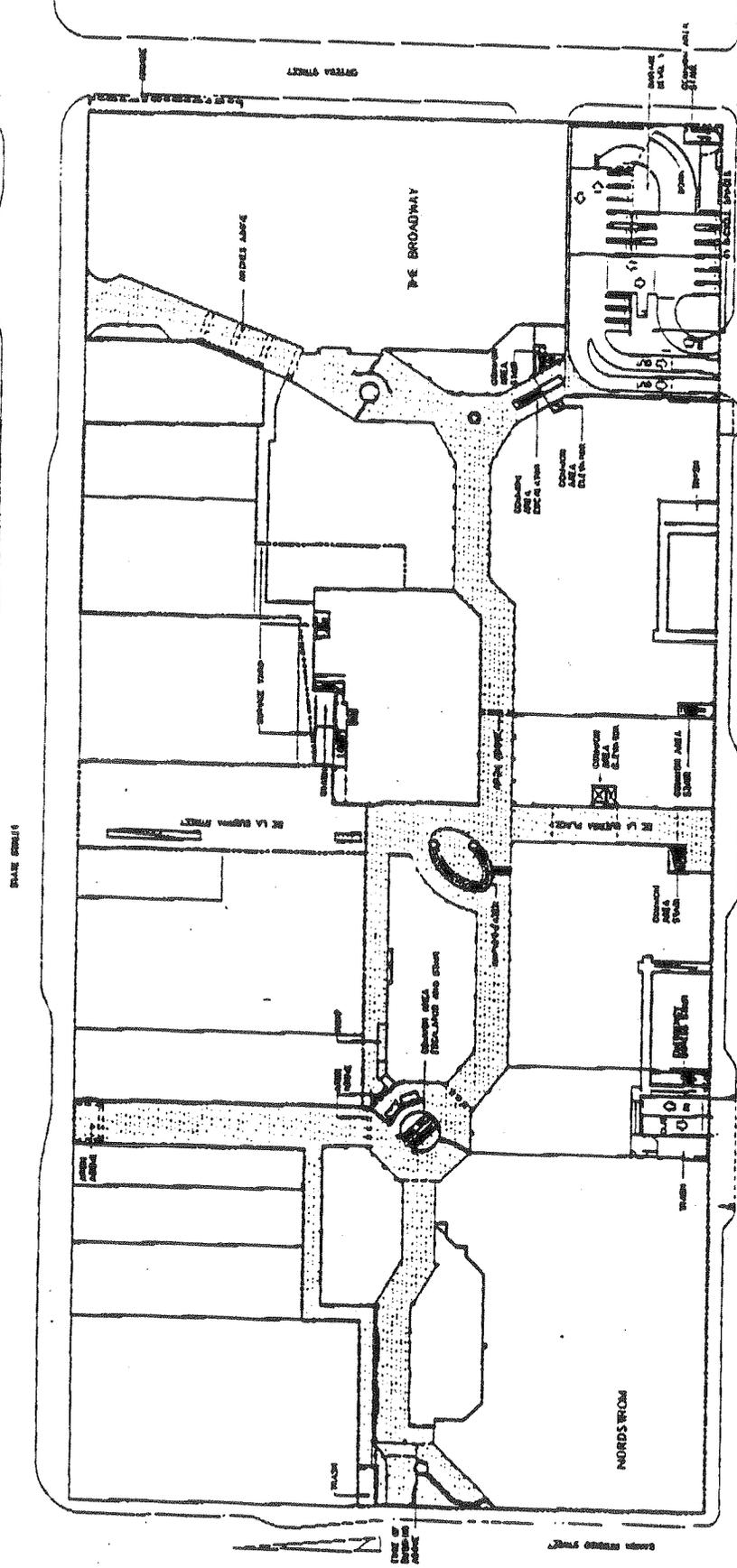
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 Philadelphia, PA 19108

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 10/10/00

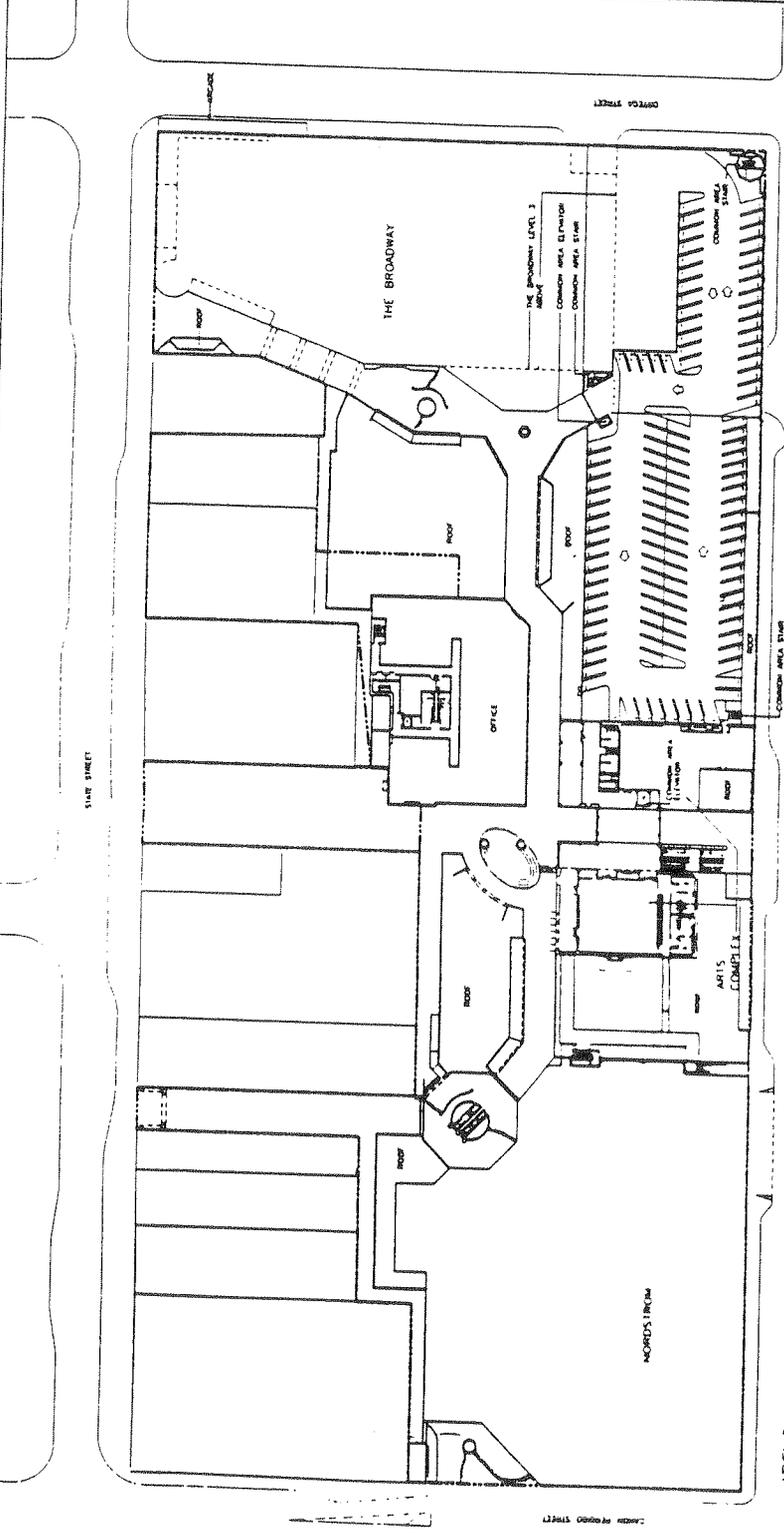
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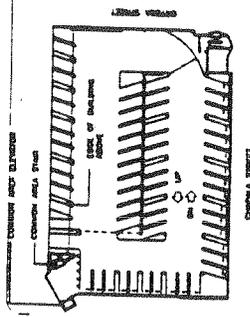
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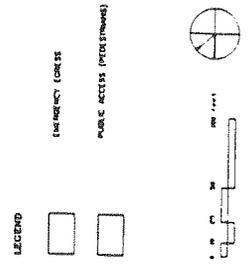
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 Page 1 of 2



LEVEL 2



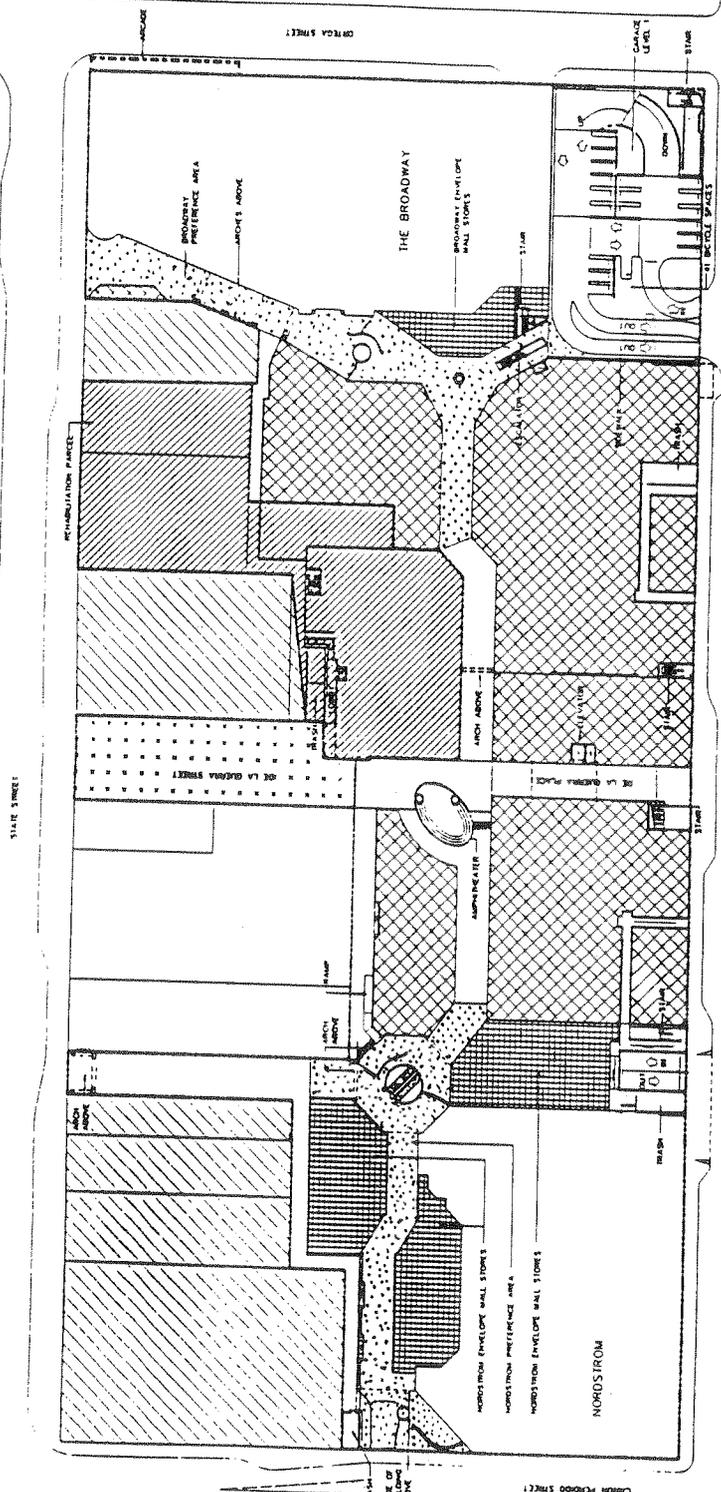
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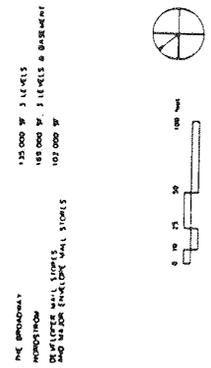


RECREATIONAL
 BASEMENT
 BASEMENT
 EXHIBIT B
 SITE PLAN

Prepared by: [Name], Date: [Date]
 Checked by: [Name], Date: [Date]
 Scale: 1/8" = 1'-0"



**FLOOR AREA TABULATION
 (INITIAL PLANNED FLOOR AREA)**



LEGEND

- CONTIGUOUS PARCELS
- REHABILITATION PARCEL
- DEVELOPER WALL STORIES
- WORKING AND BROADWAY ENVELOPE WALL STORIES
- WORKING AND BROADWAY PREFERENCE AREAS
- DE LA GUERRA PLACE
- DE LA GUERRA STREET (NOT A PART OF THE DEVELOPER WALL STORIES AND TABULATED AS PART OF THE CONTIGUOUS AREAS)

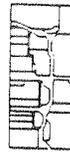


PASEO NUEVO
SANTA BARBARA, CA

DEVELOPER
Santitas Corporation
100 Montgomery Road
San Francisco, CA 94134
OFFICE
1000 Montgomery Road
San Francisco, CA 94134

CONSULTING ARCHITECTS
Field/Polli
1000 Montgomery Road
San Francisco, CA 94134

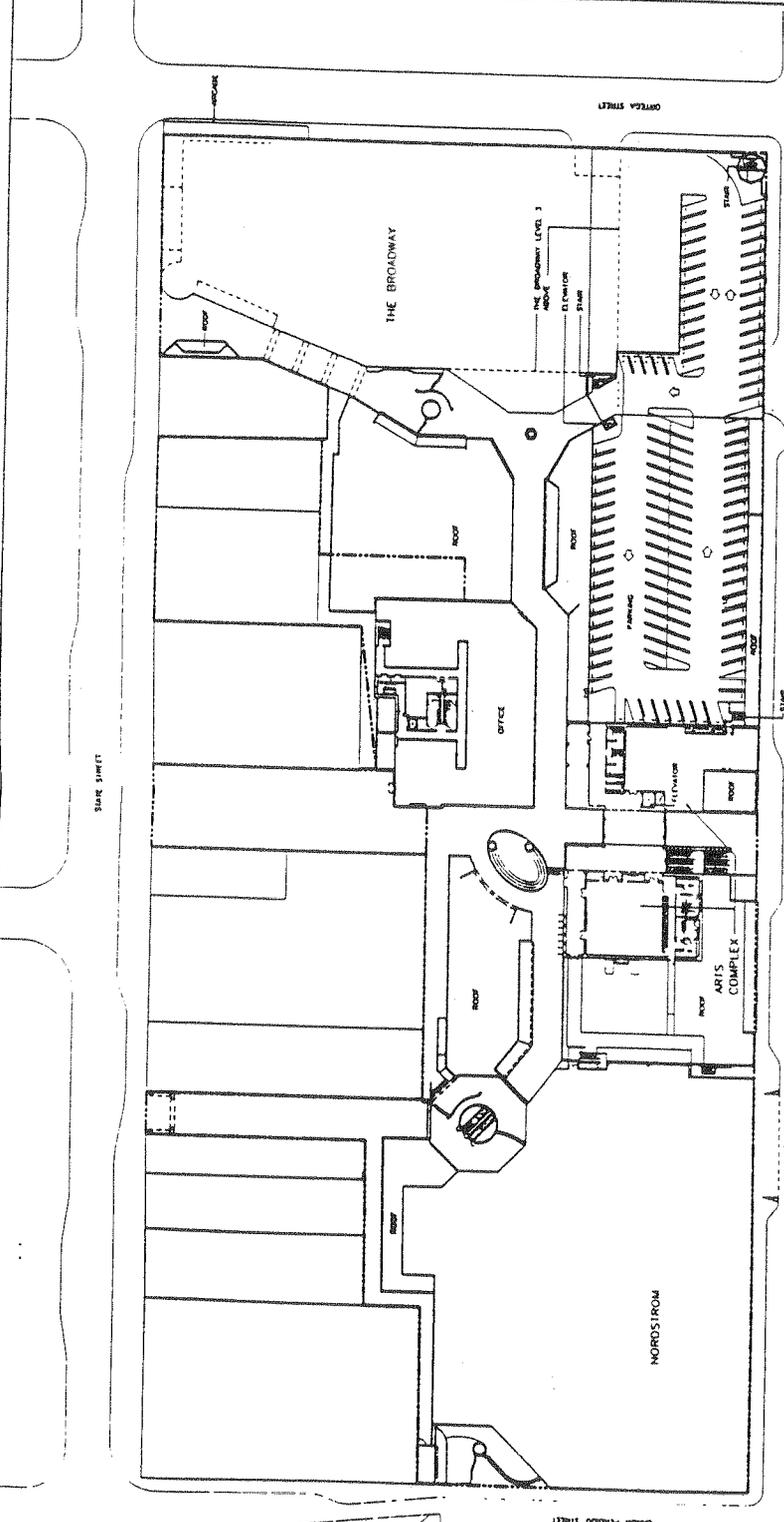
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DATE: 10/15/88



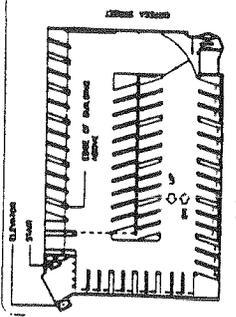
RECIPROCAL EASEMENT
AGREEMENT
EXHIBIT B
LEVELS 1, 2,
AND PARTIAL ROOF PLAN

DATE: 10/15/88
DRAWN BY: J. Lee / J. Paoli
SCALE: 1/8" = 1'-0"

PAGE 3 OF 3



LEVEL 2



LEVEL 1.5

Exhibit D

Rehabilitation Parcel

The interest of Santa Barbara Associates in the following real property under that certain lease dated March 15, 1988 by and between Santa Barbara Associates, as tenant, and Richard A. Berti, Maxwell B. Sanders, Morris M. Jurkowitz, Esperanza Investments, a California limited partnership and Old Town Mall, a California limited partnership, as landlord, a Memorandum of which was recorded May 6, 1988, as Instrument No. 88-026585 in the Official Records of Santa Barbara County, California, as amended by First Amendment to Memorandum of Lease recorded concurrently herewith, which leasehold interest is hereby subjected to the terms and conditions of the REA:

All those portions of City Block 193 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the Official Map thereof, described as follows:

PARCEL ONE:

Beginning at a point on the Southeasterly line of De la Guerra Street, distant thereon 163.45 feet Southwesterly from the most Northerly corner of said block; thence Southwesterly along the Southeasterly line of said De la Guerra Street, 277.00 feet, more or less, to the intersection of said street line with the Northeasterly line of Chapala Street as said last mentioned street line existed on July 1, 1963; thence Southeasterly along the Northeasterly line of said Chapala Street hereinabove referred to, 199.35 feet, more or less, to a point on the Northwesterly line of "Parcel No. 6" so described in the Deed to Parma Company, a corporation recorded March 20, 1920 in Book 181, Page 101 of Deeds, records of said County; thence Northeasterly, along the Northwesterly line of said "Parcel No. 6" of said Parma Company tract of land, 215 feet, more or less, to the most Northerly corner of said "Parcel No. 6", and a point on the Southwesterly line of "Parcel No. 5" in said Deed to Parma Company hereinabove referred to; thence along the Southwesterly and Northwesterly lines of said "Parcel No. 5" of said Parma Company tract of land, the following courses and distances; Northwesterly, 13.67 feet to the most Westerly corner thereof; and Northeasterly, at right angles, 225 feet to the most Northerly corner thereof and a point on the Southwesterly line of State Street; thence Northwesterly, along the Southwesterly line of said State Street, 81.05 feet, more or less, to the most Easterly corner of the tract of land described in the Deed to David C. Williams, recorded January 3, 1906 in Book 113, Page 130 of Deeds, records of said County; thence along the Southeasterly and Southwesterly lines of said Williams tract of land the following courses and distances: Southwesterly, 152.02 feet to the most Southerly corner thereof; and Northwesterly, 102.81 feet to the point of beginning.

EXCEPTING therefrom that portion of City Block 193, in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the land described in a deed recorded as Instrument No. 78-29955 of Official Records, in the office of the County Recorder of said County, more particularly described as follows:

Commencing at the Northerly corner of said City Block 193; thence South 41°29'45" West, 264.61 feet along the Northwesterly line of said City Block 193, to the True Point of Beginning; thence 1st, South 48°44'27" East, 183.10 feet; thence 2nd, North 41°28'20" East, 38.66 feet to an angle point in the Southeasterly line of the land described in said deed; thence 3rd, South 48°30'20" East, 13.68 feet along said last mentioned Southeasterly line to an angle point in said line; thence 4th, South 41°03'25" West, 215.18 feet along said last mentioned Southeasterly line to the most Southerly corner of the land described in said deed, being also the Southwesterly line of said City Block 193; thence 5th, North 48°30'40" West, 198.41 feet along said Southwesterly line to the said Northwesterly line; thence 6th, North 41°29'45" East, 175.78 feet along said Northwesterly line to the True Point of Beginning.

EXCEPTING therefrom that portion of City Block 193, in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, more particularly described as follows:

Commencing at the Northerly corner of said Block 193; thence Southeasterly along the Northeasterly line of said Block 193, South 48°30'00" East a distance of 182.98 feet; thence South 41°28'20" West a distance of 120.58 feet to the True Point of Beginning; thence North 48°11'08" West a distance of 30.59 feet; thence South 41°30'00" West a distance of 103.80 feet; thence North 48°30'00" West a distance of 30.13 feet; thence South 41°30'00" West a distance of 33.97 feet; thence South 86°30'00" West a distance of 8.40 feet; thence South 41°30'00" East a distance of 66.73 feet; thence North 41°28'20" East a distance of 143.26 feet to the point of beginning.

PARCEL TWO:

All that real property in the City of Santa Barbara, County of Santa Barbara, State of California, being Parcels No. Five (5) and Six (6) in Block One Hundred Ninety-Three (193) of said City, as shown on the map accompanying the Commissioner's Report filed in the office of the Clerk of the Superior Court of the State of California, in and for the County of Santa Barbara, in the action for Partition entitled Maria Andonaegul Thompson vs. Frank Andonaegul and Hortensia Andonaegul Garcia, said Parcel No. 5 being described as follows:

Beginning at a point on the Southwesterly line of State Street, said point being distant Northwesterly 216.83 feet from the most Easterly corner of said Block 193; thence along said Southwesterly line of State Street Northwesterly 50.28 feet to a point at an iron stake 3/4 inches in diameter; thence at a right angle Southwesterly 225 feet to an iron stake 3/4 inches in diameter; thence at a right angle Southeasterly 53.39 feet to an iron stake 3/4 inches in diameter; thence deflecting 90°15' to the left in a Northeasterly direction 225.02 feet to the place of beginning.

Said Parcel Six being described as follows:

Commencing at an iron stake 3/4 inches in diameter on the Northeasterly line of Chapala Street, said stake being distant 210.3 feet in the Northwesterly direction from the South corner of City Block 193; thence along said Northeasterly line of Chapala Street, Northwesterly 41.35 feet to an iron stake 3/4 inches in diameter; thence deflecting 89°33' to the right, Northeasterly 225 feet to an iron stake 3/4 inches in diameter; thence deflecting 90°27' to the right, Southeasterly 39.72 feet to an iron stake 3/4 inches in diameter; thence deflecting 09°10' to the right, Southwesterly 225.02 feet to the place of beginning.

EXCEPTING therefrom that portion of City Block 193, in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the land shown on the map recorded in Book 12, Page 119 of Maps, in the office of the County Recorder of said County, more particularly described as follows:

Commencing at the most Northerly corner of the land shown on said map, thence South $41^{\circ}28'20''$ West, 120.58 feet along the Northwesterly line of the land shown on said map, being also the Southeasterly line of the land described in the deed recorded as Instrument No. 78-29955 of Official Records, in the office of the County Recorder of said County, to the True Point of Beginning; thence 1st, South $48^{\circ}11'08''$ East, 51.98 feet to the Southeasterly line of the land shown on said map; thence 2nd, South $40^{\circ}40'45''$ West, 104.31 feet along said last mentioned Southeasterly line to an angle point in said line; thence 3rd, South $40^{\circ}38'28''$ West, 215.19 feet continuing along said last mentioned Southeasterly line to the most Southerly corner of the land shown on said map; thence 4th, North $48^{\circ}30'40''$ West, 41.31 feet along the Southwesterly line of the land shown on said map, to the Southeasterly line of said deed; thence 5th, North $41^{\circ}03'25''$ East 215.18 feet along said last mentioned Southeasterly line to an angle point in said line; thence 6th, North $48^{\circ}30'20''$ West, 13.68 feet, continuing along said last mentioned Southeasterly line to an angle point in said line; thence 7th, North $41^{\circ}28'20''$ East, 104.59 feet, continuing along said last mentioned Southeasterly line to the True Point of Beginning.

PARCEL THREE:

That portion of City Block 193, in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, and that portion of De La Guerra Street vacated by Resolution of the City Council of Santa Barbara recorded December 15, 1988 as Instrument No. 88-080924, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at a point in the Northwesterly line of said Block 193, said point being distant S. $41^{\circ}29'45''$ W., 176.61 feet from the northerly corner thereof; thence Northwesterly along the Northwesterly line of said Resolution for Vacation of De La Guerra Street North $48^{\circ}30'00''$ West, 25.98 feet; thence South $41^{\circ}30'00''$ East a distance of 34.29 feet; thence South $48^{\circ}30'00''$ East a distance of 2.00 feet; thence South $41^{\circ}30'00''$ East a distance of 65.33 feet; thence South $48^{\circ}30'00''$ East a distance of 128.24 feet; thence North $86^{\circ}30'00''$ East a distance of 17.13 feet; thence North $48^{\circ}44'27''$ West a distance of 116.37 feet; thence North $41^{\circ}29'45''$ East a distance of 88.00 feet to the point of beginning.

EXCEPTING from a portion of said land all oil, gas and mineral substances, together with the right to explore for and extract such substances, provided that the surface opening of any well, hole, shaft or other means of exploring for, reaching or extracting such substances shall not be located within the Central City Redevelopment Project and shall not penetrate any part or portion of said project area within 500 feet of the surface thereof, as reserved in the Final Order of Condemnation recorded January 15, 1988 as Instrument No. 88-002837 of Official Records.

REA

EXHIBIT "E"

SCHEDULE OF PERFORMANCE

REQUIRED ACTIONS, SUBMISSIONS AND APPROVALS.

1. Complete and Submit Schematic Drawings. Developer and Majors shall complete and submit to each other Party and to Agency Schematic Drawings for their respective Improvements (or portions thereof which are subject to approval) [Section 5.1.1 of REA]. Completed.
2. Approval - Schematic Drawings. Each Party and Agency shall approve or disapprove in writing the Schematic Drawings submitted to it [Section 5.1.3 of REA]. Completed.
3. Complete and Submit Design Development Drawings. Developer and Majors shall complete and submit to each other Party and to Agency Design Development Drawings for its Improvements (or portions thereof which are subject to approval) [Section 5.1.2 of REA].
Developer: 12/13/88
Broadway: 12/14/88
Nordstrom: 1/30/89
4. Approval - Design Development Drawings. Each Party and Agency shall approve or disapprove in writing the Design Development Drawings submitted to it [Section 5.1.3 of REA]. Within 10 days after receipt.
5. Complete and Submit Final Working Drawings. Developer and Majors shall complete and submit to each other Party and to Agency Final Working Drawings for its Improvements (or portions thereof which are subject to approval) [Section 5.1.2 of REA].
Developer: 6/1/89
Broadway: 3/15/89
Nordstrom: 6/1/89

6. Approval - Final Working Drawings. Each Party and Agency shall approve or disapprove in writing the Final Working Drawings submitted to it [Section 5.1.3 of REA].

Within 10 days after receipt.
7. Complete and Submit Landscaping Plan. Developer shall complete and submit to Agency and Majors Landscaping Plan for the Common Area [Section 5.1.5 of REA].

Concurrent with completion and submittal of final working drawings.
8. Approval - Landscaping Plan. Each Party and Agency shall approve or disapprove in writing the Landscaping Plan submitted to it.

Within 10 days after receipt.
9. Close of Escrow.

On February 1, 1989, or as soon thereafter as reasonably possible; provided, however, if Close of Escrow has not occurred by March 31, 1989, Close of Escrow shall be extended to that date which is 19 months prior to the Majors' next "opening window" (as defined in §§ 8.3 and 9.3 of the REA).
10. Commencement and Completion of Onsite Parking Structure. Developer and Majors shall complete their respective portions of the Onsite Parking Structure [Section 6.6 of REA].

Construction shall commence and be sequenced as provided in the Construction Phasing Plan. The structure shall be completed in parkable condition at least 4 months prior to Proposed Opening Date and shall be fully completed by the Proposed Opening Date.
11. Commencement and Completion of Common Improvement Work. Developer and Agency shall commence and complete their respective elements of the Common Improvement Work [Section 6.3 of REA]:

Demolition and Utility Relocation.

Shall be commenced within the periods established by the Construction Phasing Plan and completed prior to Close of Escrow.

Pad Preparation Work.

Shall be commenced at Close of Escrow and completed as follows:

Broadway Pad: No later than June 2, 1989

Nordstrom Pad: No later than July 3, 1989

All other Common Improvement Work.

Shall be commenced and completed within the period specified in the Construction Phasing Plan.

12. Commencement, Completion and Opening of Developer Mall Stores and Common Area. Developer shall commence and complete the Developer Mall Stores and Common Area [Sections 7.1, 7.4 and 7.5 of REA].

Commencement shall be as specified in the Construction Phasing Plan and completion shall occur not later than the Proposed Opening Date, except that the Common Area shall be completed 1 month prior to the Proposed Opening Date.

13. Commencement, Completion and Opening of Majors' Improvements (including Developer Envelope Stores). The Majors shall commence and complete their respective Improvements [Sections 8.1, 8.2, 9.1 and 9.2 of the REA].

Commencement following Pad Delivery Date, at the time specified in the Construction Phasing Plan, and completion shall occur on or prior to Proposed Opening Date.

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

Reininga Corporation
600 Montgomery Street, Suite 3600
San Francisco, CA 94111
Attn: J. David Shields, Esq.

EASEMENT, COVENANT AND RESTRICTION AGREEMENT

This EASEMENT, COVENANT AND RESTRICTION AGREEMENT ("Agreement") is made and entered into as of the ____ day of _____, 19____, by and among SANTA BARBARA REDEVELOPMENT AGENCY, a public body, corporate and politic, organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California ("Agency"), REININGA CORPORATION, a California corporation ("Developer"), and _____, a _____ ("Contiguous Owner").

RECITALS

A. Agency is the owner of that certain real property located in the City of Santa Barbara, County of Santa Barbara, State of California, more particularly described in Exhibit "A" attached hereto and shown on the Site Plan attached hereto as Exhibit "B."

B. Developer is, or is about to become, the ground lessee of the property more particularly described in Exhibit "A" attached hereto ("Developer's Parcel").

C. Contiguous Owner is the owner of that certain real property located in the City of Santa Barbara, County of Santa Barbara, State of California, more particularly described in Exhibit "C" attached hereto ("Contiguous Parcel") and shown on the Site Plan attached hereto as Exhibit "B."

D. Developer intends to improve the Developer's Parcel as a first-class regional shopping center by constructing, or causing to be constructed, one or more major department stores ("Major Stores") and approximately ninety-six thousand (96,000) square feet of retail shop space ("Mall Stores") (the Major Stores and Mall Stores together with the Common Area shall hereafter be referred to as the "Shopping Center"). The Shopping Center will contain a Common Area improved with malls, paseos, sidewalks, corridors, stairs, landscaped areas and other common areas and facilities reserved for the use of Shopping Center pedestrians and patrons and which provide access to and from the Shopping Center stores, all as more particularly shown on the Site Plan attached as Exhibit "B."

E. The Contiguous Parcel is located adjacent to the Shopping Center but is not a part of the Shopping Center. A

portion of the Contiguous Parcel Improvements have a common boundary with a portion of the Common Area of the Shopping Center.

F. Contiguous Owner acknowledges that the Shopping Center will generate significant pedestrian traffic adjacent to the Contiguous Parcel that will enhance the use of the Contiguous Parcel for retail sales. In order to benefit from such increased pedestrian traffic, Contiguous Owner desires to obtain an easement for pedestrian and service access over the Common Area of the Shopping Center for the benefit of the Contiguous Parcel.

G. Developer is willing to grant Contiguous Owner an easement over designated portions of the Common Area of the Shopping Center, subject to relocation from time to time, for pedestrian and service access for the benefit of the Contiguous Parcel in exchange for Contiguous Owner's agreement to comply with certain covenants and restrictions in the use of the Contiguous Parcel that are designed to enhance and benefit both the Developer's Parcel and Contiguous Parcel for retail use.

NOW, THEREFORE, in consideration of the foregoing, and the covenants and agreements of the parties contained herein, Developer and Contiguous Owner hereby agree as follows:

ARTICLE 1 DEFINITIONS

As used in this Agreement, the following terms shall have the following respective meanings:

1.1 "Accounting Period." The term "Accounting Period" refers to any period commencing January 1 of any calendar year and ending on the next following December 31, except that the first Accounting Period shall commence on the Opening Date of the Common Area and terminate on the next December 31. The last Accounting Period shall end on the date that this Agreement terminates. Any portion of the Common Area Maintenance Expense relating to a period of time which is included within either the first Accounting Period or the last Accounting Period shall be prorated on a daily basis.

1.2 "Agency." The term "Agency" shall refer to the Santa Barbara Redevelopment Agency, a body, corporate and politic, organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, and any assignee of, or successor to, its rights, powers and responsibilities.

1.3 "Allocable Share." The term "Allocable Share" shall refer to the portion of the Common Area Maintenance Expense allocable to each Participating Party sharing in payment of

Common Area Maintenance Expense for each Accounting Period. Contiguous Owner's Allocable Share for each Accounting Period shall be computed by multiplying the Common Area Maintenance Expense by a fraction, the numerator of which is Contiguous Owner's Applicable GLA and the denominator of which is the aggregate sum of (i) the gross leasable area attributable to all of the Mall Stores, (ii) the gross leasable area of the Major Stores, and (iii) the aggregate sum of the Participating Parties' Applicable GLA.

1.4 "Common Area." The term "Common Area" shall refer to the areas on the Developer's Parcel set aside and reserved, subject to change and relocation from time to time as provided herein, for malls, paseos, sidewalks, corridors, stairs, landscaped areas, and other common areas and facilities, including the exterior portion of the Arts Complex located within the Shopping Center, and designated by Developer for pedestrian use by the Occupants and Permittees of the Shopping Center, and all areas designated by Developer, subject to relocation from time to time as provided herein, for service access to and from the Shopping Center stores, all as more particularly shown on the Site Plan attached hereto as Exhibit "B" and as additionally described in Section 1.5 below.

1.5 "Common Area Maintenance Expense." The term "Common Area Maintenance Expense" shall include all expense incurred for general maintenance, upkeep, inspection, lighting, cleaning, repairs to and replacements of improvements in the Common Area, including underground utility systems, canopies, awnings, building exteriors, signs, landscaping, fire protection systems (including sprinklers and alarms), lighting, utility services to the Common Area, trash removal, security services and police protection, decorations, maintenance of public restrooms and other public conveniences, maintenance of a sound system for the Common Area, property taxes and assessments levied on the Common Area (provided, however, that if the Common Area is assessed as part of a larger parcel, Common Area Maintenance Expense shall only include the portion of such taxes and assessments as are attributable to the Common Area as reasonably determined by Developer), public liability and property damage insurance and fire and extended coverage casualty insurance premiums for the Common Area, the cost of on-site personnel and offices required to operate and maintain the Common Area, depreciation (if owned) or rental payments (if rented) on maintenance and operating machinery and equipment, public transit facilities (if any) required to be maintained by Developer, advertising or promotional costs for the Shopping Center, a capital replacement fund to cover expenditures for replacement of capital items in the Common Area, and an allowance to Developer as compensation for supervision of maintenance, billing and collection of Common Area Maintenance Expense, which allowance shall equal fifteen percent (15%) of the total of the foregoing costs, and any and all other

expenses related to the operation and maintenance of the Common Area.

1.6 "Contiguous Owner." The term "Contiguous Owner" shall mean the person or entity executing this Agreement as the owner of the real property more particularly described in Exhibit "C" attached hereto, and its permitted successors and assigns hereunder. The execution of this Agreement by any person or entity as Contiguous Owner shall constitute a representation and warranty that such person or entity is the owner of record of the Contiguous Parcel.

1.7 "Contiguous Owner's Applicable GLA." The term "Contiguous Owner's Applicable GLA" shall refer to the amount of the gross leasable area of the Contiguous Parcel used in calculating Contiguous Owner's Allocable Share of Common Area Maintenance Expense. For purposes of this Agreement, Contiguous Owner's Applicable GLA shall be the product obtained by multiplying the gross leasable area of the Contiguous Parcel by the percentage shown on the Common Area Maintenance Expense Allocation Plan attached hereto as Exhibit "D."

1.8 "Contiguous Parcel." The term "Contiguous Parcel" shall mean that certain real property more particularly described in Exhibit "C" attached hereto.

1.9 "Contiguous Parcel Improvements." The term "Contiguous Parcel Improvements" refers to the existing building and improvements located on the Contiguous Parcel and all other buildings or improvements now or hereafter situated on the Contiguous Parcel as same may exist from time to time, including any replacements thereof.

1.10 "Developer." The term "Developer" refers to Reininga Corporation, a California corporation, its successors and assigns, or, for purposes of this Agreement only, any third party appointed by Reininga Corporation or under the Shopping Center REA to operate and maintain the Common Area.

1.11 "Developer's Parcel." The term "Developer's Parcel" shall mean that certain real property more particularly described in Exhibit "A" attached hereto.

1.12 "Major Stores." The term "Major Stores" shall mean one or more major department stores constructed and operated on the Developer's Parcel.

1.13 "Mall Stores." The term "Mall Stores" shall mean the retail stores located in the Shopping Center exclusive of the Major Stores.

1.14 "Mortgagee." The term "Mortgagee" means either (i) the mortgagee under a mortgage, or (ii) the trustee and bene-

ficiary under a deed of trust, which for the purposes hereof shall constitute a mortgage.

1.15 "Occupant." The term "Occupant" refers to any person from time to time entitled to the use and occupancy of a portion of the Shopping Center or Contiguous Parcel under any lease, deed or other instrument or arrangement whereunder such person has acquired rights with respect to the use and occupancy of a portion of the Shopping Center or the Contiguous Parcel. The term "Occupant" shall expressly include Developer and Contiguous Owner.

1.16 "Opening Date." The term "Opening Date" shall refer to the date the Common Area is opened to pedestrian use for retail access to and from the Shopping Center.

1.17 "Participating Party." The term "Participating Party" shall mean the Contiguous Owner and any other owner of property in the two-square block area more particularly shown on the Site Plan attached hereto as Exhibit "B" who enters into an Easement, Covenant and Restriction Agreement with Developer and Agency similar in form and content to this Agreement, all of whom participate in the payment of the Common Area Maintenance Expense on an allocable share basis. The designation of other property in the two-square block area contiguous to the Developer's Parcel on the Site Plan shall not constitute a representation or warranty by Developer that the owners of such property have entered or will enter into an Easement, Covenant and Restriction Agreement with Developer and Agency whereby such owners agree to pay their Allocable Share of Common Area Maintenance Expense. Contiguous Owner acknowledges that Developer and Agency may, but shall not be obligated to, enter into an Easement, Covenant and Restriction Agreement with each of the owners of the property shown on the Site Plan adjacent to the Developer's Parcel prior to, concurrently herewith, or at any time subsequent to the date of this Agreement. Nothing contained herein shall limit the right of Developer to enter into agreements with other parties regarding use, maintenance, operation or any other aspect of the Common Area and the Shopping Center.

1.18 "Participating Parties' Applicable GLA." The term "Participating Parties' Applicable GLA" shall refer to the aggregate total of all individual Participating Party's Applicable GLA. For purposes of this Agreement, each Participating Party's Applicable GLA shall be the product obtained by multiplying the gross leasable area of the Participating Party's Parcel by the percentage shown on the Common Area Maintenance Expense Allocation Plan attached as an exhibit to the Easement, Covenant and Restriction Agreement by and between the Participating Party, Developer, and Agency.

1.19 "Permittees." The term "Permittees" refers to Developer, Contiguous Owner and all Occupants and their respective officers, directors, employees, agents, contractors, customers, visitors, invitees, licensees, subtenants and concessionaires.

1.20 "Person." The term "Person" refers to and shall include individuals, partnerships, firms, associations and corporations, or any other form of business or government entity, and the use of the singular shall include the plural.

1.21 "Shopping Center." The term "Shopping Center" shall refer to the Paseo Nuevo Shopping Center constructed or to be constructed upon the Developer's Parcel.

1.22 "Shopping Center REA." The term "Shopping Center REA" refers to that certain Construction, Operation and Reciprocal Easement Agreement dated _____, 19____, executed by Developer, one or more owners of the Major Stores and Agency.

1.23 "Termination Date." The term "Termination Date" shall be the earlier of (i) the date that is seventy-five (75) years after the Opening Date of the Common Area, or (ii) the date that this Agreement is terminated pursuant to the terms hereof.

ARTICLE 2 ACCESS AND SERVICE EASEMENTS

2.1 Grant of Access Easement. Developer hereby grants to Contiguous Owner, for its use and the use of its Occupants and Permittees in common with all other Occupants and Permittees of the Shopping Center, a nonexclusive easement for ingress to and egress from the Contiguous Parcel and for the passage and accommodation of pedestrians over those portions of the Common Area designated by Developer from time to time for pedestrian use ("Access Easement"), subject to the terms and conditions of this Agreement.

2.2 Grant of Service Easement. Agency and Developer hereby grant to Contiguous Owner for its use and the use of its Occupants, and their respective employees and suppliers, an easement ("Service Easement") for transportation and delivery of goods and services only on such portions of the Common Area as are set aside, maintained and authorized by Developer for such use pursuant to the Retail Access and Service Access Plan set forth in Exhibit "E" attached hereto ("Retail and Service Access Plan"), subject to the terms and conditions set forth herein.

2.3 Relocation of Easements. During the term of this Agreement, Developer shall have the right from time to time in

its sole and absolute discretion to relocate, modify or change the portions of the Common Area designated for pedestrian use and accommodation and the portions of the Common Area as set aside, maintained and authorized for service use pursuant to the Retail and Service Access Plan. Upon any such relocation, modification or change, the Access Easement and the Service Easement shall be automatically relocated to the portions of the Common Area designated for pedestrian use and accommodation and service use as designated by Developer without the necessity of any further documentation. Notwithstanding the above, Contiguous Owner shall execute any agreement, plat, map or other document necessary to evidence the relocation of the Access Easement and the Service Easement upon the request of Developer. Any relocation of the Access Easement and the Service Easement shall not have a materially adverse impact on the accessibility of the Contiguous Parcel for pedestrian and service purposes from the Common Area and the Shopping Center. Developer reserves to itself the right to grant easements over the Common Area to such other persons and for such other purposes as Developer deems necessary in its sole and absolute discretion.

Developer shall also have the right to make changes in, additions to or deletions from the Common Area and to remodel, renovate, redesign, expand, reduce or otherwise change the layout of the Common Area from time to time as Developer deems necessary in its sole and absolute discretion. In connection therewith, Developer may temporarily close all or a portion of the Common Area to accomplish such work. Prior to closing off any portion of the Common Area, as herein provided, Developer shall give written notice to the Contiguous Owner of its intention to close a portion of the Common Area. Any work on the Common Area shall not unreasonably interfere with the use of the Access Easement and Service Easement; provided, however, that Developer shall not have any liability to Contiguous Owner and its Occupants and Permittees for interruption in use caused by such work. Developer reserves the right to close off all or a portion of the Common Area for such reasonable period or periods of time as may be legally necessary to prevent the acquisition of prescriptive rights by third parties. Developer also reserves the right to eject or cause the ejection from the Common Area of any person or persons not authorized, empowered or privileged to use the Common Area.

2.4 Use of Access and Service Easements. The use of the Access Easement and Service Easement granted herein by Contiguous Owner and its Occupants and Permittees shall be subject to such rules and regulations as may be established for the use of the Common Area from time to time by Developer.

2.5 Termination of Easements. The Access Easement granted herein shall terminate and expire on the Termination

Date. The Service Easement granted herein shall survive the termination of this Agreement (including any termination due to damage and destruction or condemnation, unless all of the Developer's Parcel is taken by eminent domain) and the revesting of the Developer's Parcel in Agency, and shall be an easement appurtenant to the Contiguous Parcel in perpetuity, subject to termination by mutual agreement of Contiguous Owner and Developer and Agency, or their successors in interest to the Developer's Parcel. Upon the revesting of the Developer's Parcel in Agency, Contiguous Owner shall continue to have a Service Easement for transportation and delivery of goods and services to and from the Contiguous Parcel over such portions of the Developer's Parcel as may be designated for such purpose by Agency from time to time in Agency's sole and absolute discretion.

2.6 Liability of Agency. Contiguous Owner acknowledges that Agency is executing this Agreement as the fee owner of the Developer's Parcel solely for the purpose of granting the Service Easement over the Developer's Parcel. Agency shall have no obligation or liability to Contiguous Owner with respect to the obligations of Developer hereunder; provided, however, that Agency shall have the right to enforce the obligations of Contiguous Owner under the terms of this agreement. Agency shall have no obligation with respect to the Service Easement granted herein until such time as the Developer's Parcel reverts in Agency.

ARTICLE 3 COMMON AREA MAINTENANCE

3.1 Maintenance of Common Area. During the term of this Agreement, Developer, or any third party appointed by Developer or the other parties to the Shopping Center REA as the operator of the Common Area, shall operate and maintain, or cause to be operated and maintained, the Common Area in good and clean condition and repair. Notwithstanding the above, the obligation of Developer, or any operator appointed by Developer, or the other parties to the Shopping Center REA, to operate and maintain the Common Area shall terminate prior to the Termination Date if the Common Area is damaged or destroyed or taken by eminent domain in accordance with Section 8 hereof, or if Developer or its successors and assigns cease operation of the Mall Stores.

3.2 Payment of Common Area Maintenance Expense. In consideration for the Access Easement and the Service Easement granted herein, Contiguous Owner shall pay its Allocable Share of the Common Area Maintenance Expense in accordance with this Section 3.2. Within thirty (30) days prior to the beginning of each Accounting Period or as soon thereafter as practicable, Developer shall deliver to Contiguous Owner a good faith estimate of the Common Area Maintenance Expense for such

Accounting Period, together with a good faith estimate of the amount of Contiguous Owner's estimated Allocable Share thereof. The estimate shall separately identify each category of Common Area Maintenance Expense. Beginning on the first day of such Accounting Period, and continuing on the first day of each and every month thereafter during the Accounting Period, Contiguous Owner shall pay to Developer an amount equal to one-twelfth (1/12th) of its estimated Allocable Share for the Accounting Period. Within ninety (90) days after the end of the Accounting Period, Developer shall deliver to Contiguous Owner a full, complete and itemized statement of the actual Common Area Maintenance Expense incurred during such Accounting Period, along with a statement of Contiguous Owner's actual Allocable Share of such Common Area Maintenance Expense. If Contiguous Owner has paid more than its Allocable Share of the actual Common Area Maintenance Expense, Developer shall, at Contiguous Owner's option, either promptly refund the amount of the overpayment or credit the amount of the overpayment to Contiguous Owner's account for the subsequent Accounting Period. If Contiguous Owner has paid less than its Allocable Share of such actual Common Area Maintenance Expense, Contiguous Owner shall pay the deficiency to Developer within thirty (30) days of receipt of Developer's statement.

3.3 Maintenance of Records and Right to Audit. Developer shall maintain, in accordance with generally accepted accounting principles consistently applied, complete books and records in such manner as to accurately cover and reflect all items affecting or entering into the determination of Common Area Maintenance Expense and Contiguous Owner's Allocable Share thereof for each Accounting Period. Contiguous Owner shall have the right, exercisable upon not less than ten (10) days notice to Developer within one (1) year after the end of each Accounting Period, to make one audit of the books and records that are relevant to any statement or statements of actual Common Area Maintenance Expense and Contiguous Owner's Allocable Share thereof for such Accounting Period. Failure to request an audit within said one (1) year period shall be deemed Contiguous Owner's acceptance of the statement of actual Common Area Maintenance Expense and Contiguous Owner's Allocable Share thereof for such Accounting Period. Upon Contiguous Owner's request for an audit, Developer shall cause all such books and records relating to the applicable Accounting Period to be made available at its principal office for inspection purposes. In the event that any audit shall disclose any error in the determination of the Contiguous Owner's Allocable Share of Common Area Maintenance Expense, appropriate adjustment and reimbursement shall promptly be made between Developer and Contiguous Owner to correct such error. In addition, if any such audit shall disclose an error to the detriment of Contiguous Owner of ten percent (10%) or more of Contiguous Owner's Allocable Share, Developer shall

promptly reimburse the amount of such error to Contiguous Owner and pay an additional amount not to exceed the amount of the error to defray the cost of the audit.

ARTICLE 4
USE RESTRICTIONS

4.1 Permitted Uses. During the term of this Agreement, Contiguous Owner covenants that it shall not use, or permit to be used, the Contiguous Parcel for any purpose other than for retail, office and service establishments common to first-class regional shopping centers located in Southern California. Developer and Contiguous Owner hereby acknowledge that the Contiguous Parcel is currently used for _____, and such use is hereby expressly permitted by this Agreement. As used herein, service use may include financial institutions, brokerage offices, restaurants, travel and other agencies and similar service establishments.

4.2 Prohibited Uses. During the term of this Agreement, Contiguous Owner covenants that no use or operation will be made, conducted or permitted on or with respect to all or any part of the Contiguous Parcel, which use or operation is obnoxious to or out of harmony with the development and operation of a first-class regional shopping center located in Southern California. Prohibited uses or activities shall include but not be limited to the following:

- (a) Any public or private nuisance;
- (b) Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;
- (c) Creation of any obnoxious odor;
- (d) Storage or use of any noxious, toxic, caustic or corrosive fuel or gas;
- (e) Creation of any dust, dirt or fly ash in excessive quantities;
- (f) Maintenance of any unusual fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks;
- (g) Any warehouse (but any area for the storage of goods intended to be sold at a retail establishment located within the Contiguous Parcel Improvements shall not be deemed to be a warehouse), assembly, manufacture, distillation, refining, smelting, agriculture or mining operations;
- (h) Any mobile home or trailer court, labor camp, junk yard, stockyard or animal raising facility;

(i) Any drilling for and/or removal of subsurface substances;

(j) Any dumping of garbage or refuse except in dumpsters located in trash storage areas;

(k) Any commercial laundry or dry cleaning plant, laundromat, veterinary hospital, car washing establishment, bowling alley, mortuary or similar service establishment;

(l) Any automobile body and fender repair work;

(m) Any pet shops;

(n) Any kiosks or rolling pushcarts except as may be operated by Developer or the owners of the Major Stores in the Common Area;

(o) Any second-hand merchandise retail facility; and

(p) Any bankruptcy or auction sales.

4.3 Non-Interference with Common Area. So as not to interfere with efficient pedestrian traffic flow in the Common Area, Contiguous Owner shall not permit any selling or retail activity from the Contiguous Parcel to be conducted in the Common Area except in connection with special promotions of the Shopping Center authorized by Developer.

4.4 Fences and Other Obstructions. No fence, structure or other obstruction of any kind shall be placed in the Common Area during the term of this Agreement by Contiguous Owner. Developer reserves the right to erect barriers, fences and enclosures in the Common Area to close the same (a) to pedestrian and service use during such hours that the Shopping Center is closed, (b) to prevent vehicular access to the Common Area or to the service areas of the Common Area during hours when service and deliveries are prohibited in accordance with the Retail and Service Access Plan, (c) during any construction or reconstruction of the Mall Stores or the improvements located in the Common Area, or (d) for such other purposes and during such other times as reasonably determined by Developer. Nothing contained herein shall limit the right of Developer to place decorative features, landscaping and pedestrian conveniences such as benches, drinking fountains and trash receptacles, in the Common Area.

ARTICLE 5 ARCHITECTURAL RESTRICTIONS

5.1 Architectural Restrictions. During the term of this Agreement, Contiguous Owner covenants that it shall not alter or remodel the facade of the Contiguous Parcel Improvements or

any portion thereof fronting on the Common Area or visible from any portion of the Common Area without the prior written approval of Developer, which approval shall not be unreasonably withheld or delayed. Developer's right to approve alterations to the Contiguous Parcel Improvements in accordance with this Article 5 shall extend to any reconstruction of such improvements following damage and destruction or condemnation.

5.2 Developer's Right of Approval. Developer's right to approve any alterations to the facade of the Contiguous Parcel Improvements fronting on the Common Area or any portion of such improvements visible from the Common Area shall be limited only to approval of exterior materials and color, size, height and bulk of such improvements, and architectural compatibility of such improvements with the remainder of the Shopping Center.

5.3 Plan Approval. Prior to the commencement of any construction for the alteration, remodeling or reconstruction of the facade or other portion of the Contiguous Parcel Improvements fronting on the Common Area or visible from any portion thereof, Contiguous Owner shall submit plans and specifications for such work to Developer. Developer shall approve or disapprove of such plans and specifications within thirty (30) days after receipt thereof; provided, however, that Developer's right of approval shall be limited to the specific items set forth in Section 5.2 above. Failure of Developer to give written notice of disapproval of such plans to Contiguous Owner within thirty (30) days after receipt thereof shall be deemed Developer's approval thereof. If Developer disapproves of such plans and specifications, Developer shall give Contiguous Owner written notice along with an explanation of reasons for disapproval. Contiguous Owner shall thereafter revise the plans and specifications so as to satisfy Developer's objections and resubmit the plans and specifications to Developer for approval. Developer shall have thirty (30) days in which to review and approve any revised plans and specifications. Contiguous Owner shall not commence construction of any alteration, remodeling or reconstruction of the facade or other portions of the Contiguous Parcel Improvements fronting on the Common Area or visible therefrom without obtaining Developer's approval of plans and specifications for such work, and all construction shall be performed in accordance with such approved plans and specifications.

5.4 No Interference with Common Area. Any alteration, remodeling or reconstruction of the Contiguous Parcel Improvements shall not block or otherwise interfere with the use of the Common Area by Developer or the Occupants and Permittees of the Shopping Center. Contiguous Owner may not use any

portion of the Common Area for construction-related purposes without the prior written consent of Developer.

5.5 Construction Barricades. During any period of construction on the portion of the Contiguous Parcel Improvements fronting on the Common Area, Contiguous Owner shall cause to be constructed and installed a solid plywood construction barrier completely enclosing such portions of the Contiguous Parcel from the Common Area. Such construction barrier shall be painted in colors approved by Developer, and shall be kept in a neat and clean condition throughout the duration of the construction.

5.6 No Expansion of Common Area. Developer shall have no obligation to remodel or otherwise alter the Common Area or provide any other facilities to Contiguous Owner if the gross leasable area of the Contiguous Parcel is increased from the existing gross leasable area due to alteration, remodeling or reconstruction.

5.7 No Reconstruction After Damage and Destruction. If Contiguous Owner elects not to reconstruct any Contiguous Parcel Improvements after the occurrence of any damage or destruction, Contiguous Owner shall promptly raze the damaged portion of the Contiguous Parcel Improvements, clear the Contiguous Parcel and remove all rubble, and maintain the Contiguous Parcel in neat and clean condition until such time as Contiguous Owner elects to rebuild the improvements. Any construction of Contiguous Parcel Improvements fronting onto the Common Area or visible from any portion thereof shall require the prior approval of Developer in accordance with this Article 5.

ARTICLE 6 MAINTENANCE

Contiguous Owner shall at all times during the term of this Agreement keep and maintain, or cause to be kept and maintained, all portions of the Contiguous Parcel Improvements fronting on the Common Area or visible therefrom in good order, condition and repair.

ARTICLE 7 TERM OF AGREEMENT; TERMINATION

The term of this Agreement and the Access Easement granted herein shall be commensurate with the term of the Shopping Center REA, which term shall be seventy-five (75) years from the date of execution thereof. Notwithstanding the above, this Agreement and the Access Easement granted herein shall automatically terminate upon the earlier of (a) the date of termination of the Shopping Center REA prior to the end of its seventy-five (75) year term, (b) the date that Developer

notifies Contiguous Owner of its election not to rebuild the Common Area and the Mall Stores after the occurrence of damage or destruction, (c) the date that Developer notifies Contiguous Owner that the Mall Stores and Common Area have been taken by eminent domain or sold under the threat of taking by eminent domain or (d) if Developer ceases to operate the Mall Stores for a period of twenty-four (24) months after the Mall Stores are initially open for business.

ARTICLE 8
DAMAGE AND DESTRUCTION; CONDEMNATION

8.1 Damage and Destruction. If all or a portion of the Common Area or the Mall Stores are damaged or destroyed by any casualty during the term hereof, and Developer elects not to rebuild and restore all or a portion of the damaged Common Area or Mall Stores, Developer shall give Contiguous Owner written notice of such election, and this Agreement shall terminate as of the date of Developer's notice as to the portion of the damaged Common Area that Developer elects not to restore. If Developer elects to restore all or any portion of the Common Area or the Mall Stores, this Agreement shall continue in full force and effect as to such portions of the Common Area, except that Developer shall not be liable to Contiguous Owner for any interference with Contiguous Owner's use of the Access Easement and the Service Easement during any period of reconstruction.

8.2 Condemnation. If all or any portion of the Common Area or the Mall Stores shall be taken by eminent domain or shall be sold under the threat of taking by eminent domain, Developer shall give Contiguous Owner written notice of such taking and this Agreement shall terminate as to the portions of the Common Area taken as of the date of Developer's notice. Contiguous Owner hereby waives any right to receive a portion of the condemnation award for the taking of all or any portion of the Common Area, and any and all awards or other compensation arising out of such taking shall be paid to Developer.

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Default. A default shall occur under this Agreement if Contiguous Owner fails to pay any sum of money payable hereunder within ten (10) days after the date of written notice from Developer that such payment is due or delinquent or if Contiguous Owner fails to observe or perform any covenant or obligation to be observed or performed by Contiguous Owner hereunder within thirty (30) days after the date of written notice from Developer of failure to observe or perform such obligation or covenant; provided, however, that a default shall not occur hereunder with respect to a non-

monetary default if Contiguous Owner is unable to perform the covenant or obligation required to be performed by Contiguous Owner within said thirty day (30) period, but commences to perform the obligation and thereafter diligently performs to completion.

9.2 Developer's Right to Cure. Developer shall have the right, but shall have no obligation, to cure any monetary default by Contiguous Owner by payment of any delinquent amount, or to cure any non-monetary default by performing the covenants and obligation of Contiguous Owner. Any amount paid by Developer to cure any monetary default or in the performance of any of Contiguous Owner's covenants and obligations hereunder shall be payable by Contiguous Owner to Developer with interest from the date of expenditure at the rate of three percent (3%) over the then existing reference rate of interest per annum charged by Bank of America National Trust and Savings Association, San Francisco, California (but in no event exceeding the maximum rate permitted by law) ("Reference Rate") within ten (10) days of demand therefor by Developer. Any action taken by Developer to cure a default by Contiguous Owner shall be taken at such times and in such manner as to cause the least practical interference with the business being conducted within the Contiguous Parcel Improvements. Except for any negligent or willful act or omission, Developer shall not be liable or in any way responsible for any loss, inconvenience, annoyance or damage resulting to Contiguous Owner or its Occupants or Permittees for any action taken by Developer to cure a default hereunder.

9.3 Lien Remedy. There is hereby created a claim of lien, with power of sale, on the Contiguous Parcel to secure payment of any and all sums payable by Contiguous Owner to Developer pursuant to the terms of this Agreement. If Contiguous Owner fails to pay any sum of money payable hereunder within ten days after the date of written notice from Developer that such payment is due or delinquent, Developer may execute, acknowledge and record a claim of lien ("Claim of Lien") against the Contiguous Parcel in the Office of the County Recorder of Santa Barbara County stating that a lien is claimed against the Contiguous Parcel in the amount owned by Contiguous Owner to Developer, together with interest at the Reference Rate set forth in Section 9.2 above. Any such lien may be foreclosed by appropriate action in a court or in the manner now or hereafter provided in California Civil Code Sections 2924 et seq., as amended or recodified from time to time, for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. Developer is hereby authorized to appoint any person as trustee for the purpose of conducting such foreclosure by power of sale. Developer shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey the Contiguous Parcel. Upon payment of the amount for which the Claim of Lien has been filed by Developer, together with any

interest accrued thereon, prior to the expiration of the statutory reinstatement period, Developer shall record an appropriate release of such Claim of Lien in the Office of the County Recorder of Santa Barbara County, California.

9.4 Remedies. If Contiguous Owner has not cured the default prior to the expiration of any cure period, Developer may exercise any right or remedy available in law or in equity, including a suit for damages or the institution of a proceeding for specific performance or an injunction to compel Contiguous Party to observe or perform its covenants and obligations.

In addition to the remedies set forth above, Developer may suspend Contiguous Owner's right to use the Access Easement during any period Contiguous Owner is in default hereunder by delivering written notice of such suspension to Contiguous Owner. During any period of suspension, neither Contiguous Owner nor its Occupants or Permittees shall be entitled to use the portions of the Common Area designated by Developer for pedestrian use for ingress to or egress from the Contiguous Parcel, and Developer shall be entitled to close off the portions of the Common Area designated for pedestrian use to use by Contiguous Owner and its Occupants and Permittees. Contiguous Owner shall not be relieved of its obligation to observe and perform its covenants hereunder by reason of any suspension of its rights to use the Access Easement. At such time as Contiguous Owner cures its default, the suspension shall be lifted and Contiguous Owner shall thereafter have the right to use the Access Easement in accordance with this Agreement.

9.5 Easement for Self-Help. Contiguous Owner hereby grants to Developer a nonexclusive easement over any and all parts of the Contiguous Parcel for all purposes reasonably necessary to enable Developer (acting directly or through employees, agents, contractors or subcontractors) to exercise its rights to cure Contiguous Owner's default hereunder. Such easement shall run with the land, shall constitute a servitude on the Contiguous Parcel and shall be a benefit appurtenant to Developer's Parcel.

9.6 No Waiver. No act or thing done or performed by Developer pursuant to this Article 9 and no omission to act pursuant to this Article 9 shall be construed as a waiver of any default by Contiguous Owner or as a waiver of any covenant, term or condition contained herein or of the performance thereof.

ARTICLE 10
TRANSFER OF RIGHTS AND INTERESTS

10.1 Agreement Binding on Transferees. If Contiguous Owner sells, transfers or assigns any or all of its right title and interest in the Contiguous Parcel, the vendee, transferee and assignee shall take such right, title and interest subject to all terms, covenants, obligations, restrictions and conditions set forth in this Agreement. Contiguous Owner's transferee shall be deemed to have assumed all such rights and obligations under this Agreement as of the date of the transfer; provided, however, that upon Developer's request, Contiguous Owner's transferee shall execute and deliver to Developer an express written assumption of all of Contiguous Owner's rights and obligations under this Agreement.

10.2 Release from Covenants and Obligations. If Contiguous Owner sells, transfers or assigns all of its rights in the Contiguous Parcel, it shall be released from all future obligations hereunder from and after the date of such transfer provided that Contiguous Owner complies with the following conditions:

(a) Contiguous Owner gives written notice of the transfer to Developer;

(b) Contiguous Owner pays its Allocable Share of the Common Area Maintenance Expense prorated to the date of transfer;

(c) Contiguous Owner's transferee executes and delivers to Developer a written recordable instrument containing the following:

(i) The name and address of the transferee;

(ii) An acknowledgment by the transferee of the obligations of the owner of the Contiguous Parcel hereunder; and

(iii) An express written assumption of all rights and obligations of Contiguous Owner under this Agreement. Failure to execute such documents shall not affect the liability of the transferee but shall constitute a default hereunder.

10.3 Transfer of Developer's Tract. Subject to the provisions of Articles 7 and 8 hereof, if Developer sells, transfers or assigns any or all of its right, title and interest in Developer's Parcel, Developer's vendee, transferee and assignee shall take such right, title and interest subject to all terms, covenants, obligations, restrictions, and condi-

tions set forth in this Agreement. Notwithstanding the above, Developer, and each person succeeding to Developer's interest in the Developer's Parcel, shall be relieved from all liability under this Agreement from and after the date of any sale, transfer, or conveyance of such party's interest in the Developer Tract. Recourse for the obligations of Developer under this Agreement shall be limited to Developer's interest in the Developer's Parcel, and in no event shall the general partners, shareholders, directors or officers of Developer have any personal liability arising out of Developer's failure to perform any of its obligations hereunder.

ARTICLE 11
NOTICE

11.1 Notice to Parties. Any notice, demand, request, consent, approval or other communication which any party is required or desires to give or make to the other party or parties hereunder shall be in writing and shall be given by personal delivery, or by United States registered or certified mail, return receipt requested, postage prepaid, or by courier or express service guaranteeing over-night delivery, with a signed receipt in each case addressed as follows:

To Agency: Santa Barbara Redevelopment
Agency
City Hall
P.O. Drawer P-P
735 Anacapa Street
Santa Barbara, CA 93102
Attention: Chairman

To Developer: Reininga Corporation
600 Montgomery Street, Suite 3600
San Francisco, California 94111
Attention: J. David Shields, Esq.

Contiguous Owner: _____

Any party may designate a different or additional address by giving written notice of such designation to the other parties. Any notice or communication given hereunder shall be deemed to have been given or made on the date the same was delivered personally or by United States Mail, registered or certified mail, with postage thereon fully prepaid.

11.2 Notice to Mortgagees. The Mortgagee under any mortgage affecting the Contiguous Parcel or Developer's Tract shall be entitled to receive notice of any default hereunder by Contiguous Owner, Agency or Developer, provided that such Mortgagee shall have delivered notice of existence of such

mortgage, along with Mortgagee's name and address, to Contiguous Owner or Developer, as appropriate. Any notice to a Mortgagee shall be given in the same manner as provided in Section 11.1 above. The giving of any notice of default or failure to deliver a copy of such notice to a Mortgagee shall in no event create any liability on the part of Contiguous Owner, Agency or Developer.

ARTICLE 12 SIGN RIGHTS

During the term of this Agreement, except for any period that Developer has suspended Contiguous Owner's right to use the Access Easement, Developer shall maintain on the Common Area one or more directional signs indicating directions to the Contiguous Parcel for pedestrians and Shopping Center patrons. The directional signs shall be placed in such locations on the Common Area as Developer deems appropriate. All directional signs shall comply with the sign criteria for the Shopping Center.

ARTICLE 13 THIRD PARTY BENEFICIARIES

Developer and Contiguous Owner acknowledge that the owners of the Major Stores are third party beneficiaries to this Agreement. Each of said parties, as well as their respective successors-in-interest, and any other party acquiring the Developer's Parcel, or a portion thereof, shall have the right to enforce the obligations of Contiguous Owner under the terms of this Agreement.

ARTICLE 14 MISCELLANEOUS

14.1 Attorneys' Fees. If any party hereto shall institute any judicial action or proceeding relating to violations, threatened violations or failure of performance of or under this Agreement, or any default hereunder, or to enforce the provisions hereof, then the prevailing party shall be entitled to recover its reasonable attorneys' fees, to be fixed by the Court. The "prevailing party" shall be the party which by law is entitled to recover its costs of suit whether or not the action proceeds to final judgment. If the party which shall have instituted suit shall dismiss it as against the other party or parties without the concurrence of the other party or parties, such other party shall be deemed the prevailing party.

14.2 Amendment. The parties hereto agree that the provisions of this Agreement may be modified or amended, in whole or in part, only by an amendment in writing, executed and acknowledged by the authorized representatives of each of the

parties, and duly recorded in the Office of the County Recorder of Santa Barbara County, California.

14.3 Authority; Designation of Representatives. Contiguous Owner acknowledges that the easements granted herein shall only run to the benefit of the owner of record of the Contiguous Parcel. If an individual executes this Agreement as Contiguous Owner, such execution shall constitute a representation and warranty by the individual that he is the record owner of the Contiguous Parcel. Such individual shall be deemed the only person authorized to execute any amendments, agreements, releases or other documents executed in connection with this Agreement as long as the individual owns the Contiguous Parcel. If Contiguous Owner is a corporation, partnership or other entity, Contiguous Owner shall deliver to Developer prior to execution of this Agreement, a corporate resolution, certificate of partnership, or other evidence satisfactory to Developer and Agency, authorizing execution of this Agreement and naming the individuals who are authorized to execute this Agreement on behalf of Contiguous Owner. For so long as Contiguous Owner remains the record owner of the Contiguous Parcel, the individuals or individuals named in such resolution, certificate or other evidence shall be deemed to be the representatives of Contiguous Owner with full right, power and authority to execute any and all amendments, agreements, releases and other documents on behalf of Contiguous Owner in connection with this Agreement. Contiguous Owner may designate another representative or representatives at any time by giving Developer and Agency written notice of such designation in accordance with Section 11.1 hereof. If Contiguous Owner transfers its interest in the Contiguous Parcel, the transferee shall, within ten (10) days of the date of the transfer, deliver a written notice to Agency and Developer designating a representative for purposes of executing documents on behalf of Contiguous Owner.

14.4 Subordination. This Agreement, and the rights, privileges, covenants, agreements and easements granted hereunder with respect to the Contiguous Parcel shall be superior and senior to any lien placed upon the Contiguous Parcel, including the lien of any mortgage or deed of trust. Contiguous Owner shall cause any Mortgagee holding a mortgage or deed of trust on the Contiguous Parcel to subordinate the lien of its mortgage or deed of trust to the rights, privileges, covenants, agreements and easements granted herein and the rights and powers with respect to the Contiguous Parcel conferred upon Developer under the terms of this Agreement pursuant to a subordination agreement in form and content reasonably acceptable to Developer. Contiguous Owner's delivery of the Subordination Agreement to Developer shall be a condition precedent to the effectiveness of this Agreement.

14.5 Breach Shall Not Defeat Mortgage. A breach of any of the terms, conditions, covenants or restrictions of this Agreement shall not defeat or render invalid the lien of any mortgage made in good faith and for value, but such terms, conditions, covenants and restrictions shall be binding upon and effective against any person who acquires title to each party's property or portion thereof by a foreclosure, trustee's sale or otherwise.

14.6 Nondiscrimination and Nonsegregation. Contiguous Owner covenants that during the term of this Agreement there shall be no discrimination against or segregation of any person, or group of persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Contiguous Parcel, nor shall any transferee of Contiguous Owner or any person claiming under or through Contiguous Owner establish or permit any such practice or practices of discrimination or segregation with respect to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Contiguous Parcel.

14.7 Captions. The captions of the articles and paragraphs of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

14.8 Estoppel Certificates. Each party covenants that within fifteen (15) days after the written request of the other party, it will issue to such party, or to such party's Mortgagee, or any other person specified by such party, an estoppel certificate stating to the best of its knowledge the following:

(a) Whether any defaults exist under this Agreement or would exist with notice and the passage of time and the nature of such defaults;

(b) Whether such party's interest in this Agreement has been assigned, modified or amended in any way and stating the date, nature, and parties to such amendments;

(c) That this Agreement, as of that date, is in full force and effect.

Failure to deliver the estoppel certificate within the fifteen (15) day period shall be deemed a conclusive presumption that the Agreement is in full force and effect and has not been modified, and that there are no defaults existing under the Agreement.

14.9 Governing Law. This Agreement shall be construed in accordance with the laws of the State of California.

14.10 No Partnership. Neither anything contained in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties, or by any third person, to create the relationship of principal and agent or a partnership, or a joint venture, or of any association between the parties.

14.11 Not a Public Dedication. Nothing contained herein shall be deemed to be a gift or dedication of any portion of the Common Area of the Shopping Center to the general public or for any public purpose whatsoever, it being the intention of the parties hereto that this Agreement shall be strictly limited to and for the purposes expressed herein.

14.12 Severability. If any term, provision or condition contained in this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement, except those terms, provisions or conditions which are made subject to or conditioned upon such invalid or unenforceable terms and conditions, shall not be affected thereby, and each term, provision and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.13 Agreement Runs with the Land. All of the provisions, agreements, rights, powers, covenants, conditions, restrictions, easements and obligations contained in this Agreement shall be binding upon and inure to the benefit of the Contiguous Owner and Developer and to their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, and all other persons acquiring the Contiguous Parcel or Developer's Parcel or any portion thereof, or any interest therein whether by operation of law or in any manner whatsoever, unless and until modified as herein provided. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law, including but not limited to Section 1468 of the Civil Code of the State of California. Notwithstanding anything contained herein, the Access Easement granted herein and the other benefits conferred upon Contiguous Owner and the Contiguous Parcel pursuant to this Agreement shall continue to exist only so long as the burdens imposed upon the Contiguous Parcel pursuant to the terms of this Agreement are binding on the Contiguous Parcel and continue to run with the land. If the covenants and burdens on the Contiguous Parcel cease to run with the land, the Access Easement granted herein and other benefits conferred upon Contiguous Owner and the Contiguous Parcel shall terminate and cease to exist.

14.14 Time of the Essence. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement.

THIS AGREEMENT has been executed as of the day and year first written above and shall be effective upon recording in the Official Records of Santa Barbara County, California.

AGENCY:

SANTA BARBARA REDEVELOPMENT
AGENCY

By _____

By _____

DEVELOPER:

REININGA CORPORATION, a
California corporation

By _____

By _____

CONTIGUOUS OWNER:

By _____

By _____

EXHIBIT "A"

DESCRIPTION OF DEVELOPER'S PARCEL

[To be Attached]

EXHIBIT "B"

SITE PLAN

[To be Attached]

REL:Agmt-138
K0187/001
03/31/87:jf

EXHIBIT "C"

DESCRIPTION OF CONTIGUOUS PARCEL

[To be Attached]

EXHIBIT "D"

COMMON AREA MAINTENANCE EXPENSE ALLOCATION PLAN

[To be Attached]

EXHIBIT "E"

RETAIL AND SERVICE ACCESS PLAN

[To be Attached]

REA
EXHIBIT I
HEIGHT LIMITATIONS

<u>Building</u>	<u>Building Height*</u>
DEVELOPER IMPROVEMENTS:	
100	24'
200	38'
300	45'
400	23'
600	49'
700 (Arts Complex)	56'
NORDSTROM IMPROVEMENTS:	
Tower	94'
Highest Parapet	67'
Clerestory	76'**
BROADWAY IMPROVEMENTS:	
Tower	75'
Highest Parapet	66'
Clerestory	66'**

*These building heights are the maximum height above the nearest adjacent perimeter grade.

**Because the clerestory is located at the center of the footprint, the height is expressed in feet above the main floor level.