

AGREEMENT

THIS AGREEMENT ("Agreement") is made this 25th day of March 1991, by and between Regency Associates, Ltd., an Arizona limited partnership ("Regency") and Ruth L. Paul ("Paul"), with reference to the facts set forth below. Regency and Paul are sometimes hereinafter collectively referred to as the "parties".

RECITALS

- A. Regency is the owner of certain real property situated in the City of San Diego, County of San Diego, State of California ("Regency Property"), more particularly described in Exhibit "A" attached hereto and incorporated herein.
- B. Paul is the owner of certain real property situated in the City of San Diego, County of San Diego, State of California ("Paul Property"), more particularly described in Exhibit "B" attached hereto and incorporated herein. The Paul Property is adjacent and abutting the Regency Property.
- C. Regency intends to perform certain improvement and remodeling work on the Regency Property and certain work on Scripps Lane (as described below) consisting of asphalt removal and decorative paving ("Improvement Work").
- D. In connection with the performance of the Improvement Work, Regency intends to request that the City of San Diego vacate the alleyway between Cuvier Street and La Jolla Boulevard adjacent to the Regency Property and a portion of which is adjacent to the Paul Property, which is commonly known as Scripps Lane (the "Vacation").
- E. Upon the occurrence of the Vacation, fee title ownership of a portion of Scripps Lane ("Regency Parcel") shall revert to Regency and a fee title ownership of a portion of Scripps Lane (Paul Parcel") shall revert to Paul. The Regency Parcel and the Paul Parcel are more particularly described in Exhibits "C" and "D" attached hereto and incorporated herein.
- F. The parties desire to memorialize their agreement for: (1) Paul to execute: (a) the letter attached hereto and incorporated herein as Exhibit "E" ("Letter") pursuant to which Regency shall request and Paul shall consent to the Vacation in exchange for (2) Regency's and Paul's agreement to execute:

(a) the Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants attached hereto and incorporated herein as Exhibit "F" pursuant to which Regency and Paul shall grant reciprocal access easements over the Regency Parcel and the Paul Parcel.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as set forth below.

1. Letter. The parties agree to execute the Letter concurrently with the execution of this Agreement. Upon execution of the Letter, Regency shall mail the Letter as addressed to the City of San Diego in order to amend the pending Vacation process.

2. Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants: The parties agree to execute the Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants with the execution of this Agreement. However, Regency shall not cause the Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants to be recorded in the official records of the San Diego County Recorder until the vacation is approved by the San Diego City Council and all appeal periods have expired.

3. Processing Costs. Regency shall pay any and all processing costs incurred in connection with the Vacation, including, but not limited to, reasonable attorneys' fees incurred by Paul for the review of this Agreement and the Exhibits attached hereto.

4. Condition Precedent. The Grant and recordation of the Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants are conditioned upon the occurrence of the Vacation. In the event that the Vacation does not occur, then the parties hereto shall be released from such obligations and from any liability in connection therewith and the Reciprocal Grant of Easements and Declaration Establishing Restrictions and Covenants shall become null and void and Regency shall destroy the original document.

5. Cooperation. The parties agree to cooperate with each other to sign any and all documents and to take any and all actions reasonably necessary to achieve the purpose set forth herein and to bring about the Vacation or any other event having a similar effect, including, but not limited to, a closure of Scripps Lane. In addition, the parties acknowledge that the City may require them, and they agree to grant to the City, the following: (a) an emergency access easement for emergency vehicles; (b) a general

utility easement or similar utility easement; (c) a pedestrian right-of-way which excludes public vehicular traffic.

6. Trash Service. The Paul Property currently has weekly City trash service via Scripps Lane. Regency and Paul shall endeavor to maintain this service after the Vacation. If the City fails to continue the trash service after the Vacation, Regency shall be responsible for transporting weekly Paul's trash cans to Cuvier Street for City pick-up. After pick-up, Regency shall return the trash cans to the rear of the Paul Property. Under no circumstances shall Regency, its successors or assigns, carry the trash cans through the Paul Property if trash pick-up by City is to be effected on Coast Boulevard South.

7. Attorneys' Fees. In the event either party commences litigation for the judicial interpretation, enforcement, termination, cancellation or rescission hereof, or for damages for the breach hereof, then, in addition to any or all other relief awarded in such litigation, the prevailing party therein shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court and other costs incurred.

8. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. This Agreement shall be deemed made and entered into in San Diego County, which shall be deemed to be the sole proper venue for any action or proceeding relating to the Agreement.

9. Severability. In the event any provision of this Agreement is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, the fact that such provision is invalid, void or otherwise unenforceable shall in no way affect the validity or enforceability of any other provision herein contained.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the parties hereto.

11. Successors. This Agreement and all rights and obligations herein shall inure to the benefit of and shall be binding of the parties hereto and their heirs, successors and assigns.

12. Waiver. No provision of this Agreement shall be deemed to be waived by either party unless such waiver is in writing and executed by the party making the waiver. The waiver of a breach of any of the provisions of this Agreement shall be construed or held

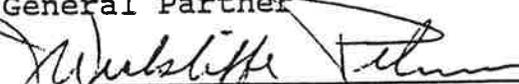
to be a waiver of any succeeding or preceding breach of the same or any other provision herein contained.

13. Parking Space. There are currently twelve (12) surface parking spaces off of Scripps Lane and in close proximity to the Paul Property ("Scripps Lane Spaces") which are being used by Regency and guests of the Scripps Inn. Regency agrees to provide Paul with the right to non-exclusive use in common with Regency of one (1) parking space for a period of ten (10) years after approval of the Vacation by the San Diego City Council and expiration of all appeal periods. At the expiration of the ten (10) year period, Regency will provide Paul's heirs, successors and assigns with the right to non-exclusive use in common with Regency of one (1) parking space in the same area or in Regency's covered parking structure located on the corner of La Jolla Boulevard and Coast Boulevard South. If Paul is unable to park in the Scripps Lane Spaces due to a lack of open spaces, upon Paul's request, Regency will provide a designated parking space for Paul. Regency, at all times, shall have the sole and exclusive control of all parking areas. Regency may, at any time, and from time to time, promulgate parking rules and regulations and make changes in the layout and operation of the parking areas. Paul acknowledges that Regency has control over the parking areas and Paul does not assume any responsibility with respect to the parking areas. The parking space provided for herein is solely for the accommodation of Paul and her heirs, successors and assigns and may not be transferred. Regency assumes no responsibility or liability of any kind whatsoever, from whatever cause, with respect to the parking areas, including adjoining streets, sidewalks, driveways, property and passageways, or the use thereof by Paul or her heirs, successors or assigns.

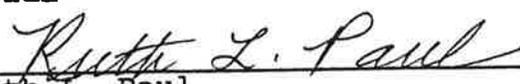
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"Regency"

REGENCY ASSOCIATES, LTD.
an Arizona limited partnership
By: THE J. W. COLACHIS COMPANY
an Arizona corporation
Its General Partner

By: 
J. Wickliffe Peterson
President

"Paul"


Ruth L. Paul



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February 24, 2026

VIA ELECTRONIC MAIL

City of San Diego Hearing Officer
Development Services Department
1222 First Avenue, MS 501
San Diego, CA 92101

RE: **Comment Letter Opposing Special Use Permit No. PMT-3331008**
484 Prospect Street (PRJ-1128559)
Hearing Date: February 25, 2026

To the Hearing Officer:

Please accept the following comments regarding the above-referenced project on behalf of Coast Law Group LLP client, Ben Alev. Mr. Alev is a concerned adjacent neighbor and stakeholder in the La Jolla community regarding the proposed conversion of the historic residential structure at 484 Prospect Street into a 19-room commercial hotel. While the City frames this project as a modest adaptive reuse preserving historic character, the staff report reveals a fundamentally different reality: the effective commercialization of a residential property through legal technicalities, unsupported factual conclusions, and procedural shortcuts that threaten both neighborhood integrity and public trust in the City's land use process.

La Jolla is widely recognized as one of California's most affluent and politically influential communities. It is therefore deeply troubling that the City appears willing to aggressively advance a commercial hotel project in a residential zone through strained interpretations of zoning law, coastal protections, and environmental review requirements. This raises a broader question of fairness and governance: whether regulatory standards intended to protect residential communities are being selectively relaxed to accommodate private commercial interests in even the most privileged enclaves. If zoning protections cannot be relied upon in La Jolla, it raises serious concerns about the integrity and consistency of land use regulation citywide.

The City's reliance on the Heritage Structure designation to justify introduction of a commercial hotel use into a residential zone represents a fundamental misapplication of the La Jolla Planned District Ordinance and historic preservation principles. The purpose of the heritage designation provisions is to facilitate preservation of historically significant structures, not to authorize otherwise prohibited commercial uses that fundamentally alter neighborhood character. The Municipal Code allows limited regulatory flexibility only where necessary to preserve the historic resource itself, not where the owner simply prefers a more profitable use. Here, the City has made no showing, let alone supported with substantial evidence, that continued residential use, residential subdivision, adaptive reuse for conforming residential purposes, or other permitted uses are infeasible. Instead, the staff report relies on generalized claims of economic benefit to the owner, which is legally insufficient to justify overriding core zoning protections. Allowing the conversion of a residential heritage structure into a transient commercial hotel based solely on private economic preference would create a sweeping precedent whereby historic designation

becomes a vehicle for commercialization rather than preservation, undermining both the integrity of the City's zoning framework and the historic preservation program itself.

The proposed project is further plainly inconsistent with the applicable zoning and community plan. The site is designated Medium Density Residential, yet the project would convert the property into a predominantly commercial hotel operation. The retention of a single residential unit does not meaningfully preserve residential use. Rather, it functions as a legal fiction intended to create the appearance of compliance while fundamentally transforming the property into a commercial enterprise. A 19-room hotel with daily guest turnover, valet operations, and commercial activity is categorically different from a residential dwelling. Indeed, analysis of the full scope of hotel operations and impacts are notably absent from the staff report and included record materials.

The staff report's conclusion that the project does not intensify use is factually indefensible. The conversion from a single household to a transient hotel operation inherently increases traffic, noise, activity, and operational intensity. Hotel guests, employees, service vehicles, deliveries, and valet operations will generate ongoing impacts entirely absent under the existing residential use. Yet the City conducted no meaningful traffic, noise, or operational analysis to evaluate these impacts.

Equally concerning is the City's determination that no Coastal Development Permit is required. The Coastal Act exists specifically to regulate intensification of use and protect coastal communities. The City's reliance solely on parking supply to conclude that no intensification occurs ignores the obvious functional and operational intensification resulting from hotel use, particularly considering the unique and problematic circumstances of the parking easement below the adjacent condominium development that was entirely absent from discussion in the staff report. (SDMC §126.0704)¹ This interpretation is inconsistent with Coastal Act principles and exposes the project to substantial legal vulnerability.²

The City's reliance on a categorical exemption under CEQA is similarly flawed. Hotels generate fundamentally different environmental and neighborhood impacts compared to residential use, including increased traffic, noise, energy use, and commercial activity. These impacts constitute unusual circumstances that disqualify the project from categorical exemption and require full environmental review. (*Berkeley Hillside Preservation v. City of Berkeley* (2015)) By bypassing meaningful CEQA analysis, the City has failed to adequately evaluate foreseeable impacts on surrounding residents.

¹ The staff report notes that the existing residential use has access to ample parking spaces to meet the hotel use demands, but this is not the legal standard. Under the SDMC, the City must show that the residential use required the same or less parking spaces. The staff report fails to address this distinction.

² Particularly problematic is the Project's failure to identify 25% of new hotel rooms as low-cost visitor accommodations. While City staff does not agree this requirement has been adopted as part of the City's Local Coastal Program, this obligation is regularly applied throughout the City's Coastal Zone, and La Jolla should be no exception.

The Special Use Permit findings are likewise unsupported by substantial evidence. (SDMC §159.0210)³ The City relies heavily on an economic feasibility study asserting that residential use is not economically viable. This assertion strains credibility given La Jolla's extraordinarily high residential property values. Economic preference for a more profitable commercial use does not justify overriding zoning protections or neighborhood compatibility requirements. SDMC §126.0505(a)(2) requires that the Project will not be detrimental to public health, safety, or welfare. Absent meaningful analysis of traffic, noise, valet operations, guest turnover, deliveries, and commercial activity impacts, the required findings cannot be made.

Finally, the project introduces a fundamentally different land use into a residentially designated property. Staff's assertion that the project does not introduce new uses is plainly incorrect. A commercial hotel is not equivalent to residential occupancy. This distinction is central to zoning law and neighborhood protection. (SDMC §126.0505(a)(1))

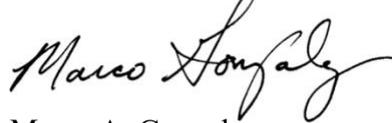
In conclusion, the proposed project represents a substantial commercial encroachment into a residential zone and relies on unsupported factual findings, improper environmental review, and strained legal interpretations. Approval of this project would set a dangerous precedent undermining zoning integrity, coastal protections, and environmental review standards throughout San Diego.

For these reasons, we respectfully request that the City deny the Special Use Permit and require full compliance with zoning, Coastal Act, and CEQA requirements. At minimum, the City should require full environmental review and Coastal Development Permit evaluation before any discretionary approvals are granted.

Thank you for your careful consideration of these concerns.

Sincerely,

COAST LAW GROUP LLP



Marco A. Gonzalez

³ The La Jolla Planned District requires maintenance of balanced residential and commercial land uses, prevents commercial encroachment into residential areas, and seeks to preserve residential character. Here the existing residential use is decidedly more consistent with immediately adjacent multi-family residential development.