



NAPLES  
COALITION Ph: 805.683.6631  
www.SaveNaples.org

P.O. Box 1099, Goleta, CA 93116

## **Media Announcement      February 17, 2010**

The Naples Coalition reported today that the developer of the Santa Barbara Ranch development project on the Gaviota Coast, known as “Naples,” has failed to make a \$3.1M payment on a \$63M loan and has been served with a notice of default that could lead to a foreclosure on the property. The default must be cured by March 12, 2010, otherwise the property could be sold at auction.

Title records show most of Santa Barbara Ranch encumbered by a first mortgage for \$63M from First Bank, and a second mortgage from Avalon Capital for approximately \$18M. The precise relationships among the web of investors, developers and other interested parties is not a matter of public record, but like many speculative real estate developments, the Santa Barbara Ranch project appears to be highly leveraged. Title documents indicate that Matt Osgood and David Chang have each given personal guarantees to certain investors and interests.

The notice of default is recorded against a series of LLCs apparently controlled by Osgood and Vintage Communities’ CEO David Chang. If the default is not cured by the deadline, the property may proceed to a foreclosure auction. In this event, the interests of second mortgage holders would typically be eliminated and whoever wins the bidding and pays cash to purchase the property becomes owner. The bank typically sets the minimum opening bid, and if no one bids, they take ownership of the property. The foreclosure sale process could be completed in April 2010. It is possible the debtors could declare bankruptcy, which may automatically stay foreclosure.

The Naples development was conditionally approved by a 3-2 vote in 2008 during the final days of Brooks Firestone’s tenure on the Board of Supervisors. The County’s conditional approval relies on a number of other approvals, including the Coastal Commission, and timely satisfaction of dozens of land use conditions. Recently the Board of Supervisors rescinded the Development Agreement for the coastal portion of the Project. Development Agreements are long term contracts (20+ years) that bind the County to support the approvals regardless of changed circumstances and prohibit changed conditions or other requirements.

The development faces a number of severe hurdles. The Coastal Commission has demanded that the County issue additional permits for the merger of the antiquated Naples lots that enable the development, but the County has refused. This issue will go to hearing first. Then the Local Coastal Plan amendments and Coastal Development Permits for all the development will be considered. Budget cutbacks have slowed the Coastal Commission’s process, and no date has been set for either hearing.

The Naples Coalition, Santa Barbara Chapter of the Surfrider Foundation and EDC have filed litigation challenging the County’s approvals. Contending that the County violated the California Environmental Quality Act (“CEQA”), California Planning and Zoning laws, the Coastal Act, the

Williamson Act and other requirements, this case is pending in Santa Barbara County Superior Court and is expected to proceed to a hearing sometime this year.

“This confirms what many of us have believed for a long time - that a mega-development at Naples is not only ecologically unsustainable, but financially unsustainable as well” said Naples Coalition President Greg Helms. “Anyone attempting to develop on Naples lots, individually or in groups, will face staunch opposition from Santa Barbara’s environmental community. The conditional approvals that were given were legally flawed and politically driven. This Project flies in the face of numerous coastal policies and requirements, and is the product of a botched EIR. The community will not tolerate a massive locked gate subdivision of McMansions looming over the rural Gaviota Coast” explained Naples Coalition President Greg Helms.

**About The Naples Coalition:**

The Naples Coalition is a Santa Barbara County, CA-based non-profit, public benefit corporation with representation by local non-profit groups including the Citizens Planning Association of Santa Barbara County, Gaviota Coast Conservancy, League of Women Voters of Santa Barbara County, Los Padres Chapter of the Sierra Club, Santa Barbara Chapter of Surfrider Foundation, Santa Barbara Chapter of the Audubon Society and Santa Barbara Community Action Network. The Naples Coalition is dedicated to the preservation of the rural character of the Naples property on the Gaviota coast. Specifically, the Naples Coalition is responding to Vintage Communities, an Orange County development company that purchased the Naples town site lots and applied to build up to 72 large luxury houses on the rural Naples property. The Naples Coalition seeks to preserve the rural character of the Naples area from this development’s ill-founded plan.

Visit [www.GaviotaAction.org](http://www.GaviotaAction.org) for complete information regarding the development at Naples.

Visit [www.SaveNaples.org](http://www.SaveNaples.org) of information about Naples and the Naples Coalition.

Visit [http://www.savenaples.org/index\\_res/NC%20History%20Chronology%209-09.htm](http://www.savenaples.org/index_res/NC%20History%20Chronology%209-09.htm) for a summary of the 120 year development history of Naples.

**Contacts:**

Marc Chytilo, Esq  
Attorney for the Naples Coalition  
Phone: 805-682-0585  
Email: [airlaw5@cox.net](mailto:airlaw5@cox.net)

Greg Helms  
Naples Coalition President  
Phone: 805-886-8645  
Email: [gbhelms@gmail.com](mailto:gbhelms@gmail.com)

SPL



2009-0073937

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County of |  
Santa Barbara |  
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SPACE ABOVE THIS LINE FOR RECORDER'S USE

TS No.: 2009-4439  
Loan No.: 406053032266

**NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST**

**IMPORTANT NOTICE**

**IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION,**

and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until three months from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$3,157,060.90 as of 12/10/2009, and will increase until your account becomes current. While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition of reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than the three month period stated above) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your creditor. To find out the amount you must pay, or to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact:

**FIRST BANK  
C/O S.B.S. TRUST DEED NETWORK  
31194 LA BAYA DRIVE #106  
WESTLAKE VILLAGE, CA 91362  
Phone: (818) 991-4600**

TS No.: 2009-4439  
Loan No.: 406053032266

## NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan. Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale provided the sale is concluded prior to the conclusion of the foreclosure.

**Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION.**

NOTICE IS HEREBY GIVEN: That **S.B.S. TRUST DEED NETWORK, A CALIFORNIA CORPORATION** is either the original trustee, the duly appointed substituted trustee, or acting as agent for the trustee or beneficiary under a Deed of Trust dated **12/6/2005**, executed by **SANTA BARBARA RANCH, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, VINTAGE VINEYARDS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, OSGOOD FARMS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, DLC RANCH, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND TW FAMILY FARM, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**, as Trustor, to secure certain obligations in favor of **FIRST BANK, A MISSOURI BANKING CORPORATION**, as beneficiary, recorded **12/19/2005**, as Instrument No. **2005-0120869**, in Book , Page , of Official Records in the Office of the Recorder of **Santa Barbara** County, California describing land therein as: As more fully described on said Deed of Trust.

The undersigned mortgagee, beneficiary or authorized agent for the mortgagee or beneficiary declares that this property is not subject to California Civil Code § 2923.5.

**\*THE MODIFICATION OF TRUST DEED AND OTHER LOAN DOCUMENTS DATED NOVEMBER 19, 2007, RECORDED DECEMBER 5, 2007, INSTRUMENT #2007-0082816\***

Including **ONE (1) NOTE(S) FOR THE ORIGINAL** sum of **\$63,000,000.00**, that the beneficial interest under such Deed of Trust and the obligations secured thereby are presently held by the undersigned; that a breach of, and default in, the obligations for which such Deed of Trust is security has occurred as stated below: **THE INSTALLMENT WHICH BECAME DUE ON 5/1/2009 PLUS LATE CHARGES AND ALL SUBSEQUENT INSTALLMENTS AND LATE CHARGES; ATTORNEY'S FEES INCURRED IN THE PROTECTION OF THE SECURITY HEREIN; AND ANY RECURRING OBLIGATIONS.**

That by reason thereof, the present beneficiary under such deed of trust, has executed and delivered to said duly appointed Trustee, a written Declaration of Default and Demand for same, and has deposited with said duly appointed Trustee, such deed of trust and all documents evidencing obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

**Dated: December 10, 2009**

**S.B.S. TRUST DEED NETWORK, A CALIFORNIA CORPORATION**

BY:

  
**YARDIA BLANE, SENIOR TRUSTEE SALE OFFICER**