



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of
Supervisors

105 E. Anapamu Street, Suite
407

Santa Barbara, CA 93101
(805) 568-2240

Department Name: Redevelopment Agency
Department No.: 990
For Agenda Of: August 10, 2010
Placement: Administrative
Estimated Tme:
Continued Item:
If Yes, date from:
Vote Requirement 4/5

TO: Board of Directors of the Isla Vista Redevelopment Agency
FROM: Department Michael R. Brown, Executive Director (568-3404)
Director:
Contact Info: Glenn Russell, Director (568-2085)

SUBJECT: Approve CEQA Notice of Exemption for Purchase of Property at 761 Camino Pescadero, in Isla Vista; Accept Planning Commission 65402 Report; Approve and Execute Real Property Purchase Contract, (APN 075-020-005), Approve Budget Revision Request; Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions: That the Board of Directors:

- a) Approve the attached Notice of Exemption pursuant to the California Environmental Quality Act (CEQA); and
- b) Accept the Planning Commission's report showing that the acquisition of the subject property is consistent with the Comprehensive Plan for the area (The Isla Vista Master Plan), in accordance with California Government Code Section 65402; and
- c) Adopt the attached Resolution of Intent to Purchase (set date of September 7, 2010 for acceptance); and
- d) Approve and execute the attached original and duplicate original Real Property Purchase Contract and Escrow Instructions between the County Redevelopment Agency as buyer, and Ellen Knill, a married woman, as her sole and separate property, as seller; in the purchase amount of \$2,700,000.00, for the property and building located at 761 Camino Pescadero, in Isla Vista (APN 075-020-005); and
- e) Approve the Budget Revision Request of \$2,700,000

- f) Authorize the Director of the County of Santa Barbara Redevelopment Agency, or designee, to execute any and all necessary documents necessary to complete this real estate transaction.

Summary Text:

The property owner has executed the attached Real Property Purchase Contract and Escrow Instructions for the purpose of conveying the building and property located at 761 Camino Pescadero, in Isla Vista, to the County of Santa Barbara Redevelopment Agency ("RDA") for a purchase price of \$2,700,000.00. The Contract provides that all real estate commissions will be paid by the seller and, at the close of escrow, title to the subject property will be vested in the RDA.

Background:

Section 33334.2 of the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.) requires that twenty percent (20%) of all funds generated through redevelopment tax increment be set aside for affordable housing. The 1990 Redevelopment Plan for Isla Vista Project Area and the Isla Vista Master Plan both include policies to expand affordable housing opportunities in Isla Vista, and, specifically, to improve the supply of very low, low, and moderate income housing by rehabilitating existing housing or by constructing new housing units. This purchase is designed to further those policies.

The property is currently leased through June 11, 2012 to Sigma Vista Housing Corporation. The Agency will continue the lease until that time. The Agency will have the property managed by a management company and will acquire separate insurance on the property. Upon acquisition, the Agency will begin a vetting process to design a 100% affordable development based on the needs of the community. The provision of wrap-around services to low and very-low income households may also be considered a component of a future development. The subject property was appraised by an independent third party at a value of \$2,700,000.00.

The Santa Barbara County Planning and Development Department has made a determination that the purchase of the subject property is exempt under CEQA because the project will involve the acquisition of the Property without any change in use proposed at this time. In the case that any future plans for the property involve a change in use, CEQA will be addressed in regard to those plans.

On July 7, 2010 the County Planning Commission found that the acquisition of the Property is in conformance with the County's adopted General Plan pursuant to Government Code Section 65402. The Planning Commission's 65402 Report has been provided as Attachment B.

The attached Resolution of Intent to Purchase describes the property to be purchased, the price to be paid, the property owner (seller), and a statement of the time the Board will meet to finalize the purchase. The notice of the intention to purchase the property will be published pursuant to Section 6063 of the Government Code. The date the Board will meet to consummate the purchase, through acceptance of the Grant Deed, is requested to be set for September 7, 2010, on the Administrative Agenda. The close of escrow is anticipated to be on or before September 30, 2010.

The attached Purchase Contract for the acquisition of the Property will give the RDA permanent ownership upon the close of escrow. The Office of Real Estate Services has completed the necessary due diligence of the Property including a feasibility study and CEQA.

Fiscal and Facilities Impacts:

There are no facilities Impacts associated with this acquisition of property.

Special Instructions: After Board action, distribute as follows:

- | | |
|---|-------------------------------------|
| 1) Notice of Exemption | Clerk of the Board File |
| 2) Planning Commission 65402 Report | Clerk of the Board File |
| 3) Original Resolution of Intent | Clerk of the Board File |
| 4) Original Purchase Contract | GS/Real Estate Svcs., R. Carlentine |
| 5) Duplicate Original Contract | GS/Real Estate Svcs., R. Carlentine |
| 6) Certified Copy of Resolution of Intent | GS/Real Estate Svcs., R. Carlentine |
| 7) Minute Order | GS/Real Estate Svcs., R. Carlentine |

Attachments:

Attachment A- Notice of Exemption (CEQA)

Attachment B- Planning Commission 65402 Report

Attachment C- Original and Duplicate Original Real Property Purchase Contract and Escrow Instructions

Attachment D- Resolution of Intent to Purchase

Attachment E- Budget Revision Request

Authored by:

Ronn Carlentine, Office of Real Estate Services

Subject: RDA Real Property Purchase Contract for 761 Camino Pescadero
Agenda Date: August 3, 2010
Page: 4 of 8

Attachment A- Notice of Exemption (CEQA)

NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: Nathan Eady, Planning & Development

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: N/A

Case No.: N/A

Location: Countywide

Project Title: RDA Acquisition of Real Property Located at 761 Camino Pescadero

Project Description: The project includes the purchase of real property located at 761 Camino Pescadero. The parcel is an urban developed portion of land approximately 0.82 acres in size and would be acquired for the purposes of facilitating the revitalization of Isla Vista. Section 33334.2 of the California Community Redevelopment Act requires that twenty percent (20%) of all funds generated through a tax increment be set aside for affordable housing projects within the established redevelopment project area. The 1990 Redevelopment Plan for Isla Vista and the Isla Vista Master Plan both include policies to expand affordable housing opportunities in Isla Vista, and, specifically, to improve very low, low, and moderate income housing by rehabilitating existing housing or by constructing new housing units. This purchase is designed to further those policies. Acquisition of the property would give the County permanent rights to access, operate, and maintain the portions of these existing facilities located on the property.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: Ronn Carlentine

Exempt Status: (Check one)

- Ministerial
- Statutory Exemption
- Categorical Exemption
- Emergency Project
- Declared Emergency

CEQA Guideline Section: 15301 (Existing Facilities) - The operation, repair, or maintenance of existing public facilities is not a project as defined by CEQA.

Exemption Findings: The County Redevelopment Agency's purchase of real property is not a project as defined by CEQA. The proposed purchase of real property is a government fiscal activity. The County has no specific redevelopment project proposed at this time and will continue to maintain and operate the existing facility.

Lead Agency Contact Person: Nathan Eady Phone #: (805) 568-2019

Department/Division Representative: Nathan Eady Date: 7/8/2010

Acceptance Date: _____

Distribution: Hearing Support Staff
Date Filed by County Clerk: _____

Subject: RDA Real Property Purchase Contract for 761 Camino Pescadero
Agenda Date: August 10, 2010
Page: 5 of 8

Attachment B- Planning Commission 65402 Report



COUNTY OF SANTA BARBARA CALIFORNIA

PLANNING COMMISSION

COUNTY ENGINEERING BUILDING
123 E. ANAPAMU ST.
SANTA BARBARA, CALIF. 93101-2058
PHONE: (805) 568-2000
FAX: (805) 568-2030

July 7, 2010

Ronn Carlentine
General Service Department
105 E. Anapamu Street
Santa Barbara, CA 93101

PLANNING COMMISSION
HEARING OF JULY 7, 2010

RE: Redevelopment Agency Acquisition of Property Government Code Consistency; 10GOV-00000-00008

Hearing on the request of Ronn Carlentine, Manager of the Office of Real Estate Services, General Services Department, to consider Case No. 10GOV-00000-00008, [application filed on June 24, 2010], for a determination that the purchase of property located in the Isla Vista area is consistent with the Comprehensive Plan of the County of Santa Barbara pursuant to Government Code §65402(a). The site is identified as AP No. 075-020-005, located at 761 Camino Pescadero, in the Isla Vista area, Third Supervisorial District.

Dear Mr. Carlentine:

At the Planning Commission hearing of July 7, 2010, Commissioner Brooks moved, seconded by Commissioner Valencia and carried by a vote of 5-0 to:

1. Determine that the proposed purchase of real property is consistent with the Comprehensive Plan;
2. Amend the consistency report to acknowledge that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15301 (Existing Facilities); and
2. Transmit the consistency report required by Government Code Section 65402(a) to Nathan Eady (Planning & Development) and the Board of Supervisors. The memo dated July 7, 2010 and the letter reflecting the Planning Commission's action shall constitute the required report.

Sincerely,

Dianne M. Black
Secretary to the Planning Commission

cc: Case File: 10GOV-00000-00008
Planning Commission File

Owner: Ellen Knill, 370 Ortega Ridge Road, Santa Barbara, CA 93108

County Chief Appraiser
County Surveyor
Fire Department
Flood Control
Park Department
Public Works
Environmental Health Services
APCD
Doreen Farr, Third District Supervisor
Marell Brooks, Third District Planning Commissioner
Rachel Van Mullem, Deputy County Counsel
Nathan Eady, Planner

Attachments: Memo to Planning Commission from Vicki Parker, Deputy Director

DMB/dmv

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**COUNTY OF SANTA BARBARA
PLANNING AND DEVELOPMENT**

Consent Agenda

TO: County Planning Commission

FROM: Vicki Parker, Deputy Director, Long Range Planning

HEARING DATE: July 7, 2010

RE: Hearing on the request of Ronn Carlentine, Manager of the Office of Real Estate Services, General Services, to consider case number 10GOV-00000-00008, application filed on June 24, 2010, for a determination that the purchase of property located in the Isla Vista area is consistent with the Comprehensive Plan of the County of Santa Barbara pursuant to Government Code §65402(a). The site is identified as Assessor Parcel Number 075-020-005, located at 761 Camino Pescadero, in the Isla Vista area, Third Supervisorial District

APPLICANT: Ronn Carlentine, Manager, Office of Real Estate Services, General Services, 568-3078

Project Description: The project includes the purchase of real property located at 761 Camino Pescadero. The parcel is an urban developed portion of land approximately 0.82 acres in size and would be acquired for the purposes of facilitating the revitalization of Isla Vista. Section 33334.2 of the California Community Redevelopment Act requires that twenty percent (20%) of all funds generated through a tax increment be set aside for affordable housing projects within the established redevelopment project area. The 1990 Redevelopment Plan for Isla Vista and the Isla Vista Master Plan both include policies to expand affordable housing opportunities in Isla Vista, and, specifically, to improve very low, low, and moderate income housing by rehabilitating existing housing or by constructing new housing units. This purchase is designed to further those policies. Acquisition of the property would give the County permanent rights to access, operate, and maintain the portions of these existing facilities located on the property. The project is exempt from environmental review pursuant to CEQA Guidelines section 15301 (Existing Facilities).

Comprehensive Plan Consistency:

Local Coastal Land Use Plan Policy 2-22: To improve the overall appearance and quality of development in the community of Isla Vista, new development shall adhere to the following standards to the maximum extent feasible:

- a. Residential units in multiple residential projects shall be designed to maximize living space and reduce overcrowding of units, in recognition of the double occupancy per bedroom and rental patterns that have become characteristic of the community. A standard of 80 square feet of bedroom area per intended occupant shall be implemented.
- b. Projects shall be designed to include architectural and aesthetic amenities to improve the overall appearance and quality of development in the community.

Consistent: The project would allow the County's Redevelopment Agency to improve the quality of development within Isla Vista Redevelopment area and expand affordable housing opportunities.

Recommendation: That the Planning Commission:

1. Determine that the proposed purchase of real property is consistent with the Comprehensive Plan; and
2. Transmit the consistency report required by Government Code Section 65402(a) to Nathan Eady (Planning & Development) and the Board of Supervisors. The memo dated July 7, 2010 and the letter reflecting the Planning Commission's action shall constitute the required report.

Attachment A – Parcel Map

Attachment B – General Services Letter dated June 24, 2010

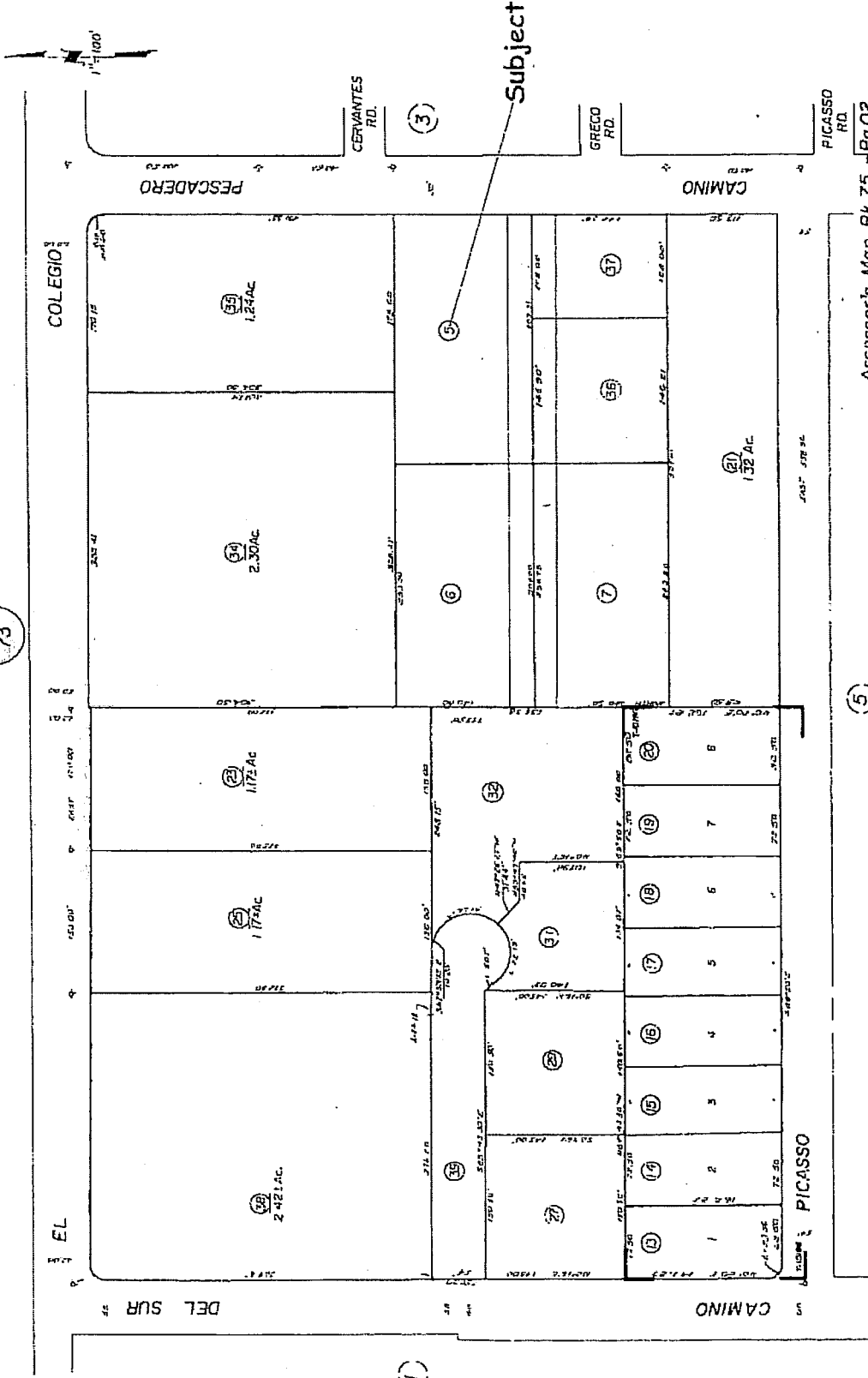
Staff Contact/Prepared by: Nathan Eady, Senior Planner, 568-2019

Attachment A- Parcel Map

75-02

RANCHO LOS DOS PUEBLOS

Bk. 73



Assessor's Map Bk. 75 - Pg. 02
County of Santa Barbara, Calif.

This Map is being furnished as a convenience to locate the herein described land in relation to adjoining streets and other lands. The Company does not guarantee dimensions, distances, bearings, or acreage stated thereon, nor is it intended to illustrate legal building sites or supersede City or County ordinances, i.e. zoning and building codes, etc. Official information concerning the use of any parcel should be obtained from local government agencies.

5/16/61 R. M. Bk 56, Pg. 3 - Track 10186

1/7/71

Attachment B- General Services Letter dated June 24, 2010

Memorandum



DATE: June 24, 2010

TO: David Ward, Deputy Director,
Development Review Division
Planning & Development Department

FROM: Ronn Carlentine
General Services
Office of Real Estate Services

SUBJECT: Government Code Section 65402(a) - Conformity with County's Comprehensive Plan
761 Camino Pescadero, Isla Vista

The County of Santa Barbara, through the Redevelopment Agency (RDA), is considering the acquisition of 761 Camino Pescadero in Isla Vista for future redevelopment purposes. The parcel is located in Isla Vista, and if acquired, will contribute to the revitalization of Isla Vista.

LOCATION: This proposed acquisition consists of one property located in Isla Vista, at 761 Camino Pescadero. A map showing the proposed acquisition is attached.

PURPOSE: The acquisition will allow the Redevelopment Agency to initiate partnerships and implement the RDA mandate to provide or support the development of affordable housing in Isla Vista.

The subject property is listed and now available for purchase from a willing seller.

EXTENT: The property proposed for acquisition is 761 Camino Pescadero, APN 075-020-005, and ownership will be held by the Redevelopment Agency.

Please determine whether the County's proposed acquisition of this property is in conformity with the County's Comprehensive Plan under the requirements of Government Code Section 65402(a). If you have any questions, please call me at 568-3078.

Thank you for your assistance.

Subject: RDA Real Property Purchase Contract for 761 Camino Pescadero
Agenda Date: August 10, 2010
Page: 6 of 8

**Attachment C- Original and Duplicate Original Real Property Purchase Contract
and Escrow Instructions**



RESIDENTIAL INCOME PROPERTY PURCHASE
AGREEMENT AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form RIPA, Revised 4/09)

Date: March 9, 2010 at SANTA BARBARA, California.

1. OFFER:

A. THIS IS AN OFFER FROM COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY ("Buyer").

Individual(s), A corporation, A Partnership, An LLC, An LLP, Other

B. THE REAL PROPERTY TO BE ACQUIRED is described as 761 CAMINO PESCADERO

ISLA VISTA, Assessor's Parcel No. 075-020-005, situated in

SANTA BARBARA, county of SANTA BARBARA, California, ("Property").

C. THE PURCHASE PRICE offered is Two Million, Five Hundred Thousand

dollars \$ 2,500,000.00

D. CLOSE OF ESCROW shall occur on _____ (date) (or 30 Days After Acceptance).

2. FINANCE TERMS: obtaining the loans below is a contingency of this Agreement unless: (i) either 2L or 2M is checked below or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of _____ \$ 50,000.00

to the agent submitting the offer (or to _____), by personal check

(or _____), made payable to _____,

which shall be held uncashed until acceptance and then deposited within 3 business days after acceptance (or

_____), with Escrow Holder, (or into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ _____ within _____ Days After Acceptance, or _____.

C. FIRST LOAN IN THE AMOUNT OF _____ \$ _____

(1) NEW First Deed of Trust in favor of lender, seller,

OR ASSUMPTION (or "subject to") Existing First Deed of Trust encumbering the Property, securing a note

payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a

maximum interest rate of _____ %, Balance due in _____ years, amortized over _____ years

(if checked: and with a margin not to exceed _____ %, tied to the following index: _____).

Buyer shall pay loan fees/points not to exceed _____.

(These terms apply whether the designated loan is Conventional, FHA or VA.)

(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay

_____ % Discount Points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed

\$ _____.

Seller shall pay the cost of lender required repairs (including those for

wood-destroying pests) not otherwise provided for in this Agreement, not to exceed \$ _____.

(Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. SECOND LOAN IN THE AMOUNT OF _____ \$ _____

(1) NEW Second Deed of Trust in favor of lender, seller,

OR ASSUMPTION (or "subject to") Existing Second Deed of Trust encumbering the Property, securing a

note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a

maximum interest rate cap of _____ %, Balance due in _____ years, amortized over _____ years

(if checked: and with a margin not to exceed _____ %, tied to the following index: _____).

Buyer shall pay loan fees/points not to exceed _____.

(These terms apply whether the designated loan is Conventional, FHA or VA.)

(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay

_____ % Discount Points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed

\$ _____.

Seller shall pay the cost of lender required repairs (including those for

wood-destroying pests) not otherwise provided for in this Agreement, not to exceed \$ _____.

(Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

E. ADDITIONAL FINANCING TERMS: _____ \$ _____

F. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of _____ \$ 2,450,000.00

to be deposited with Escrow Holder within sufficient time to close escrow.

G. PURCHASE PRICE (TOTAL): _____ \$ 2,500,000.00

H. LOAN APPLICATIONS: within 7 (or _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan

broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan

specified above.

I. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2H) shall, within

7 (or _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

J. LOAN CONTINGENCY REMOVAL: (i) within 17 (or _____) Days After Acceptance Buyer shall, as specified in Paragraph 18, remove the

loan contingency or cancel this Agreement; OR (ii) (if checked) the loan contingency shall remain in effect until the designated loans are funded.

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Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed By _____ Date _____



K. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, is NOT) contingent upon the Property appraising at no less than the specified Purchase Price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, within 17 (or _____) Days After Acceptance), Buyer shall, as specified in Paragraph 18, remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in Paragraph 18, remove the appraisal contingency within 17 (or _____) Days After Acceptance.

L. NO LOAN CONTINGENCY (if checked): obtaining any loan in Paragraphs 2c, 2d, 2E or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

M. ALL CASH OFFER (if checked): no loan is needed to purchase the Property. Buyer shall, within 7 (or _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

N. SELLER FINANCING: For any seller financing designated above, Buyer is to execute a note secured by a deed of trust in favor of Seller, on the terms and conditions set forth in the attached addendum (C.A.R. Form SFA).

O. ASSUMED OR "SUBJECT TO" FINANCING: seller represents that seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in Paragraph 18, provide copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in Paragraph 18B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at close of escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or does not intend) to occupy any unit in the Property as Buyer's Primary residence.

B. Seller-occupied or vacant units: occupancy shall be delivered to Buyer at _____ A M P M. On the date of close of Escrow; on _____; or no later than _____ Days After close of Escrow. (C.A.R. Form PAA, Paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

C. Tenant occupied units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on close of Escrow.

D. At close of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At close of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the Property is a unit in a condominium or other common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. SECURITY DEPOSITS: security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current law, shall be transferred to Buyer on close of Escrow. Seller shall notify each tenant, in compliance with the California Civil Code.

5. ALLOCATION OF COSTS (if checked): unless otherwise specified here, this Paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service is by the method specified in Paragraph 18.

A. WOOD DESTROYING PEST INSPECTION:

(1) Buyer Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report"), which shall be prepared by _____, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: detached garages and carports, detached decks, the following other structures or areas: _____

_____ The Report shall not include roof coverings. If the Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR, (2) (if checked), the attached addendum (C.A.R. Form WPA) regarding wood-destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

(1) Buyer Seller shall pay to have septic or private sewage disposal systems inspected _____

(2) Buyer Seller shall pay to have domestic wells tested for water potability and productivity _____

(3) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by PROPERTY ID

(4) Buyer Seller shall pay for the following inspection or report _____

(5) Buyer Seller shall pay for the following inspection or report _____

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

(1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by law. Prior to close of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local law, unless exempt.

(2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any law. _____

(3) Buyer Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by law, which shall be installed prior to close of Escrow. Prior to close of Escrow, Seller shall provide Buyer a written statement of compliance, if required by law.

(4) Buyer Seller shall pay for installation of drain cover and anti-entrapment device or system for any pool or spa meeting the minimum requirements permitted by the U.S. Consumer Products and Safety Commission.



D. ESCROW AND TITLE:

- (1) [X] Buyer [X] Seller shall pay escrow fee each party shall be responsible for their Escrow costs
Escrow Holder shall be FIDELITY NATIONAL TITLE SUSAN LOWE
(2) [] Buyer [X] Seller shall pay for owner's title insurance Policy specified in Paragraph 17
owner's title Policy to be issued By FIDELITY NATIONAL TITLE
(Buyer shall pay for any title insurance Policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1) [] Buyer [X] Seller shall pay county transfer tax or transfer fee
(2) [] Buyer [] Seller shall pay city transfer tax or transfer fee
(3) [] Buyer [] Seller shall pay HOA transfer fees
(4) [] Buyer [] Seller shall pay HOA Document Preparation fees
(5) [] Buyer [] Seller shall pay the cost, not to exceed \$. Of a One-year home Warranty Plan, issued By with the following optional coverage:
(6) [] Buyer [] Seller shall pay for
(7) [] Buyer [] Seller shall pay for

6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. LEAD-BASED PAINT HAZARD DISCLOSURES:

- (1) seller shall, within the time specified in Paragraph 18, deliver to Buyer, if required by Law, Federal Lead-Based Paint Disclosures and Pamphlet ("Lead Disclosures"). If the Lead Disclosures are delivered to Buyer after the Offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to seller or seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
(2) Buyer shall, within the time specified in Paragraph 18, return signed copies of the Lead Disclosure to Seller

B. NATURAL AND ENVIRONMENTAL HAZARDS: within the time specified in Paragraph 18, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; and (ii) even if exempt from the obligation to provide a NHP, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. MEGAN'S LAW DATA BASE DISCLOSURE: notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides. (Neither seller nor brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

7. RESIDENTIAL 1 - 4 PROPERTIES: STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. Seller shall, within the time specified in Paragraph 18, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and Pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("RTDS"), Natural Hazard Disclosure Statement ("NHP"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915), and if Seller has actual knowledge, an industrial use and military ordnance location disclosure (C.A.R. Form SSP).
B. Buyer shall, within the time specified in Paragraph 18, return signed copies of the statutory and Lead Disclosures to Seller.
C. If any disclosure or notice specified in 7A, or a subsequent or amended disclosure or notice is delivered to Buyer after the Offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
D. Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

8. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE: Within the time specified in paragraph 18, Seller shall disclose, make available or deliver, as applicable, to Buyer the following information:

- A. RENTAL/SERVICE AGREEMENTS: seller shall make available to Buyer for inspection and review: (i) all current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
B. INCOME AND EXPENSE STATEMENTS: seller shall make available to Buyer the books and records for the Property, including a statement of income and expense for the 12 months preceding acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
C. [X] TENANT ESTOPPEL CERTIFICATES: (if checked) Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
D. SURVEY, PLANS, AND ENGINEERING DOCUMENTS: Seller shall, at no cost to Buyer, deliver to Buyer copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf or in Seller's possession.

Buyer's initials () ()
Seller's initials () ()
Reviewed By _____ Date _____



- E. PERMITS: If in Seller's Possession, Seller shall deliver to Buyer copies of all Permits and Approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- F. STRUCTURAL MODIFICATIONS: Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- G. SELLER REPRESENTATION: Seller represents that Seller has no actual knowledge: (i) of any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property or the right to use and occupy it; (ii) of any unsatisfied mechanic's or materialman lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy. If Seller receives any such notice prior to close of Escrow, Seller shall immediately notify Buyer.
- H. GOVERNMENTAL COMPLIANCE:
- (1) Seller shall disclose to Buyer any improvements, additions, alterations, or repairs to the Property made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (2) Seller shall disclose to Buyer if Seller has actual knowledge of any notice of violations of law filed or issued against the Property.
9. SUBSEQUENT DISCLOSURES: In the event Seller, prior to close of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
10. CHANGES DURING ESCROW:
- A. Prior to close of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in Paragraph 18B: (i) rent or lease any vacant unit or other part of the Premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or _____) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.
11. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:
- A. SELLER HAS: 7 (or _____) Days after acceptance to disclose to Buyer whether the Property is a condominium or is located in a planned unit development or other common interest subdivision.
 - B. If Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or _____) Days after acceptance to request from the HOA (C.A.R. Form HOA): (i) copies of any documents required by law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOA's governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in Paragraph 18.
12. CONDITIONS AFFECTING PROPERTY:
- A. unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by close of Escrow.
 - B. Seller warrants that the Property is legally approved as _____ units.
 - C. SELLER SHALL, within the time specified in paragraph 18, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW.
 - D. NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
 - E. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make repairs or take other action.
13. ITEMS INCLUDED AND EXCLUDED:
- A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 13B or C.
 - B. ITEMS INCLUDED IN SALE:
 - (1) All EXISTING fixtures and fittings that are attached to the Property;
 - (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms;
 - (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in Paragraph 18.
 - (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 - (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
 - (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed By _____ Date _____



C. ITEMS EXCLUDED FROM SALE:

14. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property is a contingency of this Agreement, as specified in this Paragraph and Paragraph 18. Within the time specified in Paragraph 18, Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys, and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) conduct an interior inspection of all units and garages; (ii) inspect for lead-based paint and other lead-based paint hazards; (iii) inspect for wood destroying pests and organisms; (iv) review the registered sex offender database; (v) confirm the insurability of Buyer and the Property; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer investigations; or (ii) inspections by any governmental building or zoning inspector, or government employee, unless required by law.

B. Buyer shall complete Buyer investigations and, as specified in Paragraph 18, remove this contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete copies of all Buyer investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer investigations. Seller shall have water, gas, electricity, and all operable pilot lights on for Buyer investigations and through the date possession is made available to Buyer.

15. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all repairs may not be possible. Seller shall: (i) obtain receipts for repairs performed by others; (ii) prepare a written statement indicating the repairs performed by Seller and the date of such repairs; and (iii) provide copies of receipts and statements to Buyer prior to final verification of condition.

16. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY: Buyer shall: (i) keep the property free and clear of liens; (ii) repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the property at Buyer's direction prior to close of escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the property at Buyer's direction. Buyer's obligations under this Paragraph shall survive the termination of this Agreement.

17. TITLE AND VESTING:

A. Within the time specified in Paragraph 18, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in Paragraph 18.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in Paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At close of escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this Paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).

A. SELLER HAS: 7 (or []) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under Paragraphs 2(0), 5, 6A and B, 7A, 8, 11A, 12, 13B(3) and 17.

B. (1) BUYER HAS: 17 (or []) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in Paragraph 6 and insurability of Buyer and the Property); and (ii) return to Seller signed copies of statutory and lead disclosures delivered by Seller in accordance with Paragraphs 6A and 7B.

(2) Within the time specified in 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.

(3) By the end of the time specified in 18B(1), (or 2J for loan contingency or 2K for appraisal contingency), Buyer shall in writing, remove, the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections or reports required as a condition of closing; (ii) common interest disclosures pursuant to Paragraph 11B; (iii) a subsequent or amended disclosure pursuant to Paragraph 9; or (iv) proposed changes pursuant to Paragraph 10B are not made within the time specified in 18A, then Buyer has 5 (or []) Days after receipt of any such items, or the time specified in 18B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.

C. CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:

(1) Seller right to Cancel: Buyer Contingencies: seller, after first giving Buyer a notice to Buyer to perform (as specified below), may cancel

Buyer's initials () ()
Seller's initials () ()

Reviewed By _____ Date _____



this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow in time may be a breach of this Agreement.

- (2) Continuation of Contingency: Even after the expiration of the time specified in 18B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 18c(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 18c(1).
(3) Seller right to Cancel: Buyer Contract Obligations: Seller, after first giving Buyer a notice to Buyer to perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2H; (iv) if Buyer fails to provide verification as required by 2I or 2M; (v) if Seller reasonably disapproves of the verification provided by 2I or 2M; (vi) if Buyer fails to return statutory disclosures as required by Paragraphs 6A and 7B, or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by Paragraph 22. Seller is not required to give Buyer a Notice to Perform regarding Close Of Escrow.
(4) Notice To Buyer To Perform: The notice to Buyer to perform (C.A.R. Form NBP) shall (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or []) hours (or until the time specified in the applicable Paragraph, whichever occurs last) to take the applicable action. A notice to Buyer to perform may not be given any earlier than 2 Days prior to the expiration of the applicable time for Buyer to remove a contingency or cancel the Agreement or meet an 18c(3) obligation.

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility, and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

19. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the property within 5 (or []) days prior to close of escrow, not as a contingency of the sale, but solely to confirm: (i) the property is maintained pursuant to Paragraph 12A; (ii) repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.

20. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the property.

21. AMERICANS WITH DISABILITIES ACT: The Americans with Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be governed by its provisions if used for certain purposes. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

22. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID).

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

23. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 23B(2) and (3) below apply to mediation whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this Paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.



B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 23B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in civil code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 23A and B. Provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

- 24. ASSIGNMENT: Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
25. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
26. COPIES: Seller and Buyer each represent that copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered copies of the original documents, if the originals are in the possession of the furnishing party.
27. NOTICES: Whenever notice is given under this Agreement, each notice shall be in writing, and shall be delivered personally, by facsimile, or by mail, postage prepaid. Notice shall be delivered to the address set forth below the recipient's signature of acceptance. Either party may change its notice address by providing notice to the other party.
28. AUTHORITY: Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any articles of incorporation, articles of organization, bylaws, operating agreement, partnership agreement or other document governing the activity of either Buyer or Seller.
29. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be paid current and prorated between Buyer and Seller as of close of escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to close of escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other special assessment district bonds and assessments that are now a lien. The following items shall be assumed by Buyer without credit toward the purchase price: prorated payments on Mello-Roos and other special assessment district bonds and assessments and HOA special assessments that are now a lien but not yet due. The property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after close of escrow, by Buyer; and (ii) for periods prior to close of escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
30. WITHHOLDING TAXES: Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding law, if required (C.A.R. Forms AS and AB).
31. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon close of escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials (_____) (_____)
Seller's Initials (_____) (_____)
Reviewed By _____ Date _____



- 32. EQUAL HOUSING OPPORTUNITY: The property is sold in compliance with federal, state and local anti-discrimination laws.
- 33. ATTORNEY FEES: In any action, proceeding, or arbitration between buyer and seller arising out of this Agreement, the prevailing buyer or seller shall be entitled to reasonable attorney fees and costs from the non-prevailing buyer or seller, except as provided in Paragraph 23A.
- 34. SELECTION OF SERVICE PROVIDERS: If brokers refer buyer or seller to persons, vendors, or service or product providers ("providers"), brokers do not guarantee the performance of any providers. Buyer and seller may select any providers of their own choosing.
- 35. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing signed by buyer and seller.
- 36. OTHER TERMS AND CONDITIONS, including attached supplements:
 - A. Buyer's Inspection Advisory (C.A.R. Form BIA)
 - B. statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - C. Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPQ) within the time specified in Paragraph 14A.
 - D. Seller Financing Addendum and Disclosure (C.A.R. Form SFA)
 - E. Seller Intent to Exchange Supplement (C.A.R. Form SES)
 - F. Buyer Intent to Exchange Supplement (C.A.R. Form BES)

1) AS A CONTINGENCY TO THIS PURCHASE CONTRACT, COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY BOARD OF SUPERVISORS TO GIVE FINAL APPROVAL OF PURCHASE WITHIN 14 DAYS OF ACCEPTANCE.

- 37. DEFINITIONS: As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means the terms and conditions of this accepted Residential Income Property Purchase Agreement and any accepted counter offer and addenda.
 - C. "C.A.R. Form" means the specific form referenced, or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days, unless otherwise required by law.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California law. Buyer and seller agree that electronic means will not be used by either one to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and signed by seller and shall give buyer at least 24 hours (or as otherwise specified in paragraph 18C(4)) to remove a contingency or perform as applicable.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications and retrofitting of the property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, copy or any counterpart.
 - N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials (_____) (_____)
 Seller's Initials (_____) (_____)
 Reviewed By _____ Date _____



38. BROKERAGE: neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate Broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this Paragraph.

39. AGENCY:

A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that Principal. This disclosure may be part of a listing agreement, Buyer-Broker agreement or separate document (C.A.R. Form PA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent PRUDENTIAL CALIFORNIA REALTY (Print Firm Name) is the agent of (check one) [X] the seller exclusively; or [] Both the Buyer and Seller. Selling Agent RADIUS GROUP COMMERCIAL RE (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): [X] the Buyer exclusively; or [] the Seller exclusively; or [] Both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

C. DISCLOSURE: If the Property contains 1-4 residential dwelling units, Buyer and Seller each acknowledge prior receipt of C.A.R. Form PA "Disclosure Regarding Real Estate Agency Relationships."

40. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 5, 17, 18E, 29, 30, 35, 36E, 37, 40, 41, 44A, 45 and Paragraph P of the section titled Real Estate Brokers on Page 10. If a copy of the separate compensation agreement(s) provided for in Paragraph 41 or 44A, or Paragraph P of the section titled Real Estate Brokers on Page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.

B. A copy of this Agreement shall be delivered to Escrow Holder within 3 business days after acceptance (or [] _____). Buyer and Seller authorize Escrow Holder to accept and rely on copies and signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder signs the Agreement.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to Paragraphs 41, 44A and Paragraph P of the section titled Real Estate Brokers on Page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in Paragraphs 41 and 44A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at close of escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

D. A copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

41. BROKER COMPENSATION FROM BUYER: If applicable, upon close of escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

42. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the property for sale and to accept any other offer at any time prior to notification of acceptance. Buyer has read and acknowledges receipt of a copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

43. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, unless the offer is signed by Seller, and a copy of the signed offer is personally received by Buyer, or by _____ who is authorized to receive it by 5:00 PM on the third day after this offer is signed by Buyer (or, if checked [] by _____ (date), at _____ [] A M [] P M).

Date March 9, 2010
BUYER
By
Print name
Title
Address

Date
BUYER
By
Print name
Title
Address

Buyer's initials () ()
Seller's initials () ()
Reviewed By _____ Date _____



44. BROKER COMPENSATION FROM SELLER:

- A. upon close of Escrow, Seller agrees to pay compensation to broker as specified in a separate written agreement between seller and broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

45. ACCEPTANCE OF OFFER: seller warrants that seller is the owner of the property, or has the authority to execute this agreement. Seller accepts the above offer, agrees to sell the property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a copy of this agreement, and authorizes broker to deliver a signed copy to buyer.

(If checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED

Date
SELLER
By
Print Name
Title
Address

Date
SELLER
By
Print Name
Title
Address

(/) CONFIRMATION OF ACCEPTANCE: A copy of signed acceptance was personally received by buyer or buyer's authorized agent on (date) at AM PM. A binding agreement is created when a copy of signed acceptance is personally received by buyer or buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding agreement; it is solely intended to evidence the date that confirmation of acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 39 above.
C. If specified in Paragraph 2A, Agent who submitted offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay cooperating broker (Selling Firm) and cooperating broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided cooperating broker is a participant of the MLS in which the property is offered for sale or a reciprocal MLS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and cooperating broker.

Real Estate Broker (Selling Firm) RADIUS GROUP COMMERCIAL RE PRE Lic. #
By PRE Lic. # Date
Address 205 E CARRILLO city SANTA BARBARA State CA Zip 93101
Telephone (805) 965-5500 Fax (805) 965-1160 E-mail

Real Estate Broker (Listing Firm) PRUDENTIAL CALIFORNIA REALTY PRE Lic. #
By PRE Lic. # Date
Address city State Zip
Telephone Fax E-mail

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow holder acknowledges receipt of a copy of this agreement, (if checked, a deposit in the amount of \$) counter offer numbers and and agrees to act as escrow holder subject to paragraph 40 of this agreement, any supplemental escrow instructions and the terms of escrow holder's general provisions.

Escrow holder is advised that the date of confirmation of acceptance of the agreement as between buyer and seller is

Escrow holder Escrow #
By Date
Address
Phone/Fax/E-mail

Escrow holder is licensed by the California Department of Corporations, Insurance, Real Estate. License #

(/) REJECTION OF OFFER: no counter offer is being made. This offer was reviewed and rejected by seller on (seller's initials) (date)

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Reviewed By Date





BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 761 CAMINO PESCADERO, ISLA VISTA CA 93117

("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either seller or brokers. For this reason, you should conduct thorough investigations of the property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the property nor items affecting the property that are not physically located on the property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by seller. If seller is unwilling or unable to satisfy your requests, or you do not want to purchase the property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the property. However, seller may not be aware of some property defects or conditions. Seller does not have an obligation to inspect the property for your benefit nor is seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates seller to make the property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the property is through an inspection by an appropriate professional selected by you. If broker gives you referrals to such professionals, broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, brokers have a duty to make a diligent visual inspection of the accessible areas of the property and to disclose the results of that inspection. However, as some property defects or conditions may not be discoverable from a visual inspection, it is possible brokers are not aware of them. If you have entered into a written agreement with a broker, the specific terms of that agreement will determine the nature and extent of that broker's duty to you. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by seller and cannot be verified by brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the property.)
3. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
4. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials () ()

Seller's Initials () ()

Reviewed By _____ Date _____



BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Steven Golis Phone: 805.965.5500 Fax: 805.965.5300 Prepared using WINForms® software
Broker: Radius Group Commercial R.E. 205 E. Carrillo St, Ste 100 Santa Barbara, CA 93101

5. **ROOF:** present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or Both.)
10. **EARTHQUAKES AND FLOODING:** susceptibility of the property to earthquake/seismic hazards and propensity of the property to flood. (A geologist or geotechnical engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the property and the claims history of the property and buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** state and local law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wire, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or homeowners' association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of buyer.

Buyer and seller acknowledge and agree that broker: (i) does not decide what price buyer should pay or seller should accept; (ii) does not guarantee the condition of the property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by seller or others; (iv) does not have an obligation to conduct an inspection of common areas or areas off the site of the property; (v) shall not be responsible for identifying defects on the property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the property or are known to broker; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, multiple listing service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by buyer or seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a copy of this Advisory. Buyer is encouraged to read it carefully.

03/09/2010

Buyer Signature _____
 COUNTY OF SANTA BARBARA REDEVE

Date

Buyer Signature _____ Date _____

Seller Signature _____ Date _____

Seller Signature _____ Date _____

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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed By _____ Date _____





COUNTER OFFER No. 6

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date June 15, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other _____ ("Offer"),
dated May 21, 2010, on property known as 761 CAMINO PESCADERO ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

- TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
 - Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - Purchase Price to be \$2,700,000
Counter Item #3 on Counter dated May 21, 2010 is not acceptable with reference to eminent domain
Within 7 days of acceptance buyer to supply language to be incorporated into this agreement and be contingent upon that the existing tenant shall not have the right to sublease any units past the expiration of the existing lease
All other terms to remain the same
 - The following attached supplements are incorporated into this Counter Offer: Addendum No. _____

- RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
- EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by June 21, 2010 (date), at 5 AM PM. This Counter Offer may be executed in counterparts.

- (If checked;) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Date 06/16/2010
[Signature] Date 06/22/2010

6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____



COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Steven Golis Phone: 805.965.5500 Fax: 805.965.5300 Prepared using zipForm® software
Broker: Radius Group Commercial R.E. 205 E. Carrillo St, Ste 100 Santa Barbara, CA 93101



CALIFORNIA
ASSOCIATION
OF REALTORS®

COUNTER OFFER No. 5

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 21, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other ("Offer"),
dated May 18, 2010, on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C.

1) Purchase price to be \$2,750,000
2) Buyer contingencies to be removed within 20 days, close of escrow 25 days
3) Buyer to approve attached letter dated 5-21-10 from Tom Stone (for purposes of seller's possible 1031 exchange)

- D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____
 _____ _____
2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at AM PM. This Counter Offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Ellen Knill Ellen Knill
Date 5/21/10
Date _____

6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
[Signature]
Date 6-16-10 Time 9:00 AM PM
[Signature]
Date 6/22/2010 Time 1:20 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____





COUNTER OFFER No. 4

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 11, 2010 at SANTA BARBARA, California.
This is a counter offer to the: California Residential Purchase Agreement, counter offer, or other _____ ("offer"),
dated May 7, 2010 on Property known as 761 CAMINO PESCADERO ("Property").
Between COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY ("Buyer") and _____ ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. 1) PURCHASE PRICE TO BE \$2,625,000

D. The following attached supplements are incorporated into this Counter Offer: Appendix No. _____

2. **RIGHT TO ACCEPT OTHER OFFERS:** seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in Paragraph 3. If this is a Seller counter offer, seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this counter offer, shall revoke this counter offer.
3. **EXPIRATION:** This counter offer shall be deemed revoked and the deposits, if any, shall be returned unless this counter offer is signed by the Buyer or Seller to whom it is sent and a copy of the signed counter offer is personally received by the person making this counter offer or STEVE GOLIS OR DANIEL MCGREGOR

who is authorized to receive it, by 5:00 P.M. on the third day after this counter offer is made or, (if checked) by _____ (date), at _____ A.M. P.M. This counter offer may be executed in counterparts.

4. (If checked:) **MULTIPLE-COUNTER OFFER:** seller is making a counter offer(s) to another prospective Buyer(s) on terms that may or may not be the same as in this counter offer. Acceptance of this counter offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller in Paragraph 7 below and a copy of the counter offer signed in Paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 P.M. on the third day after this counter offer is made or, (if checked) by _____ (date), at _____ A.M. P.M. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. **OFFER:** BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY Date 05/11/2010
Date _____

6. **ACCEPTANCE:** I/WE accept the above counter offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.
Date _____ Time _____ A.M. P.M.
Date _____ Time _____ A.M. P.M.

7. **MULTIPLE COUNTER OFFER SIGNATURE LINE:** By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A copy of signed acceptance was personally received by the maker of the counter offer, or that person's authorized agent as specified in Paragraph 3 (or, if this is a multiple counter offer, the Buyer or Buyer's authorized agent as specified in Paragraph 4) on (date) _____, at _____ A.M. P.M. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed By _____ Date _____



COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Steven Golis Phone: 805.965.5500 Fax: 805.965.5300 Prepared using zipForm® software
Broker: Radius Group Commercial R.E. 205 E. Carrillo St, Ste 100 Santa Barbara, CA 93101



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COUNTER OFFER No. 3

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 7, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other ("Offer"),
dated May 6, 2010, on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. Purchase price to be \$2,950,000

D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.

3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by May 11, 2010 (date), at 2:00 AM PM. This Counter Offer may be executed in counterparts.

4. (If checked;) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____ who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at _____ AM _____ PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Ellen Knill Date: 5/7/10

6. ACCEPTANCE: I/we accept the above Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.
Date _____ Time _____ AM PM
Date 6/22/2010 Time 1:00 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. _____ (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM _____ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____



COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Ken Switzer Phone: 805.680.4622 Fax: 805.564.7873 Prepared using zipForm® software
Broker: Prudential California Realty 1170 Coast Village Rd. Santa Barbara, CA 93108



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COUNTER OFFER No. 2

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 6, 2010 at SANTA BARBARA, California.
This is a counter offer to the: California Residential Purchase Agreement, counter offer, or other ("offer").
Date May 3, 2010 on Property known as 761 CAMINO PESCADERO ("Property").
Between COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, ("Buyer") and
("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. 1) PURCHASE PRICE TO BE \$2,550,000

2) COUNTER OFFER #1 DATED MAY 3, 2010 EXTENDED THROUGH MAY 6, 2010 AT 5:00 PM.

D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in Paragraph 3. If this is a seller counter offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this counter offer, shall revoke this counter offer.
3. EXPIRATION: This counter offer shall be deemed revoked and the deposits, if any, shall be returned unless this counter offer is signed by the buyer or seller to whom it is sent and a copy of the signed counter offer is personally received by the person making this counter offer or STEVE GOLIS OR DANIEL MCGREGOR

who is authorized to receive it, by 5:00 P.M. on the third day after this counter offer is made or, (if checked) by (date), at A.M. P.M. This counter offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: Seller is making a counter offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this counter offer. Acceptance of this counter offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller in Paragraph 7 below and a copy of the counter offer signed in Paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 P.M. on the third day after this counter offer is made or, (if checked) by (date), at A.M. P.M. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. Date 05/06/2010

6. ACCEPTANCE: I/WE accept the above counter offer (if checked) SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy. Date 5/7/10 Time 4:30 A.M. P.M.

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)

Date _____ Time _____ AM PM

Date _____ Time _____ AM PM

8. _____ (Initials) Confirmation of Acceptance: A copy of signed acceptance was personally received by the maker of the counter offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a multiple counter offer, the buyer or buyer's authorized agent as specified in Paragraph 4) on (date) _____ at _____ A.M. P.M. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed By _____
Broker or Designee _____ Date _____



Agent: Steven Golis Phone: 805.965.5500 Fax: 805.965.5300
Broker: Radius Group Commercial R.E. 205 E. Carrillo St, Ste 100 Santa Barbara, CA 93101



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COUNTER OFFER No. 1

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 3, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other ("Offer"),
dated April 29, 2010, on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C.

Purchase price to be \$3,000,000

Sale to be As-Is

Original offer extended through Monday, 5/3/2010 at 3:00PM

Buyer to cooperate with Seller's possible 1031 exchange

- D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____
2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer who is authorized to receive it, by 5:00 PM on the third Day After this Counter Offer is made or, (if checked) by May 4, 2010 (date), at 5:00 AM PM. This Counter Offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by (date), at AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Ellen Knill Date 5/3/10

6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy
[Signature] Date 5/6/10 Time 2:00 PM AM PM
[Signature] Date 5/6/10 Time 2:00 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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CO REVISED 10/04 (PAGE 1 OF 1)

COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Ken Switzer Phone: 805.680.4622 Fax: 805.564.7873 Prepared using zipForm® software
Broker: Prudential California Realty 1170 Coast Village Rd. Santa Barbara, CA 93108



Fidelity National Title Company

3700 State Street, Suite 100, Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9450

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Fidelity National Title Company
Date: June 18, 2010
Escrow No.: 10-**420105167**-SL
Locate No.: CAFNT0942-0942-0001-0420105167
Property Address: 761 Camino Pescadero, Goleta, CA 93117

The instructions in this escrow and that certain residential income property purchase agreement and joint escrow instructions dated 04-29-10 are hereby modified, amended and/or supplemented in the following particulars only:

1. FOR PURPOSES OF CLARIFICATION, PARTIES STATE THAT THE TIMEFRAME DATE FOR ALL REQUIREMENTS AND CONTINGENCIES FOR THE WITHIN ESCROW SHALL BEGIN ONE DAY AFTER THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY BOARD OF SUPERVISORS GIVES FINAL APPROVAL OF THE WITHIN PURCHASE TRANSACTION.

PER THE PURCHASE CONTRACT, THE COUNTY HAS UNTIL 07-17-10 IN WHICH TO GIVE SAID APPROVAL.

2. BUYER IS TO OBTAIN FIRE INSURANCE FOR SUBJECT PROPERTY OUTSIDE OF ESCROW AND ESCROW HOLDER IS NOT TO BE FURTHER CONCERNED WITH SAME.
3. PARTIES STATE THAT THE ARBITRATION OF DISPUTES CLAUSE (ITEM #23 OF THE PURCHASE CONTRACT) HAS NOT BEEN INITIALED BY SELLER AND WILL NOT BE A PART OF THIS TRANSACTION.

All other terms and conditions remain the same.

County of Santa Barbara Redevelopment Agency

By: _____

Date: _____

By: _____

Date: _____

Ellen Knill

Date: _____



Fidelity National Title Company

3700 State Street, Suite 100, Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9450

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Fidelity National Title Company
Date: July 2, 2010
Escrow No.: 10-420105167-SL
Locate No.: CAFNT0942-0942-0001-0420105167
Property Address: 761 Camino Pescadero, Goleta, CA 93117

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars only:

THE CLOSE OF ESCROW IS ADDITIONALLY CONTINGENT UPON THE FOLLOWING ITEMS:

1. OWNER AGREES TO WAIVE ANY AND ALL RIGHTS AND BENEFITS RELATED TO RELOCATION UNDER CALIFORNIA GOVERNMENT CODE SECTION 7260 ET SEQ. AND TO EXECUTE THE WAIVER IN A FORM APPROVED BY THE COUNTY COUNSEL WHICH SHALL BE DELIVERED TO THE COUNTY 5 DAYS PRIOR TO THE CLOSE OF ESCROW.
2. OWNER SHALL DELIVER TO COUNTY 5 DAYS PRIOR TO CLOSE OF ESCROW CERTIFICATION FROM THE CALIFORNIA SECRETARY OF STATE THAT TENANT SIGMA VISTA HOUSING CORPORATION IS AUTHORIZED TO DO BUSINESS IN CALIFORNIA.
3. OWNER SHALL DELIVER TO COUNTY AN ACKNOWLEDGEMENT OF LEASE TERMINATION AND WAIVER OF RELOCATION BENEFITS EXECUTED BY SIGMA VISTA HOUSING CORPORATION IN THE FORM APPROVED BY COUNTY COUNSEL 5 DAYS PRIOR TO CLOSE OF ESCROW.
4. OWNER SHALL DELIVER TO COUNTY AN AGREEMENT EXECUTED BY SIGMA VISTA HOUSING CORPORATION TO ALLOW THE COUNTY TO REVIEW AND APPROVE ALL NEW SUBLEASES AND TO INCLUDE THE FOLLOWING LANGUAGE IN ALL NEW SUBLEASES:
"LESSEE ACKNOWLEDGES THAT THIS PROPERTY IS OWNED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA BARBARA AND THAT LESSEE WILL NOT BE ENTITLED TO ANY RELOCATION BENEFITS UNDER THE GOVERNMENT CODE SECTION 7260 ET SEQ. UPON THE EXPIRATION OF THE LEASE."

BUYER TO ADVISE ESCROW HOLDER IN WRITING WHEN THE ABOVE STATED CONTINGENCIES HAVE BEEN SATISFIED.

All other terms and conditions remain the same.

County of Santa Barbara Redevelopment Agency

By: _____

Date: _____

By: _____

Date: _____

Ellen Knill

Date: _____



RESIDENTIAL INCOME PROPERTY PURCHASE
AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RIPA, Revised 4/09)

Date: March 9, 2010 at SANTA BARBARA, California.

1. OFFER:

A. THIS IS AN OFFER FROM COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY ("Buyer").
 Individual(s). A corporation. A Partnership. An LLC. An LLP. Other

B. THE REAL PROPERTY TO BE ACQUIRED is described as 761 CAMINO PESCADERO
ISLA VISTA, Assessor's Parcel No. 075-020-005, situated in
SANTA BARBARA county of SANTA BARBARA, California. ("Property").

C. THE PURCHASE PRICE offered is Two Million, Five Hundred Thousand
dollars \$ 2,500,000.00

D. CLOSE OF ESCROW shall occur on _____ (date) (or 30 Days After Acceptance).

2. FINANCE TERMS: obtaining the loans below is a contingency of this Agreement unless: (i) either 2L or 2M is checked below or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 50,000.00
to the agent submitting the offer (or to _____). By personal check
(or _____), made payable to _____,
which shall be held uncashed until acceptance and then deposited within 3 business days after acceptance (or _____), with Escrow holder, (or into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow holder an increased deposit in the amount of \$ _____
within _____ Days After Acceptance, or _____.

C. FIRST LOAN IN THE AMOUNT OF \$ _____

(1) NEW First deed of Trust in favor of lender, seller.
OR ASSUMPTION (or "subject to") Existing First deed of Trust encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years (if checked: and with a margin not to exceed _____ %, tied to the following index: _____). Buyer shall pay loan fees/points not to exceed _____.
(These terms apply whether the designated loan is conventional, FHA or VA.)

(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed \$ _____. Seller shall pay the cost of lender required repairs (including those for wood-destroying pests) not otherwise provided for in this Agreement, not to exceed \$ _____.
(Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. SECOND LOAN IN THE AMOUNT OF \$ _____

(1) NEW Second deed of Trust in favor of lender, seller.
OR ASSUMPTION (or "subject to") Existing Second deed of Trust encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate cap of _____ %, balance due in _____ years, amortized over _____ years (if checked: and with a margin not to exceed _____ %, tied to the following index: _____). Buyer shall pay loan fees/points not to exceed _____.
(These terms apply whether the designated loan is conventional, FHA or VA.)

(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed \$ _____. Seller shall pay the cost of lender required repairs (including those for wood-destroying pests) not otherwise provided for in this Agreement, not to exceed \$ _____.
(Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

E. ADDITIONAL FINANCING TERMS: \$ _____

F. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 2,450,000.00
to be deposited with Escrow holder within sufficient time to close escrow.

G. PURCHASE PRICE (TOTAL): \$ 2,500,000.00

H. LOAN APPLICATIONS: within 7 (or _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan Broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any new loan specified above.


I. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan Broker pursuant to 2H) shall, within 7 (or _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

J. LOAN CONTINGENCY REMOVAL: (i) within 17 (or _____) Days After Acceptance Buyer shall, as specified in Paragraph 18, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) the loan contingency shall remain in effect until the designated loans are funded.

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Buyer's Initials (_____) (_____)
Seller's Initials (_____) (_____)
Reviewed By _____ Date _____



- K. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, is NOT) contingent upon the property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, within 17 (or _____) Days After Acceptance), Buyer shall, as specified in Paragraph 18, remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in Paragraph 18, remove the appraisal contingency within 17 (or _____) Days After Acceptance.
- L. NO LOAN CONTINGENCY (if checked): Obtaining any loan in Paragraphs 2C, 2D, 2E or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the property, Seller may be entitled to Buyer's deposit or other legal remedies.
- M. ALL CASH OFFER (if checked): No loan is needed to purchase the property. Buyer shall, within 7 (or _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.
- N. SELLER FINANCING: For any seller financing designated above, Buyer is to execute a note secured by a deed of trust in favor of Seller, on the terms and conditions set forth in the attached addendum (C.A.R. Form SFA).
- O. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in Paragraph 18, provide copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in Paragraph 18B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at close of escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

3. CLOSING AND OCCUPANCY:

- A. Buyer intends (or does not intend) to occupy any unit in the property as Buyer's primary residence.
- B. Seller-occupied or vacant units: occupancy shall be delivered to Buyer at _____ A M P M, on the date of close of escrow; on _____; or no later than _____ Days After close of escrow. (C.A.R. Form PAA, Paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.
- C. Tenant occupied units: possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on close of escrow.
- D. At close of escrow, seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At close of escrow, unless otherwise agreed in writing, seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the property is a unit in a condominium or other common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current law, shall be transferred to Buyer on close of escrow. Seller shall notify each tenant, in compliance with the California Civil Code.

5. ALLOCATION OF COSTS (if checked): Unless otherwise specified here, this Paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service is by the method specified in Paragraph 18.

A. WOOD DESTROYING PEST INSPECTION:

- (1) Buyer seller shall pay for an inspection and report for wood destroying pests and organisms ("Report"), which shall be prepared by _____, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: detached garages and carports, detached decks, the following other structures or areas: _____ . The Report shall not include roof coverings. If the property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR, (2) (if checked), the attached addendum (C.A.R. Form WPA) regarding wood-destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

- (1) Buyer seller shall pay to have septic or private sewage disposal systems inspected _____ .
- (2) Buyer seller shall pay to have domestic wells tested for water potability and productivity _____ .
- (3) Buyer seller shall pay for a natural hazard zone disclosure report prepared by PROPERTY ID _____ .
- (4) Buyer seller shall pay for the following inspection or report _____ .
- (5) Buyer seller shall pay for the following inspection or report _____ .

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) Buyer seller shall pay for smoke detector installation and/or water heater bracing, if required by law. Prior to close of escrow, seller shall provide Buyer a written statement of compliance in accordance with state and local law, unless exempt.
- (2) Buyer seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any law. _____ .
- (3) Buyer seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by law, which shall be installed prior to close of escrow. Prior to close of escrow, seller shall provide Buyer a written statement of compliance, if required by law.
- (4) Buyer seller shall pay for installation of drain cover and anti-entrapment device or system for any pool or spa meeting the minimum requirements permitted by the U.S. Consumer Products and Safety Commission.

Buyer's initials (_____) (_____)
 Seller's initials (_____) (_____)
 Reviewed By _____ Date _____



D. ESCROW AND TITLE:

- (1) Buyer Seller shall pay escrow fee each party shall be responsible for their Escrow costs. Escrow Holder shall be FIDELITY NATIONAL TITLE SUSAN LOWE.
- (2) Buyer Seller shall pay for owner's title insurance Policy specified in Paragraph 17 owner's title policy to be issued by FIDELITY NATIONAL TITLE. (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1) Buyer Seller shall pay county transfer tax or transfer fee _____.
- (2) Buyer Seller shall pay city transfer tax or transfer fee _____.
- (3) Buyer Seller shall pay H O A transfer fees _____.
- (4) Buyer Seller shall pay H O A Document Preparation fees _____.
- (5) Buyer Seller shall pay the cost, not to exceed \$ _____, of a one-year home warranty plan, issued by _____ with the following optional coverage: _____.
- (6) Buyer Seller shall pay for _____.
- (7) Buyer Seller shall pay for _____.

6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. LEAD-BASED PAINT HAZARD DISCLOSURES:

- (1) Seller shall, within the time specified in Paragraph 18, deliver to Buyer, if required by Law, Federal Lead-Based Paint Disclosures and Pamphlet ("Lead Disclosures"). If the Lead Disclosures are delivered to Buyer after the Offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to seller or seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (2) Buyer shall, within the time specified in Paragraph 18, return signed copies of the Lead Disclosure to Seller.

B. NATURAL AND ENVIRONMENTAL HAZARDS: within the time specified in Paragraph 18, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; and (ii) even if exempt from the obligation to provide a NHP, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. MEGAN'S LAW DATA BASE DISCLOSURE: notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an internet web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

7. RESIDENTIAL 1 - 4 PROPERTIES: STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. Seller shall, within the time specified in Paragraph 18, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and Pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge or release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915), and if Seller has actual knowledge, an industrial use and military ordinance location disclosure (C.A.R. Form SSP).
- B. Buyer shall, within the time specified in Paragraph 18, return signed copies of the Statutory and Lead Disclosures to Seller.
- C. If any disclosure or notice specified in 7A, or a subsequent or amended disclosure or notice is delivered to Buyer after the Offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to seller or seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- D. Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

8. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE: Within the time specified in paragraph 18, Seller shall disclose, make available or deliver, as applicable, to Buyer the following information:

- A. RENTAL/SERVICE AGREEMENTS: Seller shall make available to Buyer for inspection and review: (i) all current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
- B. INCOME AND EXPENSE STATEMENTS: Seller shall make available to Buyer the books and records for the Property, including a statement of income and expense for the 12 months preceding acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
- C. TENANT ESTOPPEL CERTIFICATES: (if checked) Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by seller or seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. SURVEY, PLANS, AND ENGINEERING DOCUMENTS: Seller shall, at no cost to Buyer, deliver to Buyer copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf or in Seller's possession.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed By _____ Date _____



- E. PERMITS: If in Seller's Possession, Seller shall deliver to Buyer COPIES of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- F. STRUCTURAL MODIFICATIONS: Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- G. SELLER REPRESENTATION: Seller represents that Seller has no actual knowledge: (i) of any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property or the right to use and occupy it; (ii) of any unsatisfied mechanic's or materialman lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy. If Seller receives any such notice prior to close of Escrow, Seller shall immediately notify Buyer.
- H. GOVERNMENTAL COMPLIANCE:
 - (1) Seller shall disclose to Buyer any improvements, additions, alterations, or repairs to the Property made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (2) Seller shall disclose to Buyer if Seller has actual knowledge of any notice of violations of law filed or issued against the Property.
- 9. SUBSEQUENT DISCLOSURES: In the event Seller, prior to close of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 10. CHANGES DURING ESCROW:
 - A. Prior to close of Escrow, Seller may engage in the following acts, ("Proposed changes"), subject to Buyer's rights in Paragraph 18B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or _____) Days prior to any proposed changes, Seller shall give written notice to Buyer of such proposed changes.
- 11. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:
 - A. SELLER HAS: 7 (or _____) Days after acceptance to disclose to Buyer whether the Property is a condominium or is located in a planned unit development or other common interest subdivision.
 - B. If Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or _____) Days after acceptance to request from the HOA (C.A.R. Form HOA): (i) copies of any documents required by law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOA's governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in Paragraph 18.
- 12. CONDITIONS AFFECTING PROPERTY:
 - A. unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by close of Escrow.
 - B. Seller warrants that the Property is legally approved as _____ units.
 - C. SELLER SHALL, within the time specified in paragraph 18, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW.
 - D. NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
 - E. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make repairs or take other action.
- 13. ITEMS INCLUDED AND EXCLUDED:
 - A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 13B or C.
 - B. ITEMS INCLUDED IN SALE:
 - (1) All existing fixtures and fittings that are attached to the Property;
 - (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms;
 - (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in Paragraph 18.
 - (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 - (5) Seller shall deliver title to the personal property by bill of sale, free of all liens and encumbrances, and without warranty of condition.
 - (6) A s additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a ucc-1 financing statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

Buyer's initials (_____) (_____)
 Seller's initials (_____) (_____)
 Reviewed By _____ Date _____



C. ITEMS EXCLUDED FROM SALE:

14. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property is a contingency of this Agreement, as specified in this Paragraph and Paragraph 18. Within the time specified in Paragraph 18, Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys, and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) conduct an interior inspection of all units and garages; (ii) inspect for lead-based paint and other lead-based paint hazards; (iii) inspect for wood destroying pests and organisms; (iv) review the registered sex offender database; (v) confirm the insurability of Buyer and the Property; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer investigations; or (ii) inspections by any governmental building or zoning inspector, or government employee, unless required by law.
- B. Buyer shall complete Buyer investigations and, as specified in Paragraph 18, remove this contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete copies of all Buyer investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer investigations. Seller shall have water, gas, electricity, and all operable pilot lights on for Buyer investigations and through the date possession is made available to Buyer.

- 15. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all repairs may not be possible. Seller shall: (i) obtain receipts for repairs performed by others; (ii) prepare a written statement indicating the repairs performed by Seller and the date of such repairs; and (iii) provide copies of receipts and statements to Buyer prior to final verification of condition.

- 16. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the Property at Buyer's direction prior to close of escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this Paragraph shall survive the termination of this Agreement.

17. TITLE AND VESTING:

- A. Within the time specified in Paragraph 18, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in Paragraph 18.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in Paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At close of escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this Paragraph, Buyer shall instruct escrow holder in writing and pay any increase in cost.

- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).

- A. SELLER HAS: 7 (or _____) Days after acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under Paragraphs 2(0), 5, 6A and B, 7A, 8, 11A, 12, 13B(3) and 17.
- B. (1) BUYER HAS: 17 (or _____) Days after acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in Paragraph 6 and insurability of Buyer and the Property); and (ii) return to Seller signed copies of statutory and lead disclosures delivered by Seller in accordance with Paragraphs 6A and 7B.
- (2) Within the time specified in 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) By the end of the time specified in 18B(1), (or 2J for loan contingency or 2K for appraisal contingency), Buyer shall in writing, remove, the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections or reports required as a condition of closing; (ii) common interest disclosures pursuant to Paragraph 11B; (iii) a subsequent or amended disclosure pursuant to Paragraph 9; or (iv) proposed changes pursuant to Paragraph 10B are not made within the time specified in 18A, then Buyer has 5 (or _____) Days after receipt of any such items, or the time specified in 18B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.

C. CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel: Buyer Contingencies: Seller, after first giving Buyer a notice to Buyer to perform (as specified below), may cancel

Buyer's initials (_____) (_____)

Seller's initials (_____) (_____)

Reviewed By _____ Date _____



this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow in time may be a breach of this Agreement.

- (2) Continuation of Contingency: Even after the expiration of the time specified in 18B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 18c(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 18c(1).
- (3) Seller right to Cancel: Buyer Contract Obligations: Seller, after first giving Buyer a notice to Buyer to perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2H; (iv) if Buyer fails to provide verification as required by 2I or 2M; (v) if Seller reasonably disapproves of the verification provided by 2I or 2M; (vi) if Buyer fails to return statutory disclosures as required by Paragraphs 6A and 7B, or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by Paragraph 22. Seller is not required to give Buyer a Notice to Perform regarding Close Of Escrow.
- (4) Notice To Buyer To Perform: The notice to Buyer to Perform (C.A.R. Form NBP) shall (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or _____) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A notice to Buyer to Perform may not be given any earlier than 2 Days prior to the expiration of the applicable time for Buyer to remove a contingency or cancel the Agreement or meet an 18c(3) obligation.

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility, and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

19. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to Paragraph 12A; (ii) repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.

20. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

21. AMERICANS WITH DISABILITIES ACT: The Americans with Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be covered by its provisions if used for certain purposes. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

22. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID).

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

23. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 23B(2) and (3) below apply to mediation whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed By _____ Date _____



B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 23B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a Probate, Small Claims, or Bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 23A and B. Provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

- 24. ASSIGNMENT: Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
25. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
26. COPIES: Seller and Buyer each represent that copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered copies of the original documents, if the originals are in the possession of the furnishing party.
27. NOTICES: Whenever notice is given under this Agreement, each notice shall be in writing, and shall be delivered personally, by facsimile, or by mail, postage prepaid. Notice shall be delivered to the address set forth below the recipient's signature of acceptance. Either party may change its notice address by providing notice to the other party.
28. AUTHORITY: Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any articles of incorporation, articles of organization, bylaws, operating agreement, partnership agreement or other document governing the activity of either Buyer or Seller.
29. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be paid current and prorated between Buyer and Seller as of close of escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to close of escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other special assessment district bonds and assessments that are now a lien. The following items shall be assumed by Buyer without credit toward the purchase price: prorated payments on Mello-Roos and other special assessment district bonds and assessments and HOA special assessments that are now a lien but not yet due. The property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after close of escrow, by Buyer; and (ii) for periods prior to close of escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
30. WITHHOLDING TAXES: Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding law, if required (C.A.R. Forms AS and AB).
31. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon close of escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials (_____) (_____)
Seller's Initials (_____) (_____)
Reviewed By _____ Date _____



- 32. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination laws.
- 33. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in Paragraph 23A.
- 34. SELECTION OF SERVICE PROVIDERS: If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select any Providers of their own choosing.
- 35. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing signed by Buyer and Seller.
- 36. OTHER TERMS AND CONDITIONS, including attached supplements:
 - A. Buyer's Inspection Advisory (C.A.R. Form BIA)
 - B. Statewide Buyer and Seller Advisory (C.A.R. Form SBA)
 - C. Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPQ) within the time specified in Paragraph 14A.
 - D. Seller Financing Addendum and Disclosure (C.A.R. Form SFA)
 - E. Seller Intent to Exchange Supplement (C.A.R. Form SES)
 - F. Buyer Intent to Exchange Supplement (C.A.R. Form BES)

1) AS A CONTINGENCY TO THIS PURCHASE CONTRACT, COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY BOARD OF SUPERVISORS TO GIVE FINAL APPROVAL OF PURCHASE WITHIN 14 DAYS OF ACCEPTANCE.

- 37. DEFINITIONS: As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means the terms and conditions of this accepted Residential Income Property Purchase Agreement and any accepted counter offer and addenda.
 - C. "C.A.R. Form" means the specific form referenced, or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days, unless otherwise required by law.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California law. Buyer and seller agree that electronic means will not be used by either one to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 18C(4)) to remove a contingency or perform as applicable.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications and retrofitting of the property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, copy or any counterpart.
 - N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials (_____) (_____)
 Seller's Initials (_____) (_____)
 Reviewed by _____ Date _____



38. BROKERAGE: neither Buyer nor seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this Paragraph.

39. AGENCY:

A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form PA). Buyer understands that broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the property. Seller understands that broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent PRUDENTIAL CALIFORNIA REALTY (Print Firm Name) is the agent of (check one) [X] the seller exclusively; or [] Both the Buyer and Seller.
Selling Agent RADIUS GROUP COMMERCIAL RE (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): [X] the Buyer exclusively; or [] the Seller exclusively; or [] Both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement Between Buyer and Seller.

C. DISCLOSURE: If the Property contains 1-4 residential dwelling units, Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."

40. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which escrow holder is to use along with any relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 5, 17, 18E, 29, 30, 35, 36E, 37, 40, 41, 44A, 45 and Paragraph P of the section titled Real Estate Brokers on Page 10. If a copy of the separate compensation agreement(s) provided for in Paragraph 41 or 44A, or Paragraph P of the section titled Real Estate Brokers on Page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.

B. A copy of this Agreement shall be delivered to Escrow Holder within 3 Business Days after Acceptance (or [] _____). Buyer and Seller authorize Escrow Holder to accept and rely on copies and signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder signs the Agreement.

C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to Paragraphs 41, 44A and Paragraph P of the section titled Real Estate Brokers on Page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in Paragraphs 41 and 44A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at close of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

D. A copy of any amendment that affects any Paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 Business Days after mutual execution of the amendment.

41. BROKER COMPENSATION FROM BUYER: If applicable, upon close of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

42. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the property on the above terms and conditions. All Paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the property for sale and to accept any other offer at any time prior to notification of acceptance. Buyer has read and acknowledges receipt of a copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

43. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, unless the offer is signed by Seller, and a copy of the signed offer is personally received by Buyer, or by _____ who is authorized to receive it by 5:00 PM on the third day after this offer is signed by Buyer (or, if checked [] by _____ (date), at [] A M [] P M).

DATE March 9, 2010
BUYER _____
By _____
Print name _____
Title _____
Address _____

DATE _____
BUYER _____
By _____
Print name _____
Title _____
Address _____

Buyer's Initials () ()
Seller's Initials () ()
Reviewed By _____ Date _____



44. BROKER COMPENSATION FROM SELLER:

- A. upon close of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
- B. If escrow does not close, compensation is payable as specified in that separate written agreement.

45. ACCEPTANCE OF OFFER: seller warrants that seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the property on the above terms and conditions, and agrees to the above Confirmation of agency relationships. Seller has read and acknowledges receipt of a copy of this Agreement, and authorizes Broker to deliver a signed copy to Buyer.

(if checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED _____

Date _____
 SELLER _____
 By _____
 Print Name _____
 Title _____
 Address _____

Date _____
 SELLER _____
 By _____
 Print Name _____
 Title _____
 Address _____

(_____ / _____) CONFIRMATION OF ACCEPTANCE: A copy of signed acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ A.M. P.M. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 B. Agency relationships are confirmed as stated in paragraph 39 above.
 C. If specified in paragraph 2A, Agent who submitted offer for Buyer acknowledges receipt of deposit.
 D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay cooperating Broker (Selling Firm) and cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form csc) between Listing Broker and cooperating Broker.

Real Estate Broker (Selling Firm) RADIUS GROUP COMMERCIAL RE PRE Lic. # _____
 By _____ PRE Lic. # _____ Date _____
 Address 205 E CARRILLO city SANTA BARBARA State CA ZIP 93101
 Telephone (805) 965-5500 Fax (805) 965-1160 E-mail _____

Real Estate Broker (Listing Firm) PRUDENTIAL CALIFORNIA REALTY PRE Lic. # _____
 By _____ PRE Lic. # _____ Date _____
 Address _____ city _____ State _____ ZIP _____
 Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a copy of this Agreement, (if checked, a deposit in the amount of \$ _____). Counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to Paragraph 40 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

(_____ / _____) REJECTION OF OFFER: no counter offer is being made. This offer was reviewed and rejected by Seller on (seller's initials) _____ (date) _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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Reviewed By _____ Date _____





BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 761 CAMINO PESCADERO, ISLA VISTA CA 93117

("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either seller or brokers. For this reason, you should conduct thorough investigations of the property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the property nor items affecting the property that are not physically located on the property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: you have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by seller. If seller is unwilling or unable to satisfy your requests, or you do not want to purchase the property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: seller is required to disclose to you material facts known to him/her that affect the value or desirability of the property. However, seller may not be aware of some property defects or conditions. Seller does not have an obligation to inspect the property for your benefit nor is seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates seller to make the property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the property is through an inspection by an appropriate professional selected by you. If broker gives you referrals to such professionals, broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, brokers have a duty to make a diligent visual inspection of the accessible areas of the property and to disclose the results of that inspection. However, as some property defects or conditions may not be discoverable from a visual inspection, it is possible brokers are not aware of them. If you have entered into a written agreement with a broker, the specific terms of that agreement will determine the nature and extent of that broker's duty to you. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. SQUARE FOOTAGE, AGE, BOUNDARIES: square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by seller and cannot be verified by brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the property.)
3. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
4. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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Buyer's Initials () ()

Seller's Initials () ()

Reviewed By _____ Date _____



BIA-A REVISED 10/02 (PAGE 1 OF 2)

BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Steven Golis Phone: 805.965.5500 Fax: 805.965.5300 Prepared using WINForms® software
Broker: Radius Group Commercial R.E. 205 E. Carrillo St, Ste 100 Santa Barbara, CA 93101

5. ROOF: present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. POOL/SPA: cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. WASTE DISPOSAL: type, size, adequacy, capacity and condition of sewer and septic systems and components. Connection to sewer, and applicable fees.
8. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS: water and utility availability, use restrictions and costs, water quality, adequacy, condition, and performance of well systems and components.
9. ENVIRONMENTAL HAZARDS: potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. EARTHQUAKES AND FLOODING: susceptibility of the property to earthquake/seismic hazards and propensity of the property to flood. (A geologist or geotechnical engineer is best suited to provide information on these conditions.)
11. FIRE, HAZARD AND OTHER INSURANCE: The availability and cost of necessary or desired insurance may vary. The location of the property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the property and the claims history of the property and buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS: permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. SECURITY AND SAFETY: state and local law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wire, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or homeowners' association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of buyer.

Buyer and Seller acknowledge and agree that Broker: (i) does not decide what price Buyer should pay or Seller should accept; (ii) does not guarantee the condition of the property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by seller or others; (iv) does not have an obligation to conduct an inspection of common areas or areas off the site of the property; (v) shall not be responsible for identifying defects on the property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the property or are known to Broker; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, multiple listing service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a copy of this Advisory. Buyer is encouraged to read it carefully.

Buyer Signature _____ Date 03/09/2010
 COUNTY OF SANTA BARBARA REDEVE

Buyer Signature _____ Date _____

Seller Signature _____ Date _____

Seller Signature _____ Date _____

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Reviewed By _____ Date _____



COUNTER OFFER No. 6

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date June 15, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other ("Offer"),
dated May 21, 2010 on property known as 761 CAMINO PESCADERO ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

- TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
 - Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - Purchase Price to be \$2,700,000
Counter Item #3 on Counter dated May 21, 2010 is not acceptable with reference to eminent domain
Within 7 days of acceptance buyer to supply language to be incorporated into this agreement and be contingent upon that the existing tenant shall not have the right to sublease any units past the expiration of the existing lease
All other terms to remain the same
 - The following attached supplements are incorporated into this Counter Offer: Addendum No. _____
 _____ _____
- RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
- EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by June 21, 2010 (date), at 5 AM PM. This Counter Offer may be executed in counterparts.

- (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at _____ AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

- OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Date 06/15/2010

Date 06/22/2010

- ACCEPTANCE: I/WE accept the above Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Date _____ Time _____ AM PM

Date _____ Time _____ AM PM

- MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)

Date _____ Time _____ AM PM

Date _____ Time _____ AM PM

- (_____/_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____



COUNTER OFFER (CO PAGE 1 OF 1)



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COUNTER OFFER No. 5

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 21, 2010 at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other _____ ("Offer"),
dated May 18, 2010 on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C.

1) Purchase price to be \$2,750,000

2) Buyer contingencies to be removed within 20 days, close of escrow 25 days

3) Buyer to approve attached letter dated 5-21-10 from Tom Stone (for purposes of seller's possible 1031 exchange)

- D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____
 _____ _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at _____ AM PM. This Counter Offer may be executed in counterparts.

4. (If checked;) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at _____ AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY,
Ellen Knill Date 5/21/10

6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
[Signature] Date 6/16/10 Time 9:00 AM PM
[Signature] Date 6/22/2010 Time 1:00 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
- _____
Date _____ Time _____ AM PM

Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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CO REVISED 10/04 (PAGE 1 OF 1)

COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Ken Switzer Phone: 805.680.4622 Fax: 805.564.7873 Prepared using zipForm® software
Broker: Prudential California Realty 1170 Coast Village Rd. Santa Barbara, CA 93108



COUNTER OFFER No. 4

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 11, 2010 at SANTA BARBARA, California.
This is a counter offer to the: California Residential Purchase Agreement, counter offer, or other _____ ("offer").
Dated May 7, 2010 on property known as 761 CAMINO PESCADERO ("Property").
Between COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY ("Buyer") and _____ ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. 1) PURCHASE PRICE TO BE \$2,625,000

D. The following attached supplements are incorporated into this Counter Offer: APPENDUM NO. _____

2. RIGHT TO ACCEPT OTHER OFFERS: seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in Paragraph 3. If this is a Seller counter offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this counter offer, shall revoke this counter offer.
3. EXPIRATION: This counter offer shall be deemed revoked and the deposits, if any, shall be returned unless this counter offer is signed by the Buyer or seller to whom it is sent and a copy of the signed counter offer is personally received by the person making this counter offer or STEVE GOLIS OR DANIEL MCGREGOR who is authorized to receive it, by 5:00 P M on the third day after this counter offer is made or, (if checked) by _____ (date), at _____ A M P M. This counter offer may be executed in Counterparts.

4. (If checked:) MULTIPLE-COUNTER OFFER: seller is making a counter offer(s) to another prospective Buyer(s) on terms that may or may not be the same as in this counter offer. Acceptance of this counter offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller in Paragraph 7 below and a copy of the counter offer signed in Paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 P M on the third day after this counter offer is made or, (if checked) by _____ (date), at _____ A M P M. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Date 05/11/2010
COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY Date _____

6. ACCEPTANCE: I/WE accept the above counter offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.
Date _____ Time _____ A M P M
Date _____ Time _____ A M P M

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A copy of signed acceptance was personally received by the maker of the counter offer, or that person's authorized agent as specified in Paragraph 3 (or, if this is a multiple counter offer, the Buyer or Buyer's authorized agent as specified in Paragraph 4) on (date) _____, at _____ A M P M. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed By _____ Date _____





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COUNTER OFFER No. 3

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Buyer

Date May 7, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other ("Offer"),
dated May 6, 2010, on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C.

Purchase price to be \$2,950,000

D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by May 11, 2010 (date), at 2:00 AM PM. This Counter Offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by (date), at AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Ellen Knill Date: 5/7/10

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked) SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Date: 6/22/2010 Time: 1:00 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date: _____ Time: _____ AM PM
Date: _____ Time: _____ AM PM

8. _____ (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____



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COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Ken Switzer Phone: 805.600.4522 Fax: 805.564.7873 Prepared using zlpForm® software
Broker: Prudential California Realty 1170 Coast Village Rd. Santa Barbara, CA 93108



CALIFORNIA
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COUNTER OFFER No. 2

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 6, 2010 at SANTA BARBARA, California.
This is a counter offer to the: California Residential Purchase Agreement, counter offer, or other ("offer").
dated May 3, 2010 on property known as 761 CAMINO PESCADERO ("Property"),
between COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, ("Buyer") and
("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. 1) PURCHASE PRICE TO BE \$2,550,000

2) COUNTER OFFER #1 DATED MAY 3, 2010 EXTENDED THROUGH MAY 6, 2010 AT 5:00 PM.

D. The following attached supplements are incorporated into this Counter Offer: Appendix #0.

2. RIGHT TO ACCEPT OTHER OFFERS: seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in Paragraph 3. If this is a seller counter offer, seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this counter offer, shall revoke this counter offer.
3. EXPIRATION: This counter offer shall be deemed revoked and the deposits, if any, shall be returned unless this counter offer is signed by the Buyer or Seller to whom it is sent and a copy of the signed counter offer is personally received by the person making this counter offer and STEVE GOLIS OR DANIEL MCGREGOR

who is authorized to receive it, by 5:00 PM on the third day after this counter offer is made or, (if checked) by (date), at A M PM. This counter offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: seller is making a counter offer(s) to another prospective Buyer(s) on terms that may or may not be the same as in this counter offer. Acceptance of this counter offer by Buyer shall not be binding unless and until it is subsequently re-signed by Seller in Paragraph 7 below and a copy of the counter offer signed in Paragraph 7 is personally received by Buyer or by STEVE GOLIS OR DANIEL MCGREGOR, who is authorized to receive it, by 5:00 PM on the third day after this counter offer is made or, (if checked) by (date), at A M P M. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Date 05/06/2010
COUNTY OF SB REDEVELOPMENT AGENCY

6. ACCEPTANCE: I/WE accept the above counter offer (if checked) SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.
Date 5/7/10 Time 4:30 A M P M
Date _____ Time _____ A M P M

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. _____ (Initials) Confirmation of Acceptance: A copy of signed acceptance was personally received by the maker of the counter offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a multiple counter offer, the buyer or buyer's authorized agent as specified in Paragraph 4) on (date) _____, at _____, A M P M. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed By _____
Broker or Designee _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

COUNTER OFFER No. 1

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date May 3, 2010, at Santa Barbara, California.
This is a counter offer to the: California Residential Purchase Agreement, Counter Offer, or Other _____ ("Offer"),
dated April 29, 2010, on property known as 761 Camino Pescadero ("Property"),
between County of Santa Barbara Redevelopment Agency ("Buyer") and
Ellen Knill ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

C. Purchase price to be \$3,000,000

Sale to be As-Is

Original offer extended through Monday, 5/3/2010 at 3:00PM

Buyer to cooperate with Seller's possible 1031 exchange

- D. The following attached supplements are incorporated into this Counter Offer: Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.

3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Ken Switzer

who is authorized to receive it, by 5:00 PM on the third Day After this Counter Offer is made or, (if checked) by May 4, 2010 (date), at 5:00 AM PM. This Counter Offer may be executed in counterparts.

4. (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00PM on the third Day after this Counter Offer is made or, (if checked) by _____ (date), at AM PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Ellen Knill Ellen Knill Date 5/3/10

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
[Signature] Date 5/6/10 Time 2:00 PM AM PM
[Signature] Date 5/6/10 Time 2:00 AM PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ AM PM
Date _____ Time _____ AM PM

8. (_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____, at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





Fidelity National Title Company

3700 State Street, Suite 100, Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9450

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Fidelity National Title Company
Date: June 18, 2010
Escrow No.: 10-420105167-SL
Locate No.: CAFNT0942-0942-0001-0420105167
Property Address: 761 Camino Pescadero, Goleta, CA 93117

The instructions in this escrow and that certain residential income property purchase agreement and joint escrow instructions dated 04-29-10 are hereby modified, amended and/or supplemented in the following particulars only:

1. FOR PURPOSES OF CLARIFICATION, PARTIES STATE THAT THE TIMEFRAME DATE FOR ALL REQUIREMENTS AND CONTINGENCIES FOR THE WITHIN ESCROW SHALL BEGIN ONE DAY AFTER THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY BOARD OF SUPERVISORS GIVES FINAL APPROVAL OF THE WITHIN PURCHASE TRANSACTION.

PER THE PURCHASE CONTRACT, THE COUNTY HAS UNTIL 07-17-10 IN WHICH TO GIVE SAID APPROVAL.

2. BUYER IS TO OBTAIN FIRE INSURANCE FOR SUBJECT PROPERTY OUTSIDE OF ESCROW AND ESCROW HOLDER IS NOT TO BE FURTHER CONCERNED WITH SAME.
3. PARTIES STATE THAT THE ARBITRATION OF DISPUTES CLAUSE (ITEM #23 OF THE PURCHASE CONTRACT) HAS NOT BEEN INITIALED BY SELLER AND WILL NOT BE A PART OF THIS TRANSACTION.

All other terms and conditions remain the same.

County of Santa Barbara Redevelopment Agency

By: _____

Date: _____

By: _____

Date: _____

Ellen Knill

Date: _____



Fidelity National Title Company

3700 State Street, Suite 100, Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9450

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Fidelity National Title Company
Date: July 2, 2010
Escrow No.: 10-420105167-SL
Locate No.: CAFNT0942-0942-0001-0420105167
Property Address: 761 Camino Pescadero, Goleta, CA 93117

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars only:

THE CLOSE OF ESCROW IS ADDITIONALLY CONTINGENT UPON THE FOLLOWING ITEMS:

1. OWNER AGREES TO WAIVE ANY AND ALL RIGHTS AND BENEFITS RELATED TO RELOCATION UNDER CALIFORNIA GOVERNMENT CODE SECTION 7260 ET SEQ. AND TO EXECUTE THE WAIVER IN A FORM APPROVED BY THE COUNTY COUNSEL WHICH SHALL BE DELIVERED TO THE COUNTY 5 DAYS PRIOR TO THE CLOSE OF ESCROW.

2. OWNER SHALL DELIVER TO COUNTY 5 DAYS PRIOR TO CLOSE OF ESCROW CERTIFICATION FROM THE CALIFORNIA SECRETARY OF STATE THAT TENANT SIGMA VISTA HOUSING CORPORATION IS AUTHORIZED TO DO BUSINESS IN CALIFORNIA.

3. OWNER SHALL DELIVER TO COUNTY AN ACKNOWLEDGEMENT OF LEASE TERMINATION AND WAIVER OF RELOCATION BENEFITS EXECUTED BY SIGMA VISTA HOUSING CORPORATION IN THE FORM APPROVED BY COUNTY COUNSEL 5 DAYS PRIOR TO CLOSE OF ESCROW.

4. OWNER SHALL DELIVER TO COUNTY AN AGREEMENT EXECUTED BY SIGMA VISTA HOUSING CORPORATION TO ALLOW THE COUNTY TO REVIEW AND APPROVE ALL NEW SUBLEASES AND TO INCLUDE THE FOLLOWING LANGUAGE IN ALL NEW SUBLEASES:

"LESSEE ACKNOWLEDGES THAT THIS PROPERTY IS OWNED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA BARBARA AND THAT LESSEE WILL NOT BE ENTITLED TO ANY RELOCATION BENEFITS UNDER THE GOVERNMENT CODE SECTION 7260 ET SEQ. UPON THE EXPIRATION OF THE LEASE."

BUYER TO ADVISE ESCROW HOLDER IN WRITING WHEN THE ABOVE STATED CONTINGENCIES HAVE BEEN SATISFIED.

All other terms and conditions remain the same.

County of Santa Barbara Redevelopment Agency

By: _____

Date: _____

By: _____

Date: _____

Ellen Knill

Date: _____

Subject: RDA Real Property Purchase Contract for 761 Camino Pescadero
Agenda Date: August 10, 2010
Page: 7 of 8

Attachment D-Resolution of Intent to Purchase

**BOARD OF DIRECTORS OF THE
SANTA BARBARA COUNTY REDEVELOPMENT AGENCY**

Resolution No. _____

In the Matter of Purchasing Fee)
Ownership of County Assessor)
Parcel No. 075-020-005)

**NOTICE AND RESOLUTION OF
INTENT TO PURCHASE REAL
PROPERTY**
(Two Thirds Vote Required)

WHEREAS, Ellen Knill, a married woman, as her sole and separate property, (hereinafter the "OWNER") is the fee owner of that certain property in the unincorporated area of the County of Santa Barbara, and more particularly described as Santa Barbara County Assessor's Parcel No. 075-020-005, including an approximately 8,601 square foot residential house, located on a 35,700 square foot parcel, located at 761 Camino Pescadero, in Isla Vista, (hereinafter the "Property"); and

WHEREAS, OWNER desires to sell the Property to the Santa Barbara County Redevelopment Agency (hereinafter "COUNTY"); and

WHEREAS, COUNTY has determined that acquisition of the Property and building located at 761 Camino Pescadero, in Isla Vista, will assist COUNTY in implementing its Isla Vista Master Plan, which has been approved by its Board of Directors.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Government Code Section 25350 the Board of Directors of the Santa Barbara County Redevelopment Agency, does hereby find, determine and order as follows:

1. The above recitals are true and correct.
2. The Santa Barbara County Redevelopment Agency Board of Directors does hereby declare its intention to accept the grant deed for fee simple interest in the Property, in the unincorporated area of the County of Santa Barbara, more particularly described as Santa Barbara County Assessor's Parcel No. 075-020-005.
3. It is in the public interest to proceed with the purchase of the Property.
4. That the entity selling the Property is Ellen Knill, a married woman, as her sole and separate property:
5. That the purchase price to be paid by the COUNTY for the Property is: \$2,700,000.00.
6. That notice of the intention of the Board of Directors to accept the grant deed to the Property be given by publishing a notice once a week, for three (3) weeks prior to the

Board's meeting to consummate said acceptance, in the Santa Barbara News Press, a newspaper of general circulation, which is printed and published in the County of Santa Barbara, State of California.

7. That the Santa Barbara County Redevelopment Agency Board of Directors will meet in the meeting room of said Board at 105 East Anapamu Street, Fourth Floor Hearing Room, in the City of Santa Barbara, County of Santa Barbara, State of California, on August 3, 2010, to consummate the purchase by accepting the grant deed to the Property.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara County Redevelopment Agency,

State of California, this _____ day of _____, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

ATTEST:
MICHAEL F. BROWN
EXECUTIVE DIRECTOR

CHAIR, BOARD OF DIRECTORS

By: _____
Deputy

APPROVED AS TO FORM:
DENNIS MARSHALL
AGENCY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
TREASURER

By: *Dennis Marshall*
Deputy

By: *Robert W. Geis*

Subject: RDA Real Property Purchase Contract for 761 Camino Pescadero
Agenda Date: August 10, 2010
Page: 8 of 8

Attachment E-Budget Revision Request

Budget Revision Request

Gov. Code Sec. 29125 & 29130

BJE 0001016
Budget Journal Entry #

JE 0026970
Related Journal Entry #

Subject / Title: Provide a *short description* for this budget revision request. For example: "Designate funds for zoning ordinance amendments" or "Distribute proceeds from sale of 2005 COPS".

IVRDA - Transfer funds from designations for the purpose of conveying the building and property located at 761 Camino Pescadero, in Isla Vista, to the RDA for a purchase price of \$2,700,000 to expand affordable housing opportunities.

Justification: For all changes: explain what the change is for and why it is needed. Attach additional justification, board Letters or spreadsheet, if appropriate. When moving Appropriation: explain why it's available. When Revenue is adjusted: explain the reason for the increase or decrease. For adjustments to General Fund Contingency: explain why no other alternative funding source is available.

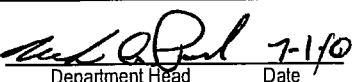
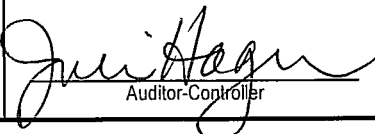
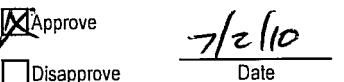
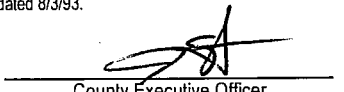
The property owner has executed the attached Real Property Purchase Contract and Escrow Instructions for the purpose of conveying the building and property located at 761 Camino Pescadero, in Isla Vista, to the RDA for a purchase price of \$2,700,000.00. The Contract provides that all real estate commissions will be paid by the seller, and, at the close of escrow, title to the subject property will be vested in the Santa Barbara County Redevelopment Agency.

Section 33334.2 of the California Community Redevelopment Act requires that twenty percent (20%) of all funds generated through a tax increment be set aside for affordable housing projects within the established redevelopment project area. The 1990 Redevelopment Plan for Isla Vista and the Isla Vista Master Plan both include policies to expand affordable housing opportunities in Isla Vista, and, specifically, to improve very low, low, and moderate income housing by rehabilitating existing housing or by constructing new housing units. This purchase is designed to further those policies.

Financial Summary

Increase or (Decrease) in Appropriation for / Uses:	Department / Fund 993 / 3102	Department / Fund /	Department / Fund /	Department / Fund /
Salaries & Benefits	00	00	00	00
Services & Supplies	00	00	00	00
Other Charges	00	00	00	00
Fixed Assets	2,700,000 00	00	00	00
Other Financing Uses	00	00	00	00
Intrafund Transfers	00	00	00	00
Reserve or Designation	00	00	00	00
Sources:				
Revenue	00	00	00	00
Other Financing Sources	00	00	00	00
Intrafund Transfers	00	00	00	00
Reserve or Designation	2,700,000 00	00	00	00
Effect on Contingency / RE	00	00	00	00

RECEIVED
 2010 JUNE 22 PM 1:09
 COUNTY ADMINISTRATOR
 COUNTY CONTROLLER

Departmental Authorization  Department Head Date 7-1/10	Auditor-Controller Budget Journal Entry and Related Journal Entry if applicable Approved as to Accounting Form.  Auditor-Controller	CEO's Recommendation <input checked="" type="checkbox"/> Approve  <input type="checkbox"/> Disapprove Date 7/2/10 Transfer/Revision in Accordance with Board Policy dated 8/3/93.  County Executive Officer	Board of Supervisor's Action <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved Date _____ Agenda Item _____ Clerk of the Board of Supervisors
---	---	--	--

Budget Journal Entry

Document Number: BJE - 0001016 Batch ID: 1222849
 Document Description: 761 Camino Pescadero Purchase Processed On:
 Post On: 7/13/2010 Processed By:

References

Audit Trail: JE 0026970

Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Budget Period	Description
3102	993	2420	9799	2,700,000.00		4075			201008	761 Camino Pescadero purchase
3102	993	2530	8100		2,700,000.00	4075			201008	761 Camino Pescadero purchase
Total				2,700,000.00	2,700,000.00					

Signatures

Signed By	Signed On	Department/Agency
John Jayasinghe	7/1/2010 11:25:54 AM	012 - County Executive Office
Mark Paul	7/1/2010 4:18:45 PM	054 - Public Works
Julie Hagen	7/2/2010 11:04:51 AM	061 - Auditor-Controller

Journal Entry

Document Number: JE - 0026970 Batch ID: 1224271
 Document Description: 761 Camino Pescadero purchase Processed On:
 Post On: 7/13/2010 Processed By:

References

Audit Trail: BJE0001016 Cash Type:

Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Act	Area	Equip	Depositor	Description
3102	993	2100	9799	2,700,000.00		4075							761 Camino Pescadero purchase
3102	993	2710	9799		2,700,000.00	4075							761 Camino Pescadero purchase
				Total	2,700,000.00								
					2,700,000.00								

Signatures

Signed By	Signed On	Department/Agency
John Jayasinghe	7/1/2010 11:47:36 AM	012 - County Executive Office
Mark Paul	7/1/2010 4:12:33 PM	054 - Public Works
Julie Hagen	7/2/2010 11:05:45 AM	061 - Auditor-Controller