

Recorded at request of
and when recorded mail to:
County of Santa Barbara
General Services Department
Office of Real Estate Services
Will Call

**COUNTY OF SANTA BARBARA
OFFICIAL BUSINESS**

No fee pursuant to
Government Code §6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE
A.P.N. 075-020-005

OPTION AGREEMENT

THIS OPTION AGREEMENT (“Agreement”) is made as of March 5, 2013, by and between the COUNTY OF SANTA BARBARA, a political subdivision of the State of California (“County”), as “Optionor”; and the HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA, a political subdivision of the State of California (“Housing Authority”), as “Optionee”; with reference to the following:

WHEREAS, County is the fee simple owner of a parcel of land in the unincorporated area of the County of Santa Barbara, State of California, commonly identified as Santa Barbara County Assessor’s Parcel Number 075-020-005, located at 761 Camino Pescadero, in Isla Vista, California, and more particularly described on Exhibit “A” attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, Housing Authority functions primarily to build, acquire, own, manage and maintain statutorily-defined “affordable” residential rental units, performs new construction and acquisition development activities in the incorporated and the unincorporated areas of Santa Barbara County, and contracts with various cities and the County to perform a variety of housing-related services; and

WHEREAS, on March 20, 2012, County’s Board of Supervisors granted land use approval for a thirty-three unit affordable apartment project on the Property, in furtherance of Housing Element Policy 4.1 of the Santa Barbara County Comprehensive Plan, which states: “Preserve the affordable housing stock, maintain its affordability, improve its condition, and prevent future deterioration and resident displacement. Participate in available Federal and State housing subsidy and assistance programs and use the County’s own resources in order to leverage maximum funding for the provision of affordable housing.”; and

WHEREAS, the option conveyed by this Agreement, which includes a copy of the proposed Purchase Agreement and Escrow Instructions, attached hereto as Exhibit “B” and incorporated herein by reference (“Purchase Agreement”), will allow Housing Authority to apply for tax credit allocation from the State of California to assist in developing the project on the Property, consisting entirely of affordable units; all in furtherance of the County’s Housing

Element Policies, and the provisions of California Government Code Section 25539.4 (Gov. Code §25539.4).

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. OPTION TO PURCHASE: County grants to Housing Authority an option to purchase the Property for a total cash purchase price of TWO MILLION NINE HUNDRED THOUSAND DOLLARS (\$2,900,000.00), subject to the terms and conditions of this Agreement, the Purchase Agreement, the provisions of Gov. Code §25539.4, and its implementing regulatory agreement, which is described in this section and in subsection 2(h) of the Purchase Agreement. Housing Authority shall be responsible for securing financing for the purchase. County has made no commitment to assist in the funding or financing of the purchase.

As an express condition precedent to the close of escrow for the Property, County and Housing Authority shall execute and deliver to escrow for recordation, the regulatory agreement (“Regulatory Agreement”) required by Gov. Code §25539.4. The Regulatory Agreement shall provide that all units built on the Property shall remain continually affordable to those persons and families described therein for the longest feasible time, which, in no event, shall be less than fifty-five (55) years. The Regulatory Agreement shall be binding on Housing Authority’s successors in interest and shall be recorded against the Property in the grantor-grantee index of the Santa Barbara County Recorder’s Office, with Housing Authority, or its successors, as grantor, and County, or its successors, as grantee.

2. CONSIDERATION FOR OPTION: Concurrently with the execution of this Agreement, Housing Authority has paid to County as consideration the sum of ONE THOUSAND DOLLARS (\$1,000.00) for the option. If the option granted under this Agreement is exercised by Housing Authority, County agrees to credit the entire ONE THOUSAND DOLLARS (\$1,000.00) of the option consideration to the purchase price of the Property.

3. TERM: This Agreement shall be effective March 5, 2013, and shall expire at midnight on March 5, 2015 (“Option Term”).

4. EXERCISE: Provided Housing Authority is not in default under this Agreement, this option may be exercised by Housing Authority’s delivering to County, before the expiration of the Option Term, written notice of the exercise (“Exercise Notice”), which shall state that the option is exercised without condition or qualification. The Exercise Notice must be accompanied by two (2) copies of the Purchase Agreement executed by Housing Authority, with the date of the Exercise Notice identified as the operative date of the Purchase Agreement.

5. EXECUTION OF PURCHASE AGREEMENT: On receipt by County of the Exercise Notice and two (2) copies of the Purchase Agreement executed by Housing Authority, or its duly authorized successor, County shall promptly execute the Purchase Agreement and deliver an executed copy to Housing Authority. County’s failure to execute and deliver a copy of the Purchase Agreement in accordance with this Section shall not affect the validity of the Purchase Agreement. The Purchase Agreement shall be immediately effective and binding on both County and Housing Authority without further execution by the parties, on exercise of the option in accordance with Section 4 hereof.

6. **REPRESENTATIONS AND WARRANTIES:** County warrants that County is the owner of the Property and has marketable and insurable fee simple title to the Property clear of restrictions, leases, liens, and other encumbrances, except as permitted in the Purchase Agreement. If this option is exercised, County will convey title to the Property by grant deed. During the Option Term and until the Property is conveyed, if this option is exercised, County will not encumber the Property in any way nor grant any property or contract right relating to the Property without the prior written consent of Housing Authority.

7. **TIME OF ESSENCE:** Time is of the essence for this Option Agreement. If the option is not exercised in the manner provided in Section 4 hereof before the expiration of the Option Term, Housing Authority shall have no interest in the Property and the option may not be revived by any subsequent payment or further action by Housing Authority.

8. **QUITCLAIM DEED:** If this Agreement is terminated, Housing Authority agrees, if requested by County, to execute, acknowledge, and deliver a quitclaim deed to County within ten (10) days after termination, and to execute, acknowledge, and deliver any other documents required by any title company to remove the cloud of this option from the Property.

9. **NOTICES:** All notice, documents, correspondence, and communications concerning this transaction shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be sent through the United States mail duly registered or certified with postage prepaid. Notwithstanding the above, Housing Authority may also provide notices, documents, correspondence or such other communications to County by personal delivery or by regular mail and any such notice so given shall be deemed to have been given upon actual receipt.

IF TO COUNTY:

County of Santa Barbara
Housing and Community Development
105 E. Anapamu Street, Suite 105
Attn: Dinah Lockhart
Santa Barbara, CA 93101
Phone: (805) 568-3523
Facsimile: (805) 568-2289

IF TO HOUSING AUTHORITY: Housing Authority of the County of Santa Barbara

Attn: Frederick C. Lamont
815 West Ocean Avenue
Lompoc, CA 93436
Phone: (805) 736-3423
Facsimile: (805) 735-7672

10. **TRANSFER:** Housing Authority may not assign or transfer this Agreement and the rights under without County's prior written consent.

11. **SURVIVAL:** The terms of this Agreement shall survive the close of escrow of the Property unless there is a contradiction between the Purchase Agreement and this Agreement, in which event the Purchase Agreement will control.

12. **SUCCESSORS**: This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assignees of the parties to this Agreement.
13. **WAIVERS**: No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any other covenant or provision, and no waiver shall be valid unless in writing and executed by the waiving party.
14. **CONSTRUCTION**: Section headings are solely for the convenience of the parties and are not a part and shall not be used to interpret this Agreement. The singular form shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Agreement.
15. **FURTHER ASSURANCES**: Whenever requested by the other party, each party shall execute, acknowledge and deliver all further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurances, approvals, consents and all further instruments and documents as may be necessary, expedient or proper to complete any conveyances, transfers, sales, and agreements covered by this Agreement or the Purchase Agreement, and to do all other acts and to execute, acknowledge, and deliver all requested documents to carry out the intent and purpose of this Agreement.
16. **THIRD PARTY RIGHTS**: Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.
17. **INTEGRATION**: This Agreement contains the entire agreement between the parties, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting the option for the Property.
18. **COUNTERPARTS**: This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument.
19. **AMENDMENT**: This Agreement may not be amended or altered except by a written instrument executed by County and Housing Authority.
20. **PARTIAL INVALIDITY**: Any provision of this Agreement that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforceability of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect.
21. **EXHIBITS**: All attached exhibits are incorporated in this Agreement by reference.
22. **AUTHORITY OF PARTIES**: All persons executing this Agreement on behalf of any party to this Agreement warrant that they have the authority to execute this Agreement on behalf of that party.
23. **GOVERNING LAW**: The validity, meaning, and effect of this Agreement shall be determined in accordance with California laws.

Project: Pescadero Lofts Option Agreement
A.P.N.: 075-020-005
Folio: 003673
Agent: DG

IN WITNESS WHEREOF, County and Housing Authority have executed this Option Agreement by the respective authorized officers as set forth below to be effective as of the date executed by County.

COUNTY:
COUNTY OF SANTA BARBARA
a Political Subdivision of the State of California

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Supervisor Salud Carbajal
Chair, Board of Supervisors

By: _____
Deputy

Date: _____

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Michael C. Ghizzoni
Chief Assistant County Counsel

By: _____
Deputy Auditor-Controller
Gregory Eric Levin
Advanced and Specialty Accounting

APPROVED:

APPROVED:

By: _____
Ronn Carlentine
Real Property Manager

By: _____
Ray Aromatorio, ARM, AIC
Risk Manager

HOUSING AUTHORITY:
HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA
a Political Subdivision of the State of California

By: _____
Frederick C. Lamont, Executive Director

EXHIBIT A

LEGAL DESCRIPTION

Parcel One:

Commencing at the intersection of the Northerly line of Pasado Road with the Easterly line of Camino del Sur, as shown upon the map of Isla Vista Tract recorded in Book 15, Pages 81, 82 and 83 of Maps, in the County of Santa Barbara, State of California, thence, along said Easterly line of Camino del Sur, North 1252.50 feet, thence, East 600 feet to a 1/2 inch iron pipe; thence, North 421.50 feet to a 1/2 inch iron pipe; thence, East 253.50 feet to the true point of beginning of the tract of land herein described;

thence, continuing East 303.51 feet to a point on the Westerly line of Ocean Terrace Tract, as shown on map of said tract recorded in Book 15, Pages 101, et seq., of Maps, from which a 1/2 inch pipe bears West 50.00 feet;

thence, South along said Westerly line 140.50 feet to the point from which a 1/2 inch survey pipe bears West 50 feet;

thence, West 303.96 feet;

thence North 140.50 feet to the true point of beginning.

Parcel Two:

A non-exclusive easement created by deed recorded March 13, 1953 as Instrument No. 4054 in Book 1137, Page 96 of Official Records, for road and public utility purposes in, on over and across the Northerly 25 feet of that portion of the Dos Pueblos Rancho in the County of Santa Barbara, State of California, described as follows:

Commencing at the intersection of the Northerly line of Pasado Road with the Easterly line of Camino del Sur as shown upon the map of Isla Vista Tract recorded in Book 15, Pages 81, 82 and 83 of Maps; thence along said Easterly line of Camino del Sur, North 1252.50 feet; thence, East 600 feet to a 1/2 inch iron pipe; thence, North 140.40 feet to a 1/2 inch pipe set at the true point of beginning of the tract of land herein described;

thence, North 140.50 feet to a 1/2 inch survey pipe;

thence, East 557.46 feet to a point on the Westerly line of Ocean Terrace Tract as shown on the map thereof recorded in Book 15, Page 101 et seq., of Maps, from which a 1/2 inch pipe bears West 50 feet;

thence, along said line South 140.50 feet to a point from which a 1/2 inch pipe bears West 50 feet;

thence, West 557.91 feet to the true point of beginning.

APN: 075-020-005

EXHIBIT B

**PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS**

(A copy of the Purchase Agreement follows on the next page.)

Recorded at request of
and when recorded mail to:
County of Santa Barbara
General Services Department
Office of Real Estate Services
Will Call

**COUNTY OF SANTA BARBARA
OFFICIAL BUSINESS**

No fee pursuant to
Government Code §6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE
A.P.N. 075-020-005

**PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS**

THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (“Purchase Agreement”) is made and entered into by and between the COUNTY OF SANTA BARBARA, a political subdivision of the State of California (“Seller”); and the HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA, a political subdivision of the State of California (“Buyer”); with reference to the following:

WHEREAS, Seller is the fee simple owner of a parcel of land in the unincorporated area of the County of Santa Barbara, State of California, commonly identified as Santa Barbara County Assessor’s Parcel Number 075-020-005, located at 761 Camino Pescadero, in Isla Vista, California, and more particularly described on Exhibit “A” attached hereto and incorporated herein by reference (“Property”); and

WHEREAS, Buyer entered into an option agreement with Seller on March 5, 2013, for the purpose of acquiring the Property from Seller, to construct, manage and maintain an approximately thirty-three unit affordable apartment project on the Property, in accordance with the provisions of California Government Code Section 25539.4 (Gov. Code §25539.4); and

WHEREAS, the Santa Barbara County Board of Supervisors has determined that the Property can be used to provide housing affordable to persons and families of low or moderate income, as defined by California Health and Safety Code Section 50093, and that the intended use of the Property by Buyer is in the County’s best interest; and

WHEREAS, Seller intends to sell the Property to Buyer and Buyer intends to purchase the Property from Seller in order to provide affordable housing in accordance with Gov. Code §25539.4.

NOW THEREFORE, in consideration of the covenants and conditions contained herein, the parties agree that Seller shall remise, release, and convey to Buyer and Buyer shall accept all right, title, and interest in and to the Property subject to the following terms and conditions:

1. SALE AND PURCHASE PRICE. Subject to the terms and conditions contained in this Purchase Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, fee ownership of the Property, subject to the following:

a. The total cash purchase price for the Property shall be TWO MILLION NINE HUNDRED THOUSAND DOLLARS (\$2,900,000.00).

b. Upon final execution by Seller, Seller shall return a duplicate original of this Purchase Agreement to Buyer, and shall open escrow pursuant to Section 2 hereof, and shall deliver to the escrow holder a copy of this Purchase Agreement.

c. Escrow shall be open for a period of NINETY (90) DAYS to allow Buyer to complete its investigation of the Property, and to satisfy all conditions described herein (the "Due Diligence Period").

d. During the Due Diligence Period, Buyer may, in its sole and absolute discretion, elect to terminate this Purchase Agreement based upon its review of the condition of the Property upon its investigation of the Property, which may include studies related to the condition of the Property or title to the Property; or upon Buyer's inability to complete any of the studies or actions set forth above due to the actions of Seller.

e. During the Due Diligence Period, Buyer may elect to terminate this Purchase Agreement if it has not obtained the necessary funding. If Buyer fails to deliver notice of its election to terminate on or before 5:00 p.m. on the last day of the Due Diligence Period, then Buyer shall be deemed to have waived this condition.

f. Within thirty days of the opening of escrow, Seller will execute, acknowledge and deliver to the escrow holder a Grant Deed in substantially the form shown in Exhibit "B", attached hereto and incorporated herein by reference.

g. At least one (1) day prior to the close of escrow, Buyer shall deposit with the escrow holder the purchase price, minus the option consideration of ONE THOUSAND DOLLARS (\$1,000.00) paid by Housing Authority pursuant to the Option Agreement, plus costs of prorations, fees, and expenses pursuant to this Purchase Agreement.

h. Prior to the close of escrow, Seller and Buyer shall execute, and Seller shall deliver to the escrow holder, the regulatory agreement ("Regulatory Agreement") required by Gov. Code §25539.4. The Regulatory Agreement shall provide that all units built on the Property shall remain continually affordable to those persons and families described therein for the longest feasible time, which, in no event, shall be less than fifty-five (55) years. The Regulatory Agreement shall be binding on Buyer's successors in interest and shall be recorded against the Property in the grantor-grantee index of the Santa Barbara County Recorder's Office, with Buyer, or its successors, as grantor, and Seller, or its successors, as grantee.

2. **ESCROW AND OTHER FEES:** Within TEN (10) days following the execution of this Purchase Agreement by Seller, Seller shall open escrow at Chicago Title Company, 1225 Coast Village Road, Suite E, Montecito, California, or at such other escrow company as may be agreed to by Seller and Buyer (“Escrow Holder”); with escrow instructions to be based upon the terms and conditions set forth herein, and Seller shall deliver a copy of this Purchase Agreement to the Escrow Holder. This Purchase Agreement shall become part of the escrow and shall constitute the basic instructions and documents as are reasonably required to complete the closing of the transaction contemplated herein, in accordance with the terms and conditions of this Purchase Agreement. In case of conflict between this Purchase Agreement and any related escrow documents, the terms of this Purchase Agreement shall control.

a. The Closing shall be on or before _____, _____, (the “Closing Date”), or such other date as the parties hereto shall mutually agree in writing. The “Closing” is defined as the satisfaction or waiver of all conditions herein stated and the recordation of a Grant Deed which shall vest title to the Property in Buyer.

b. Escrow, title and other fees shall be paid as follows:

i. Buyer shall pay any County Documentary Transfer Tax (“Transfer Tax”).

ii. A Standard California Land Title Association owner’s policy of title insurance covering the Property shall be paid for by Buyer.

iii. Buyer shall pay for any additional title insurance coverage that may be required by Buyer.

iv. Buyer shall pay the Escrow Holder’s fee, subject to the following:

(1) Seller shall pay all escrow fees incurred if escrow is cancelled by Seller prior to the consummation.

c. Escrow Officer shall be obligated as follows:

i. To provide a current preliminary title report covering the Property.

ii. To record the Grant Deed and Regulatory Agreement upon the close of escrow.

iii. To issue or have issued to Buyer the California Land Title Association policy of title insurance required herein, including an ALTA extended coverage Policy, if required by Buyer, however, issuance of the ALTA coverage shall not delay the Closing Date.

iv. To deliver the purchase money to Seller at the close of escrow.

3 **COMMISSION:** It is understood that Buyer represents itself in this transaction and that any commission paid to any agent or broker representing Buyer in this transaction shall be paid

by Buyer. Buyer represents and warrants to Seller that it has not engaged any broker, finder or agent in connection with this transaction.

4. PROPERTY “AS IS WITH ALL FAULTS”: BUYER SPECIFICALLY ACKNOWLEDGES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN “AS IS WITH ALL FAULTS” BASIS AND THAT BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, FROM SELLER, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE PROPERTY, INCLUDING WITHOUT LIMITATIONS: its physical condition; its geology; the development potential of the Property and its use, habitability, merchantability, or fitness for a particular purpose; its zoning or other legal status; its compliance with law; the presence or removal of hazardous or toxic materials, substances, or wastes on, under or about the Property or the neighboring property; or the condition of title to the Property.

Buyer's Initials

Buyer shall have the right of entry onto the Property to conduct such non-invasive and non-intrusive inspections and testing thereon as are, in Buyer’s sole discretion, necessary to reasonably determine the condition of the Property. The scope of any analysis which requires physical sampling of all or any part of the Property shall be subject to: (a) the prior approval of Seller, which Seller may withhold or condition in its sole and absolute discretion, (b) Seller's receipt of written evidence that Buyer has procured any insurance that may reasonably be required by Seller pursuant to this Section, and (c) the requirement that Buyer dispose of all such test samples in accordance with applicable law and at no cost or liability to Seller. Nothing herein shall authorize any subsurface testing or drilling on the Property by Buyer or its environmental consultant unless specifically approved in writing by Seller, which Seller may condition or deny in its sole and absolute discretion. Buyer shall complete such inspections and testing within the Due Diligence Period. Following such testing, Buyer shall restore the area of the Property disturbed by said tests to its pre-test condition as near as is practicable.

If toxins or contaminants are identified by these tests or on any other basis, Buyer shall notify Seller prior to the expiration of the Due Diligence Period, and Seller shall have the right, but not the responsibility to remedy such problem(s). If Seller elects not to remedy such problem(s), then, notwithstanding other provisions contained herein, Seller and/or Buyer shall have the right (prior to the expiration of the Due Diligence Period) to terminate this Purchase Agreement with no further liability. If Buyer does not elect to terminate this Purchase Agreement prior to the expiration of the Due Diligence Period, then Buyer shall be deemed to have approved all matters and contingencies with respect to the Property (including, without limitation, the environmental condition of the Property).

Buyer shall give Seller written notice prior to the commencement of any work in, on or about the Property and Seller shall have the right to post Notices of Testing, and/or Notices of Non-responsibility as provided by law. Any testing on the Property shall keep the Property free and clear of claims for labor and materials and Buyer shall indemnify, defend and hold Seller, its partners, officers, directors, members, shareholders, employees and agents harmless from and against any and all losses, damages, claims, liabilities and expenses arising out of any such testing, inspection or entry by Buyer, its agents or employees.

5. **TITLE AND DEED:** Title to the Property is to be free of liens, encumbrances, restrictions, conditions, rights to possession or claims thereto (recorded and/or unrecorded) known to Seller, except:

a. All covenants, conditions, restrictions, and reservations of record approved by Buyer, including those contained in the Regulatory Agreement described in Section 1 hereof.

b. All easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any, approved by Buyer.

c. Any exceptions contained in the preliminary title report as may be approved by Buyer.

d. Property taxes for the fiscal year in which this escrow closes shall be satisfied in a manner consistent with California Revenue and Taxation Code Section 4986(a)(6).

Buyer shall have the right to review the preliminary title report and approve or disapprove in writing those items disclosed in said report prior to the close of escrow. Seller shall have thirty (30) days from receipt of notice of disapproval to correct the condition(s) that adversely affect the Property as determined by Buyer in its discretion. Buyer may terminate this Purchase Agreement or request Seller, at Seller's expense, to correct the condition(s) affected thereby to the satisfaction of Buyer. Failure to so correct shall be grounds for termination of this Purchase Agreement by Buyer.

Escrow shall be automatically extended for thirty (30) days where there is a need for Seller to correct an adverse condition unless Seller refuses to correct such condition or unless correction requires more than thirty (30) days in which case escrow shall be extended to the date of refusal or date of correction respectively.

6. **TIME OF ESSENCE:** Time is of the essence in the performance by the parties in respect to this Purchase Agreement.

7. **NOTICES:** All notice, documents, correspondence, and communications concerning this transaction shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be sent through the United States mail duly registered or certified with postage prepaid. Notwithstanding the above, Buyer may also provide notices, documents, correspondence or such other communications to Seller by personal delivery or by regular mail and any such notice so given shall be deemed to have been given upon actual receipt.

IF TO SELLER:

County of Santa Barbara
Housing and Community Development
105 E. Anapamu Street, Suite 105
Attn: Dinah Lockhart
Santa Barbara, CA 93101
Phone: (805) 568-3523
Facsimile: (805) 568-2289

IF TO BUYER: Housing Authority of the County of Santa Barbara
Attn: Frederick C. Lamont
815 West Ocean Avenue
Lompoc, CA 93436
Phone: (805) 736-3423
Facsimile: (805) 735-7672

IF TO ESCROW HOLDER: Chicago Title Insurance Company
Attn: _____
1225 Coast Village Road, Suite E
Montecito, CA 93108
Phone: (805) 963-8661
Facsimile: (805) 565-6905

8. SUCCESSORS: This Purchase Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assignees of the parties to this Purchase Agreement.

9. WAIVERS: No waiver of any breach of any covenant or provision in this Purchase Agreement shall be deemed a waiver of any other covenant or provision, and no waiver shall be valid unless in writing and executed by the waiving party.

10. CONSTRUCTION: Section headings are solely for the convenience of the parties and are not a part and shall not be used to interpret this Agreement. The singular form shall include the plural and vice versa. This Purchase Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Purchase Agreement.

11. FURTHER ASSURANCES: Whenever requested by the other party, each party shall execute, acknowledge and deliver all further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurances, approvals, consents and all further instruments and documents as may be necessary, expedient or proper to complete any conveyances, transfers, sales, and agreements covered by this Purchase Agreement, and to do all other acts and to execute, acknowledge, and deliver all requested documents to carry out the intent and purpose of this Purchase Agreement.

12. THIRD PARTY RIGHTS: Nothing in this Purchase Agreement, express or implied, is intended to confer on any person, other than the parties to this Purchase Agreement and their respective successors and assigns, any rights or remedies under or by reason of this Purchase Agreement.

13. INTEGRATION: This Purchase Agreement contains the entire agreement between the parties, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting the purchase of the Property.

14. COUNTERPARTS: This Purchase Agreement may be executed in one or more

counterparts, each of which taken together shall constitute one and the same instrument.

15. AMENDMENT: This Purchase Agreement may not be amended or altered except by a written instrument executed by Buyer and Seller.

16. PARTIAL INVALIDITY: Any provision of this Purchase Agreement that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforceability of this Purchase Agreement shall be of no effect, but all the remaining provisions of this Purchase Agreement shall remain in full force and effect.

17. EXHIBITS: All attached exhibits are incorporated in this Purchase Agreement by reference.

18. AUTHORITY OF PARTIES: All persons executing this Purchase Agreement on behalf of any party to this Purchase Agreement warrant that they have the authority to execute this Purchase Agreement on behalf of that party.

19. GOVERNING LAW: The validity, meaning, and effect of this Purchase Agreement shall be determined in accordance with California laws.

20. FACSIMILE/ELECTRONICALLY TRANSMITTED SIGNATURES: In the event that the parties hereto utilize facsimile transmitted documents or electronically transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing original signatures are provided within seventy-two (72) hours of transmission; however, funds shall not be released nor shall documents be accepted for recordation by the Santa Barbara County Recorder's Office until such documents bearing original signatures are received by Seller.

///

///

///

Project: Pescadero Lofts Purchase Agreement
A.P.N.: 075-020-005
Folio: 003673
Agent: DG

IN WITNESS WHEREOF, Seller and Buyer have executed this Purchase Agreement and Escrow Instructions by the respective authorized officers as set forth below to be effective as of the date executed by Buyer.

SELLER:
COUNTY OF SANTA BARBARA
a Political Subdivision of the State of California

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Supervisor Salud Carbajal
Chair, Board of Supervisors

By: _____
Deputy

Date: _____

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Michael C. Ghizzoni
Chief Assistant County Counsel

By: _____
Deputy Auditor-Controller
Gregory Eric Levin
Advanced and Specialty Accounting

APPROVED:

APPROVED:

By: _____
Ronn Carlentine
Real Property Manager

By: _____
Ray Aromatorio, ARM, AIC
Risk Manager

BUYER:
HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA
a Political Subdivision of the State of California

By: _____
Executive Director

Date: _____

CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to:

- A. Accept the foregoing Purchase Agreement;
- B. Act as the Escrow Holder under the Purchase Agreement for the fees herein described;
- C. Be bound by the Purchase Agreement in the performance of its duties as Escrow Holder.

However, the undersigned will have no obligation, liability or responsibility under this consent or otherwise, unless and until the Purchase Agreement, fully signed by the parties has been delivered to the undersigned. Further, the undersigned will have no obligation, liability or responsibility under any amendment to the Purchase Agreement unless and until the amendment is accepted by the undersigned in writing.

CHICAGO TITLE COMPANY

By: _____

Name and Title

Date: _____

EXHIBIT A

LEGAL DESCRIPTION

Parcel One:

Commencing at the intersection of the Northerly line of Pasado Road with the Easterly line of Camino del Sur, as shown upon the map of Isla Vista Tract recorded in Book 15, Pages 81, 82 and 83 of Maps, in the County of Santa Barbara, State of California, thence, along said Easterly line of Camino del Sur, North 1252.50 feet, thence, East 600 feet to a 1/2 inch iron pipe; thence, North 421.50 feet to a 1/2 inch iron pipe; thence, East 253.50 feet to the true point of beginning of the tract of land herein described;

thence, continuing East 303.51 feet to a point on the Westerly line of Ocean Terrace Tract, as shown on map of said tract recorded in Book 15, Pages 101, et seq., of Maps, from which a 1/2 inch pipe bears West 50.00 feet;

thence, South along said Westerly line 140.50 feet to the point from which a 1/2 inch survey pipe bears West 50 feet;

thence, West 303.96 feet;

thence North 140.50 feet to the true point of beginning.

Parcel Two:

A non-exclusive easement created by deed recorded March 13, 1953 as Instrument No. 4054 in Book 1137, Page 96 of Official Records, for road and public utility purposes in, on over and across the Northerly 25 feet of that portion of the Dos Pueblos Rancho in the County of Santa Barbara, State of California, described as follows:

Commencing at the intersection of the Northerly line of Pasado Road with the Easterly line of Camino del Sur as shown upon the map of Isla Vista Tract recorded in Book 15, Pages 81, 82 and 83 of Maps; thence along said Easterly line of Camino del Sur, North 1252.50 feet; thence, East 600 feet to a 1/2 inch iron pipe; thence, North 140.40 feet to a 1/2 inch pipe set at the true point of beginning of the tract of land herein described;

thence, North 140.50 feet to a 1/2 inch survey pipe;

thence, East 557.46 feet to a point on the Westerly line of Ocean Terrace Tract as shown on the map thereof recorded in Book 15, Page 101 et seq., of Maps, from which a 1/2 inch pipe bears West 50 feet;

thence, along said line South 140.50 feet to a point from which a 1/2 inch pipe bears West 50 feet;

thence, West 557.91 feet to the true point of beginning.

APN: 075-020-005

EXHIBIT "B"

GRANT DEED

Recorded at request of
and when recorded mail to:
County of Santa Barbara
General Services Department
Office of Real Estate Services
Will Call

**COUNTY OF SANTA BARBARA
OFFICIAL BUSINESS**

No fee pursuant to
Government Code §6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE
A.P.N. 075-020-005

GRANT DEED,

For valuable consideration, the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereby grants to the HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA, a political subdivision of the State of California, fee title to all of that certain real property located in the unincorporated area of the County of Santa Barbara, State of California, more particularly described in Attachment "1" hereto, incorporated herein by this reference (the "Property").

IN WITNESS WHEREOF, the COUNTY OF SANTA BARBARA has executed this Grant Deed on the _____ day of _____, _____.

GRANTOR
The COUNTY OF SANTA BARBARA

Supervisor Salud Carbajal
Chair, Board of Supervisors
County of Santa Barbara