

Project: Goleta Water District
Well Site Transfer
A.P.N.: 061-040-016
Folio: 003607
Agent: DG

REAL PROPERTY SALE CONTRACT AND ESCROW INSTRUCTIONS

THIS REAL PROPERTY SALE CONTRACT AND ESCROW INSTRUCTIONS (the "Contract") is made and entered into by and between the COUNTY OF SANTA BARBARA, a political subdivision of the State of California ("Seller"); and the GOLETA WATER DISTRICT, a county water district ("Buyer"); with reference to the following:

WHEREAS, Seller is the fee simple owner of a parcel of land improved with a well site, in the unincorporated area of the County of Santa Barbara, State of California, commonly identified as Santa Barbara County Assessor's Parcel Number 061-040-016, located at the terminus of San Antonio Road between Hollister Avenue and Highway 101, adjacent to the Goleta Cemetery, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Buyer is a county water district formed pursuant to California Water Code Section 20000, et seq., that has been leasing the Property from Seller since 1973 pursuant to a License Agreement executed between Seller and Buyer on March 12, 1973, for the purpose of allowing Buyer to operate and use the well on the Property to serve its clients in the Goleta area; and

WHEREAS, Buyer has installed and constructed a well system and certain appurtenances on the Property which are owned and used by Buyer; and

WHEREAS, the Property is not required for Seller's use and it is in Seller's interest to grant to Buyer said Property pursuant to Government Code Section 25365; and

WHEREAS, Buyer and Seller agree to transfer ownership of the Property from Seller to Buyer upon the terms and conditions set forth herein.

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 Contract, 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 purchase price for the Property shall be THREE HUNDRED TEN THOUSAND and 00/100 DOLLARS (\$310,000.00).

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

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 Contract based upon any of the following:

i. its review of the condition of the Property upon its investigation of the Property, which may include but shall not be limited to a Phase One Environmental Site Assessment, a CEQA analysis, or any other studies related to the condition of the Property or title to the Property;

ii. a hearing before the County Planning Commission pursuant to a California Government Code Section 65402 consistency finding; or

iii. Buyer's inability to complete any of the studies or actions set forth above.

e. During the Due Diligence Period, Buyer may elect to terminate this Contract if it has not obtained the approval and appropriation of necessary funding by the Goleta Water District Board of Directors. 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 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 officer the purchase price plus costs of prorations, fees, and expenses pursuant to this Contract, and a Certificate of Acceptance for the Property which has been executed by Buyer in substantially the form shown on Exhibit "C", attached hereto and incorporated herein by reference.

h. Completion of the California Environmental Quality Act (CEQA) environmental review process for this transaction, and the approval and appropriation of funding by the Goleta Water District Board of Directors are express conditions precedent to Buyer's duty to purchase. Notwithstanding any other provision in this Contract, Buyer, at Buyer's option, may extend escrow up to sixty (60) days to permit the funding approval and appropriation by the Goleta Water District Board of Directors. In the event Buyer opts to extend the escrow period pursuant to this section, Buyer shall provide written notice to Seller no later than 5:00 p.m. of the last day of the Due Diligence Period.

2. **ESCROW AND OTHER FEES:** Within THREE (3) days following the execution of this Contract by Seller, Seller shall open escrow at Chicago Title Company, 1225 Coast Village Road, Suite E, Montecito, California, (“Escrow Holder”), with escrow instructions to be based upon terms and conditions set forth herein and Seller shall deliver a copy of this Contract to the Escrow Holder. This Contract 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 Contract. In case of conflict between this Contract and any related escrow documents, the terms of this Contract shall govern.

a. The Closing shall be on or before June 28, 2012 (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 the Buyer.

b. Upon the opening of escrow and the deposit therein of the fully-executed Contract and Seller-executed Grant Deed, the Escrow Officer shall issue a certified copy of the Seller-executed Grant Deed to Buyer for acceptance by Buyer’s Board of Directors. Upon such acceptance, Buyer shall deliver the original Certificate of Acceptance to the Escrow Officer to be attached to the Grant Deed and recorded at the close of escrow by the Escrow Officer.

c. 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 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.

d. Escrow Officer shall be obligated as follows:

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

ii. To release a certified copy of the Seller-executed Grant Deed to Buyer within ten (10) days of the opening of escrow so that Buyer may present same to its Board of Directors to facilitate execution of a Certificate of Acceptance; and

iii. To record the Grant Deed and Certificate of Acceptance upon the close of escrow; and

iv. 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; and

v. 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 the insurance required 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 Contract with no further liability. If Buyer does not elect to terminate this Contract 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. Covenants, conditions, restrictions, and reservations of record approved by Buyer;
- b. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any, approved by Buyer; and
- c. 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 Contract 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 Contract 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. COMPLIANCE WITH THE LAW: This Contract shall be governed by and be construed according to the laws of the State of California. Buyer shall be required to obtain any and all encroachment, building, and land use permits and/or licenses which may be required in connection with the purchase or intended use of the Property.

7. WAIVER: No waiver of any of the provisions of this Contract shall be deemed or shall constitute a waiver of any other provisions of this Contract, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

8. **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: Ronn Carlentine, SR/WA
General Service Department
County of Santa Barbara
1105 Santa Barbara Street
Santa Barbara, CA 93101
Facsimile: (805) 568-3249

With a copy to: Kevin Ready, County Counsel
County of Santa Barbara
105 East Anapamu Street, Room 201
Santa Barbara, CA 93101
Facsimile: (805) 568-2982

IF TO BUYER: John McInnis, General Manager
Goleta Water District
4699 Hollister Avenue
Goleta, CA 93110-1999
Facsimile: (805) 879-4609

IF TO ESCROW HOLDER: Chicago Title Insurance Company
Attn: Anna Ortiz Wines
1225 Coast Village Road, Suite E
Montecito, CA 93108
Facsimile: (805) 565-6905

9. **ENTIRE CONTRACT:** This Contract contains the entire agreement between the parties relating to the agreement to purchase and sell the Property described herein and supersedes all prior agreements, understandings, negotiations, and discussions of the parties, whether expressed or implied, and there are no warranties, representations, covenants, or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. The parties hereto have set forth the whole of their agreement. The performance of this Contract constitutes the entire consideration for said Property and shall relieve Seller of all further obligation or claims on this account. No amendment, supplement, modification, waiver, or termination of this Contract shall be binding unless executed in writing by both parties.

10. **TIME IS OF THE ESSENCE:** Time is of the essence in the performance by the parties in respect to the obligations herein contained. Subject to the restrictions against the sale,

assignment, or other transfer above, this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

11. **SECTION HEADINGS:** The headings of the several sections herein shall be solely for convenience of reference and shall not affect the meaning, construction, or effect hereof.

12. **REAL PROPERTY DOCUMENTS:** Each party agrees to execute and deliver any instrument or to perform any act reasonably necessary to carry out the provisions of this Contract.

13. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

14. **EXECUTION IN COUNTERPARTS:** This Contract may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

15. **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 Clerk Recorder of the County until such documents bearing original signatures are received by COUNTY.

16. **CONSTRUCTION:** The parties have negotiated the terms of this Contract. They have consulted an attorney when they felt the need. The terms of this Contract reflect the negotiations and the intentions of both parties. The terms and conditions contained herein shall be interpreted with regard to each party equally.

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Project: Goleta Water District
Well Site Transfer
A.P.N.: 061-040-016
Folio: 003607
Agent: DG

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

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

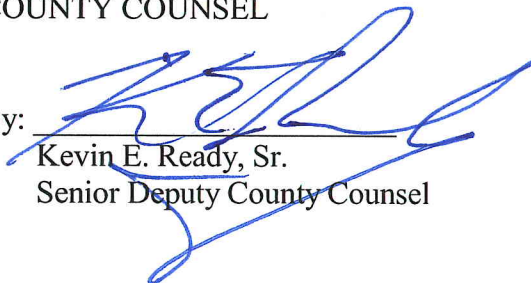
ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Doreen Farr, Chair
Board of Supervisors


By: _____
Deputy

Date: _____

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

By: 
Kevin E. Ready, Sr.
Senior Deputy County Counsel

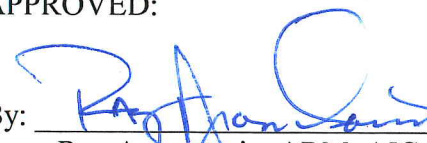
APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

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

APPROVED:

By: 
Ronn Carlentine
Real Property Manager

APPROVED:

By: 
Ray Aromatorio, ARM, AIC
Risk Manager

003607

Project: Goleta Water District
Well Site Transfer
A.P.N.: 061-040-016
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Agent: DG

BUYER:
GOLETA WATER DISTRICT
a County Water District

By: _____
William C. Rosen
Title: Board President

By: _____
John D. McInnes
Title: Board Secretary

Date: _____

Approved as to Form:
De LAY & LAREDO

By: _____
Fran Farina, General Counsel

CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to:

- A. Accept the foregoing Contract;
- B. Act as the Escrow Holder under the Contract for the fees herein described;
- C. Be bound by the Contract;

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 Contract, 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 Contract unless and until the amendment is accepted by the undersigned in writing.

_____, 2012

CHICAGO TITLE COMPANY

By: _____

Name and Title

LEGAL DESCRIPTION

That certain real property being a portion of the Outside Pueblo Lands of the City of Santa Barbara, in the County of Santa Barbara, State of California, described as follows:

Commencing at a point in San Antonio Road at the most easterly corner of Tract No. 10,113 per the map thereof recorded in Book 54, Page 8 of Maps, records of said County;

Thence, South $0^{\circ} 18' 05''$ West along the easterly line of said Tract, 40.07 feet;

Thence, South $89^{\circ} 41' 55''$ East leaving said easterly line of said Tract, 30.00 feet to a point on the easterly line of San Antonio Road;

Thence, South $89^{\circ} 33' 10''$ East 298.00 feet to the TRUE POINT OF BEGINNING:

Thence, 1st, South $89^{\circ} 33' 10''$ East 100.00 feet;

Thence, 2nd, South $0^{\circ} 18' 05''$ West 88.66 feet;

Thence, 3rd, North $89^{\circ} 33' 10''$ West 100.00 feet

Thence, 4th, North $0^{\circ} 18' 05''$ East 88.66 feet to the TRUE POINT OF BEGINNING

Together with any ground water rights appurtenant to the above described real property.

EXHIBIT A

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. 061-040-016

GRANT DEED.

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

IN WITNESS WHEREOF, the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, has executed this Grant Deed on the _____ day of _____, _____.

GRANTOR
COUNTY OF SANTA BARBARA

Doreen Farr, Chair
Board of Supervisors
County of Santa Barbara

EXHIBIT B

“Attachment 1”

LEGAL DESCRIPTION

That certain real property being a portion of the Outside Pueblo Lands of the City of Santa Barbara, in the County of Santa Barbara, State of California, described as follows:

Commencing at a point in San Antonio Road at the most easterly corner of Tract No. 10,113 per the map thereof recorded in Book 54, Page 8 of Maps, records of said County;

Thence, South 0° 18'05" West along the easterly line of said Tract, 40.07 feet;

Thence, South 89° 41'55" East leaving said easterly line of said Tract, 30.00 feet to a point on the easterly line of San Antonio Road;

Thence, South 89° 33'10" East 298.00 feet to the TRUE POINT OF BEGINNING:

Thence, 1st, South 89° 33' 10" East 100.00 feet;

Thence, 2nd, South 0° 18'05" West 88.66 feet;

Thence, 3rd, North 89° 33' 10" West 100.00 feet

Thence, 4th, North 0° 18' 05" East 88.66 feet to the TRUE POINT OF BEGINNING

Together with any ground water rights appurtenant to the above described real property.

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ACKNOWLEDGEMENT

State of California

County of Santa Barbara

On _____ before me, _____, personally appeared _____ Name of Clerk

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

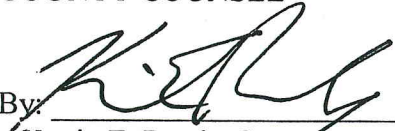
I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Deputy Clerk
(Seal)

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

By: 
Kevin E. Ready, Sr.
Senior Deputy County Counsel

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA: SS.

THIS IS TO CERTIFY that the interest in real property conveyed by the GRANT DEED dated _____, 2012, from the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, as Grantor, to the GOLETA WATER DISTRICT, a county water district, as Grantee, is hereby accepted by Order of the Board of Directors of the Goleta Water District on _____, 2012 and the Goleta Water District consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this _____ day of _____, 2012

CLERK OF THE BOARD
OF DIRECTORS OF THE
GOLETA WATER DISTRICT

By: _____
Deputy

EXHIBIT C