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September 25, 2013

Redevelopment Agency of
the County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101-2065
Attn: County Executive Officer/Redevelopment Agency Executive Director

Office of the County Counsel
105 East Anapamu Street, Room 201
Santa Barbara, CA 93101-2065

Housing and Community Development
105 East Anapamu, Room 105
Santa Barbara, CA 93101

Re: 6533 and 6539 Trigo Road, Isla Vista, Santa Barbara, California
Commonly Known as "The Loop Mixed Use Building" (the "**Property**")

Ladies and Gentlemen:

Our client, d3 Partners, LLC, a California limited liability company ("**d3 Partners**"), is the owner of the Property. In connection with d3 Partners' acquisition and development of the Property, it entered into the following documents:

1. That certain Regulatory Agreement and Declaration of Restrictive Covenants dated December 21, 2010 and recorded in the Official Records of Santa Barbara County, California ("**Official Records**") on January 4, 2011 as Document No. 2011-0048705 (the "**RDA Regulatory Agreement**");

2. That certain Agreement to Provide Affordable Housing by and between d3 Partners and the County of Santa Barbara (the "**County**") dated August 9, 2011 and recorded in

the Official Records on August 26, 2011 as Document No. 2011-0048705 (the "Agreement to Provide"); and

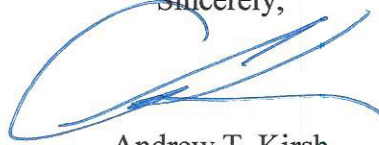
3. That certain Loan Agreement, by and between the Redevelopment Agency of the County of Santa Barbara, a public body corporate and politic (the "Agency"), and d3 Partners dated as of December 14, 2010 (the "Loan Agreement").

Pursuant to the Loan Agreement, the Agency made a loan (the "Loan") to d3 Partners for the acquisition of the Property. We understand the County is the successor to the Agency with respect to the RDA Regulatory Agreement and the Loan Agreement.

The Property is currently under contract to be sold (the "Sale") to HSRE Isla Vista I, LLC, a Delaware limited liability company ("Buyer"), a subsidiary of Harrison Street Real Estate Capital, LLC, a Delaware limited liability company ("HSRE") by d3 Partners. Proceeds of the sale proceeds will be used by d3 Partners to repay the Loan in full.

By this letter, d3 Partners hereby requests the County to: (i) consent to the transfer of the Property by d3 Partners to Buyer in accordance with Section 4.10 of the Loan Agreement and Section 6.10 of the RDA Regulatory Agreement, and (ii) release d3 Partners and its members, shareholders, affiliates, related parties and employees, from the obligations set forth in the RDA Regulatory Agreement, Agreement to Provide, and Loan Agreement arising on or after the date in which the County consents to the transfer of the Property; provided, however, the release shall not include document retention obligations of d3 Partners and any audit rights of the County contained therein.

Sincerely,



Andrew T. Kirsh
of SKLAR KIRSH LLP

cc: Neil Dipaola (via email)