



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: CEO  
Department No.: 990  
For Agenda Of: April 15, 2008  
Placement: Departmental  
Estimated Tme: 30 Minutes  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
Redevelopment Agency Board of Directors

**FROM:** Department Michael F Brown, County Executive Officer  
Director:  
Contact Info: Terri Maus-Nisich, Assistant County Executive Officer (x 3412)  
Ronn Carlentine, Real Property Manager (x 3078)  
Jamie Goldstein, Deputy Director Redevelopment Agency (x 8050)

**SUBJECT: Joint Hearing for Real Property Acquisition of 970 Embarcadero Del Mar, Isla Vista**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Find that the acquisition by the Redevelopment Agency (“Agency”) of property located at 970 Embarcadero Del Mar, in Isla Vista (“Property”), owned by Santa Barbara Neighborhood Clinics (SBNC) was evaluated in the Isla Vista Master Plan EIR, and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required;
- b) Adopt the Resolution making findings required by Health & Safety Code §33445 and §33679 to use Redevelopment Agency funds to purchase the Property (**Attachment 1**);
- c) Conduct a hearing as required by Health & Safety Code §33679 for purchase of the Property;
- d) Adopt the Resolution approving the summary of costs and findings of the California Health and Safety Code Section 33433 Report for the lease of a portion of the building on the Property, approximately 7,357 square feet, to SBNC and approving the lease of the Property back to the SBNC for a 10 year term (**Attachment 4**);
- e) Approve and execute the attached original and duplicate original First Amendment to the CDBG Grant Agreement to allow the Clinic to sell the Property to the Agency without triggering repayment of a \$40,000 CDBG grant that was used to improve the Property in 1989 (**Attachment 6**);

That the Board of Directors of the Redevelopment Agency:

- f) Find that the acquisition by the Agency of the Property was evaluated in the Isla Vista Master Plan EIR, and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required;
- g) Adopt the Resolution making findings required by Health & Safety Code §33445 and §33679 for the acquisition of the Property (**Attachment 7**);
- h) Adopt the Resolution of Intent to Purchase the Property from SBNC (**Attachment 8**);
- i) Execute the Real Property Sale Contract and Escrow Instructions between the Agency and SBNC to acquire the Property in the amount of \$2,600,000, and authorize the Agency Executive Director, or designee, to initial various provisions therein on behalf of the Agency (**Attachment 9**);
- j) Authorize the Executive Director to extend the escrow period up to 60 additional days at his sole discretion;
- k) Authorize the Executive Director to execute a 10 year Lease Agreement, with the Agency as Lessor, and SBNC as Lessee, upon the successful close of escrow (**Attachment 10**);
- l) Approve the Agency's General Fund deposit of \$250,000 into an escrow account to be repaid from future loan proceeds.

**Summary Text:**

This item is on the agenda to consider the acquisition by the Agency of property located at Property from Santa Barbara Neighborhood Clinics (SBNC), a willing seller, for the market rate price of \$2,600,000, with a 10 year lease agreement.

This action implements the recently adopted Isla Vista Master Plan policies directing the Agency to establish partnerships with property owners and businesses within the Embarcadero Loop to help them relocate to sites outside the loop in the long term.

**Background:**

The Property, including the approximately 9,914 square foot professional office/medical building, at 970 Embarcadero Del Mar (APN: 075-163-014), is located within the Embarcadero Loop in downtown Isla Vista. The site is surrounded on three sides by public park land. After the proposed 10 year lease period, the site may potentially be used for parking to facilitate redevelopment projects and/or the expansion of open space.

The attached Resolution of Intent to Purchase Real Property (**Attachment 8**) describes the Property to be purchased, the price to be paid, the property owner (seller), and designates May 20, 2008, at 9:00 am as the date and time the Agency will meet to consummate the purchase by approving and executing a Certificate of Acceptance. The notice of the intention to purchase the Property will be published pursuant to Section 6063 of the Government Code. The close of escrow is anticipated to be on or before June 16, 2008.

In the appraisal dated June 7, 2007, (**Attachment 11**) Hammock, Arnold, Smith and Company determined fair market value for the Property to be \$2,600,000 (**Attachment 11**). Using that value, Agency staff worked with Santa Barbara Neighborhood Clinics (SBNC) to negotiate the purchase of the site with a lease agreement for 7,357 square feet of the building. The purpose of the lease is to maintain the continuity of SBNC's service in Isla Vista while Agency staff and SBNC work together to locate a new site for the Clinic. In addition, the lease payments (\$151,086.00 per year, subject to the annual

adjustment of 3%) will help to off-set the fiscal impacts of the acquisition. The lease rate is also consistent with the fair market value of the leasehold estate as determined by the appraisal.

An Environmental Impact Report was prepared and certified pursuant to the requirements of the California Environmental Quality Act (CEQA) for the Isla Vista Master Plan, approved on August 21, 2007, which contemplated public acquisition of the Property. Pursuant to CEQA Sections 15180 and 15162, no additional environmental review is required unless subsequent changes are proposed in the project, physical circumstances have changed on the subject property, or new information of substantial importance has become available.

There are no substantial changes proposed in relation to the Subject Property that will require major revisions to the Master Plan EIR. The Master Plan contemplated that the Subject Property would remain in existence and that it would be “encouraged to form strategic partnerships that would allow [it] to relocate...in order to free up additional land for park expansion.” (Master Plan page 3-8) The actions before you are consistent with that direction. The Subject Property will be continued in its existing use for at least the 10 year period of its current lease term commencing upon the transfer of title to the Subject Property. If the lease is not extended upon the termination of the 10 year lease period, it may be used for park expansion or another use consistent with the IVMP. Except for what is set forth in the IVMP, there are no current plans regarding re-use of the Subject Property. If the Subject Property is eventually proposed for a use other than what is set forth in the IVMP, further environmental analysis may be required at that time.

No substantial changes have occurred with respect to the circumstances under which the project will be undertaken which require major revisions to the Master Plan EIR. The Master Plan EIR was certified in August 21, 2007. Since that time, there have been no major changes in Isla Vista that would require major revisions to the Master Plan EIR.

No new information has come to light which was not known and could not have been known which indicates that: 1) there are one or more new environmental impacts that was not identified in the Master Plan EIR, 2) that an identified environmental impact will be substantially more severe than shown in the Master Plan EIR, 3) that mitigation measures or alternatives found infeasible in the Master Plan EIR would in fact be feasible or 4) that mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant impacts of the project. In the eight months since the Master Plan EIR was certified, no new information has been developed or discovered that meets any of these criteria.

Since none of the criterion discussed above necessitating new environmental review exist, the Agency staff has determined the Master Plan EIR as approved by the Board of Supervisors on August 21, 2007, is adequate for this project and that no further environmental review is necessary.

The Agency, with the consent of the Board of Supervisors, is allowed to pay all or part of the cost of any publicly owned building provided that certain determinations are made pursuant to Health and Safety Code Section 33445. The Agency and Board of Supervisors must adopt resolutions and make certain findings in order to authorize the use of redevelopment funds for that purpose. The findings must demonstrate how the project will benefit the project area and declare that there are no other reasonable means of financing the project. By adopting these resolutions, the Agency and Board of Supervisors must also determine that the project will assist in eliminating blight within the Isla Vista Project Area and that the project conforms to the Redevelopment Plan and the Agency’s Implementation Plan. In addition, the hearing must be held in accordance with Health and Safety Code Section 33679. This hearing and the Summary Reports satisfy the requirements of Health and Safety Code Sections 33445 and 33679 (**Attachment 2 and 3**).

In addition, pursuant to Health and Safety Code Section 33433 the Agency has prepared a report for the lease of the Property back to SBNC (**Attachment 6**). The report describes the terms of the lease and explains how it will assist in the elimination of blight in the Isla Vista Project Area as required by that code section.

The Property is currently subject to a Community Development Block Grant (“CDBG”) agreement that was entered into by the County and the prior owner of the Clinic. Under that agreement, the County provided a \$40,000 grant of CDBG funds to assist in the construction of the clinic in exchange for the commitment that the clinic would remain on the site for 40 years or repay the grant with interest. The proposed amendment allows SBNC to transfer title of the Property to the County without triggering that repayment obligation. However, SBNC is required to remain at the clinic for the duration of the 10 year lease period, unless they receive approval by the Agency to relocate.

**Fiscal Analysis:**

The acquisition will be funded entirely by the Agency and will have no impact on the County General Fund. The Agency’s adopted FY 07/08 Budget describes a proposed debt issuance to fund this and other redevelopment initiatives. That debt issuance has been recommended for approval by the County’s Debt Advisory Committee, and, subsequently, by the Board of Supervisors on February 5, 2008. It is expected those debt proceeds will be available in May 2008, which will be used to finance this acquisition.

The terms of the Real Property Sale Contract include a provision making the close of escrow contingent on the availability of funds. With a 60 day escrow period, the Agency will have ample time to issue debt prior to the scheduled end of escrow. In the event funding is delayed, the Executive Director is authorized to extend escrow an additional 60 days.

**Special Instructions:**

Please acknowledge Board of Supervisors Chair signature on acknowledgement form attached to the First Amendment to Agreement for CDBG Funds (**Attachment 6**).

After Board action, please distribute as follows:

<b>ITEM</b>	<b>RECIPIENT</b>
Original and Duplicate Original Documents and Minute Order	Real Estate Services, Attn: Don Grady
Copies of all Documents	Clerk of the Board Files

**Attachments:**

- Attachment 1. County Resolution making findings required by Health & Safety Code §33445 and §33679
- Attachment 2. Report Pursuant to Health & Safety Code §33445
- Attachment 3. Report Pursuant to Health & Safety Code §33679
- Attachment 4. County Resolution making findings required by Health and Safety Code Section §33433
- Attachment 5. Report Pursuant to Health & Safety Code §33433
- Attachment 6. First Amendment To Agreement For CDBG Funds
- Attachment 7. Agency Resolution for Health & Safety Code §33445 and §33679
- Attachment 8. Resolution of Intent to Purchase property at 970 Embarcadero Del Mar
- Attachment 9. Real Property Sale Contract and Escrow Instructions
- Attachment 10. Lease Agreement

Attachment 11. June 7, 2007 Summary Letter for Appraisal of 970 Embarcadero Del Mar

**Authored by:**

Carlentine/Goldstein

**cc:**

Mary McMaster, County Counsel

Kevin Ready, County Counsel

Mark Paul, Auditor Controller

**Attachment 1**  
**County Resolution making findings required by Health & Safety Code**  
**§33445 and §33679**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF MAKING FINDINGS )  
REQUIRED BY HEALTH AND SAFETY )  
CODE §33445 AND §33679 )  
FOR THE REDEVELOPMENT )  
AGENCY PURCHASE OF 970 )  
EMBARCADERO DEL MAR IN ISLA VISTA )  
\_\_\_\_\_ )

RESOLUTION NO. \_\_\_\_\_

WHEREAS, pursuant to California Community Redevelopment Law, Health and Safety Code §33445, the Redevelopment Agency of Santa Barbara County (“Agency”) is authorized to pay part or all of the acquisition of land that will benefit the Isla Vista Project Area (“Project Area”) upon making the findings pursuant to Health and Safety Code §33445; and

WHEREAS, the Agency is also required to comply with Health and Safety Code §33679; and

WHEREAS, as set forth in the Summary Report Pursuant to Health and Safety Code §33445, on the County Redevelopment Purchase of 970 Embarcadero Del Mar from Santa Barbara Neighborhood Clinics (“33445 Report”) the Agency purchase of 970 Embarcadero Del Mar (“Property”) in the Project Area primarily benefits the Project Area by ensuring the continuation of medical care to Isla Vista residents; and

WHEREAS, as set forth in the 33445 Report, there is no reasonable alternative funding available to acquire the Property; and

WHEREAS, the County of Santa Barbara intends to loan the Agency funds necessary for the acquisition of the Property using proceeds from the issuance of Certificates of Participation (“County Loan”); and

WHEREAS, the Agency intends to use tax increment revenue to repay the County Loan over 20 years; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight by ensuring continued access to health care for Isla Vista residents and allowing for the eventual redevelopment of the Property by the Agency; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of the Property is consistent with the Isla Vista Project Area Five Year Implementation Plan (2007/2011); and

WHEREAS, a hearing was properly noticed and held according to Health and Safety Code §33679; and

WHEREAS, as required by Health and Safety Code §33679, the estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments is set forth in the Summary Report Pursuant to Health and Safety Code §33679 on the

County of Santa Barbara Redevelopment Agency Purchase of 970 Embarcadero Del Mar (“Property”) from Santa Barbara Neighborhood Clinics (“33679 Report”); and

WHEREAS, as required by Health and Safety Code §33679, the redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The Board of Supervisors hereby finds and determines:
  - a. The acquisition of the Property by the Agency will be of benefit to the Project Area.
  - b. There are no other reasonable means of financing the Agency’s acquisition of the Property.
  - c. The payment of funds for the Agency purchase of the Property will assist in the elimination of one or more blighting conditions inside the Project Area.
  - d. The Acquisition of the Property by the Agency is consistent with the Redevelopment Plan and the Agency’s Implementation Plan, updated in April 2006 for the 2007/2011 cycle.
  - e. This hearing was noticed and held according to Health and Safety Code 33679.



APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, the 15<sup>th</sup> day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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SALUD CARBAJAL  
Chair, Board of Supervisors

ATTEST  
MICHAEL F. BROWN  
CLERK OF THE BOARD

By: \_\_\_\_\_

APPROVED AS TO FORM:

DANIEL J. WALLACE  
County Counsel

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

ROBERT GEIS  
Auditor-Controller

By: \_\_\_\_\_

**Attachment 2**  
**Report Pursuant to Health & Safety Code §33445**

**SUMMARY REPORT PURSUANT TO SECTION 33445  
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
ON THE COUNTY OF REDEVELOPMENT AGENCY PURCHASE OF  
970 EMBARCADERO DEL MAR FROM  
SANTA BARBARA NEIGHBORHOOD CLINICS**

The California Health and Safety Code, Section 33445, requires that if a redevelopment agency wishes to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area, the legislative body of the community must determine all of the following:

1. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the Agency (**see Section 1**).
2. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community (**see Section 2**).
3. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low or moderate income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490 (**see Sections 3**).

Section 33445 applies to the County of Santa Barbara Redevelopment Agency (“Agency”) purchase of 970 Embarcadero Del Mar (“Property”) from the Santa Barbara Neighborhood Clinics (“SBNC”), and the following report includes all information required by California Health and Safety Code.

**1. Benefit to the Vista Project Area.**

This transaction came about because of SBNC’s desire to sell the Property. If the Agency did not purchase it, financial considerations might have led SBNC to close down the clinic or to relocate it out of Isla Vista. Such a move would have had a detrimental impact on residents of Isla Vista who depend upon the clinic for their basic medical needs. The Agency purchase of the Property primarily benefits the Project Area by ensuring the continuation of affordable public health services to the Isla Vista community. In addition, if SBNC finds an alternative location in Isla Vista as is contemplated in its proposed lease with the Agency, then the Agency will be able to redevelop the Property site consistent with the Isla Vista Master Plan.

**2. Financing.**

There is no available funding to acquire the Property. The County is facing a significant County General Fund deficit. There are not dedicated sources of funds that could be used for this acquisition and County staff has not been able to identify any grant funds that would be available for this purchase.

**3. Elimination of Blight and Consistency with the Implementation Plan.**

Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight in the present through maintaining the current use, and in the future through development of the site compatible with the surrounding uses. The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista. After the 10 year lease period, the site will be developed in a manner consistent with the Isla Vista Master Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan. This action is consistent with that identification.

**Attachment 3**  
**Report Pursuant to Health & Safety Code §33679**

**SUMMARY REPORT PURSUANT TO SECTION 33679  
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
ON THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY PURCHASE OF 970  
EMBARCADERO DEL MAR FROM  
SANTA BARBARA NEIGHBORHOOD CLINICS**

California Health and Safety Code, Section 33679, requires that before a redevelopment agency commits to use the portion of taxes to be allocated and paid to an agency pursuant to subdivision (b) of Section 33670 for the purpose of paying all or part of the value of the land for, and the cost of the installation and construction of, any publicly owned building, other than parking facilities, the legislative body shall hold a public hearing.

Notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the community for at least two successive weeks prior to the public hearing. There shall be available for public inspection and copying, at a cost not to exceed the cost of duplication, a summary which includes all of the following:

- (a) Estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments.
- (b) Sets forth the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445.
- (c) Sets forth the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned building.

The summary shall be made available to the public for inspection and copying no later than the time of the first publication of the notice of the public hearing.

Section 33679 applies to the County of Santa Barbara Redevelopment Agency ("Agency") purchase of 970 Embarcadero Del Mar from the Santa Barbara Neighborhood Clinics ("SBNC"), and the following report includes all information required by California Health and Safety Code.

**1. Noticing.**

The public hearing was noticed according to Section 33679.

**2. Tax Increment Estimates.**

**Estimates of the Amount of Redevelopment Agency Tax Increment Proposed for the Acquisition of 970 Embarcadero Del Mar**

	<b>Payment</b>	<b>Interest</b>	<b>Principle</b>
Year 1	\$ (217,566.26)	\$ (143,000.00)	\$ (74,566.26)
Year 2	\$ (217,566.26)	\$ (138,898.86)	\$ (78,667.40)
Year 3	\$ (217,566.26)	\$ (134,572.15)	\$ (82,994.11)
Year 4	\$ (217,566.26)	\$ (130,007.47)	\$ (87,558.79)
Year 5	\$ (217,566.26)	\$ (125,191.74)	\$ (92,374.52)
Year 6	\$ (217,566.26)	\$ (120,111.14)	\$ (97,455.12)
Year 7	\$ (217,566.26)	\$ (114,751.11)	\$ (102,815.15)
Year 8	\$ (217,566.26)	\$ (109,096.28)	\$ (108,469.98)
Year 9	\$ (217,566.26)	\$ (103,130.43)	\$ (114,435.83)
Year 10	\$ (217,566.26)	\$ (96,836.46)	\$ (120,729.80)
Year 11	\$ (217,566.26)	\$ (90,196.32)	\$ (127,369.94)
Year 12	\$ (217,566.26)	\$ (83,190.97)	\$ (134,375.29)
Year 13	\$ (217,566.26)	\$ (75,800.33)	\$ (141,765.93)
Year 14	\$ (217,566.26)	\$ (68,003.20)	\$ (149,563.05)
Year 15	\$ (217,566.26)	\$ (59,777.24)	\$ (157,789.02)
Year 16	\$ (217,566.26)	\$ (51,098.84)	\$ (166,467.42)
Year 17	\$ (217,566.26)	\$ (41,943.13)	\$ (175,623.13)
Year 18	\$ (217,566.26)	\$ (32,283.86)	\$ (185,282.40)
Year 19	\$ (217,566.26)	\$ (22,093.33)	\$ (195,472.93)
Year 20	\$ (217,566.26)	\$ (11,342.32)	\$ (206,223.94)
<b>Total</b>	<b>\$ (4,351,325.16)</b>	<b>\$ (1,751,325.16)</b>	<b>\$ (2,600,000.00)</b>

**3. Section 33445 Requirements.**

The facts supporting the determinations required by Health and Safety Code Section 33445 are set forth in the report attached hereto as Exhibit A.

**4. Redevelopment Purpose.**

The redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the site consistent with the Isla Vista Master Plan.

**5. Public Availability of Summary**

A summary of the information required by Health and Safety Code 33679 was available for public inspection and copying at [www.ivrda.org](http://www.ivrda.org) at least two weeks prior to the public hearing.

**EXHIBITS A: SUMMARY REPORT PURSUANT TO SECTION 33445**

## EXHIBIT A

### SUMMARY REPORT PURSUANT TO SECTION 33445 OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON THE COUNTY OF REDEVELOPMENT AGENCY PURCHASE OF 970 EMBARCADERO DEL MAR FROM SANTA BARBARA NEIGHBORHOOD CLINICS

The California Health and Safety Code, Section 33445, requires that if a redevelopment agency wishes to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area, the legislative body of the community must determine all of the following:

4. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the Agency (**see Section 1**).
5. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community (**see Section 2**).
6. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low or moderate income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490 (**see Sections 3**).

Section 33445 applies to the County of Santa Barbara Redevelopment Agency (“Agency”) purchase of 970 Embarcadero Del Mar (“Property”) from the Santa Barbara Neighborhood Clinics (“SBNC”), and the following report includes all information required by California Health and Safety Code.

#### **1. Benefit to the Vista Project Area.**

This transaction came about because of SBNC’s desire to sell the Property. If the Agency did not purchase it, financial considerations might have led SBNC to close down the clinic or to relocate it out of Isla Vista. Such a move would have had a detrimental impact on residents of Isla Vista who depend upon the clinic for their basic medical needs. The Agency purchase of the Property primarily benefits the Project Area by ensuring the continuation of affordable public health services to the Isla Vista community. In addition, if SBNC finds an alternative location in Isla Vista as is contemplated in its proposed lease with the Agency, then the Agency will be able to redevelop the Property site consistent with the Isla Vista Master Plan.

#### **2. Financing.**

There is no available funding to acquire the Property. The County is facing a significant County General Fund deficit. There are not dedicated sources of funds that could be used for this acquisition and County staff has not been able to identify any grant funds that would be available for this purchase.



### **3. Elimination of Blight and Consistency with the Implementation Plan.**

Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight in the present through maintaining the current use, and in the future through development of the site compatible with the surrounding uses. The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista. After the 10 year lease period, the site will be developed in a manner consistent with the Isla Vista Master Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan. This action is consistent with that identification.

**Attachment 4**

**County Resolution making findings required by Health and Safety Code Section §33433**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF MAKING CERTAIN )  
FINDINGS AND APPROVING THE )  
LEASE AGREEMENT FOR 970 )  
EMBARCADERO DEL MAR BY AND )  
BETWEEN SANTA BARBARA COUNTY )  
REDEVELOPMENT AGENCY AND )  
SANTA BARBARA NEIGHBORHOOD )  
CLINICS REQUIRED BY HEALTH AND )  
SAFETY CODE §33433 )  
\_\_\_\_\_ )

RESOLUTION NO. \_\_\_\_\_

WHEREAS, the Santa Barbara County Redevelopment Agency (“Agency”) is in the process of acquiring a fee interest in the real property located at 970 Embarcadero Del Mar (the “Property”) in the Isla Vista Redevelopment Project Area from Santa Barbara Neighborhood Clinics (“SBNC”); and

WHEREAS, the Agency and SBNC desire to enter into a lease whereby SBNC will lease the Property back from the Agency; and

WHEREAS, the terms of a lease agreement has been reached by the Agency and SBNC (“Lease Agreement”); and

WHEREAS, pursuant to California Health and Safety Code §33433, prior to entering into the Lease Agreement, the Agency has prepared and made available for public inspection a summary report in accordance with Health and Safety Code Section §33433 (“33433 Report”); and

WHEREAS the Agency and Board of Supervisors have held a duly noticed joint public hearing on April 15, 2008 to confirm the terms of the proposed lease of the Property and to consider approval of the Lease Agreement pursuant to Health and Safety Code Section 33433; and

WHEREAS, by the Board Letter accompanying this Resolution, and attachments thereto including the 33433 Report, the Board of Supervisors have been provided with the information upon which the findings and approvals set forth in this Resolution are based; and

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The recitals set forth above are true and correct.
  
2. The Board of Supervisors hereby accepts the Board Letter including the attachments thereto and the 33433 Report as the basis for the findings and approvals set forth in this Resolution.

3. The purchase and lease back of the Property by the Agency will assist in the elimination of blight by providing for the continuation of medication services to the Isla Vista community while providing for the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.
4. As set forth in the 33433 Report, the lease of the Property to SBNC is for a fair market rental rate.
5. The Lease Agreement is consistent with the provisions and goals of the Agency's Five Year Implementation Plan.
5. The Board of Supervisors hereby approves the Lease Agreement.

APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara,  
State of California, the 15<sup>th</sup> day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SALUD CARBAJAL  
Chair, Board of Supervisors

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ATTEST  
MICHAEL F. BROWN  
CLERK OF THE BOARD

By: \_\_\_\_\_

APPROVED AS TO FORM:

DANIEL J. WALLACE  
County Counsel

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

ROBERT GEIS  
Auditor-Controller

**Attachment 5**  
**Report Pursuant to Health & Safety Code §33433**

**SUMMARY REPORT PURSUANT TO SECTION 33433  
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
ON A LEASE AGREEMENT BY AND BETWEEN  
THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY  
AND SANTA BARBARA NEIGHBORHOOD CLINICS (SBNC).**

The California Health and Safety Code, Section 33433, requires that if a redevelopment agency wishes to sell or lease property to which it holds title and if that property was acquired in whole or in part with property tax increment funds, the agency must first secure approval of the proposed sale or lease agreement from its local legislative body after a public hearing. A copy of the proposed sale or lease agreement and a summary report that describes and contains specific financing elements of the proposed transaction shall be available for public inspection prior to the public hearing. The following report includes all information required by California Health and Safety Code.

**1. Summary of Proposed Agreement.** A description of the premises to be leased and the major responsibilities of the Agency and Tenant.

The Agreement includes a lease of the property at 970 Embarcadero Del Mar (APN: 075-163-017), located within the Embarcadero Loop in downtown Isla Vista. The building to be leased is approximately 9,414 gross square feet and was originally developed for use as a medical clinic and office space and is currently occupied by the Santa Barbara Neighborhood Clinics (SBNC). SBNC will be the Tenant on the site, and will be responsible for providing affordable health care services to the Isla Vista community. In addition, SBNC will be responsible for any taxes, assessments, insurance, possessory interest taxes, repairs, replacement, and maintenance related to the interior of the Premises, plus public area maintenance.

**2. Cost of the Agreement to the Agency.** The cost of the agreement to the redevelopment agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreement.

There is no cost to the Agency for the market rate lease of this property under this agreement. The tenant will be responsible for all costs associated with maintenance and operation of the leased space.

**3. Estimated Value of the Interest to be Conveyed.** Summarizes the estimated value of the interest to be conveyed to the Tenant.

The consideration being paid to the Agency is not less than the fair market lease value for the Premises. This fair market lease value was determined independently in the appraisal of 970 Embarcadero Del Mar dated June 7, 2007. There is no subsidy or other value being conveyed to the Tenant.

**4. Consideration Received and Reasons Therefore.** The estimated value of the lease payments to be paid by the Tenant to the Agency and a comparison of the lease payments and the fair market value at the highest and best use consistent the redevelopment plan for the interests conveyed.

Per the terms of the Agreement, the agency will lease the Premises to SBNC in return for monthly fair market value lease payments over the life of the lease term.

*Revenue to Agency*

The term of the lease is ten years. During the terms of the lease the Agency will receive annual rent of \$104,088. The rent for the Lease shall be adjusted annually pursuant to the corresponding increase in the Consumer Price Index (CPI).

Over the ten-year term, the net present value of the lease is projected to be \$803,740. This is the amount of revenue that the Agency can expect to receive over the life of the lease term (ten years). The agreement includes terms in which the lease can be terminated early based on the consent of both SBNC and the Agency.

The Premises are located centrally in downtown Isla Vista. In the near term, the location allows a valued community service to remain visible and accessible to Isla Vista residents. Continuing to provide public health services is the highest and best use consistent with the goals of the Agency and the County Land Use Development Code.

**5. Elimination of Blight.** An explanation of why the sale of the site will assist in the elimination of blight, as required by Section 33433.

The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista.

**6. Conformance with the Five-Year Implementation Plan.** An explanation of how the Agreement is in conformance with the Agency's Five-Year Implementation Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan.



**Attachment 6**  
**First Amendment to Agreement for CDBG Funds**

NO FEE DOCUMENT

**Recording requested by and  
when recorded, mail to:**

Santa Barbara County Redevelopment Agency  
1105 Santa Barbara Street 4<sup>th</sup> Floor  
Santa Barbara County Courthouse, East Wing  
Santa Barbara 93101

NO FEE DOCUMENT PURSUANT TO  
GOVERNMENT CODE SECTION 6103

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FIRST AMENDMENT TO AGREEMENT  
FOR CDBG FUNDS

This First Amendment to Agreement (“Amendment”) is made by and between the County of Santa Barbara, a political subdivision of the State of California (“COUNTY”), and Santa Barbara Neighborhood Clinics, a California non-profit corporation (“SBNC”), successor in interest to Isla Vista Health Projects Inc., a California non-profit corporation (“IVHP”), and amends that certain agreement (“Agreement”) dated November 7, 1989, Instrument No. 89-76429, by and between IVHP, and COUNTY. This Amendment is made and entered into by IVHP and County as of April \_\_, 2008.

WHEREAS, under the Agreement the COUNTY provided to SBNC Forty Thousand Dollars (\$40,000) of Community Development Block Grant (“CDBG”) funds under the Housing and Community Development Act of 1974; and

WHEREAS, the purpose of the grant was to assist in the construction of a medical clinic benefiting primarily low and very low income county residents to be located at 970 Embarcadero del Mar as more specifically described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Agreement required that the Property be used for the provision of community health care for forty years from the date of occupancy of the medical clinic; and

WHEREAS, IVHP now wishes to enter into a sale and lease arrangement with the Redevelopment Agency of the County of Santa Barbara (“Agency”) whereby SBNC would sell the Property to the Agency and lease a portion of it back from the Agency for at least 10 years; and

WHEREAS, the COUNTY would receive substantial benefit from a sale of the property to the Agency because it would provide funds to IVHR to continue to operate the medical clinic on the Property and would facilitate the eventual relocation of the medical clinic to a different location in Isla Vista and the redevelopment of the Property to a use more compatible with the long-term vision of its location as set forth in the Isla Vista Master Plan adopted by the County Board of Supervisors on August 23, 2007; and

WHEREAS, Section 4.4 of the Agreement requires COUNTY consent to transfer of the Property from IVHP and COUNTY is willing to grant such consent to transfer of the Property to the Agency; and

WHEREAS, the parties desire that this Amendment shall only become operative if title to the Property is transferred from IVHP to the Agency.

Now, therefore, for good and valuable consideration, the parties agree as follows:

1. The above recitals are true and correct.
2. The COUNTY hereby consents to the transfer of the Property to the Agency.
3. The text of Section 4.3 of the Agreement is hereby deleted in its entirety and the following text shall be inserted in its place:

“4.3 Term of Benefit Requirements. This Agreement shall expire on the date title to the Property is transferred from IVHP to the Redevelopment Agency. Notwithstanding the above, for a period of ten years after expiration of this Agreement, IVHP must continue to operate a medical clinic on the Project site or an alternative site which has been approved in writing by COUNTY, and failure to do so will subject IVHP to the Grant Repayment Requirement in Section 5.1 of this Agreement.”

4. The text of Section 5.1 of the Agreement is hereby deleted and the following shall be inserted in its place:

“5.1 Repayment Conditions. In the event that IVHP fails to continue to operate a medical clinic for a ten year period commencing upon transfer of the Project site to the Agency, then the entire Grant amount provided to IVHP pursuant to Section 1 above shall become due and payable and shall be repaid to the COUNTY by IVHP or its successors with interest at a rate equal to the Federal Home Loan Bank Board Eleventh District effective monthly weight cost of funds as of the date of demand for repayment, plus three (3) percentage points, compounded monthly from the date of the warrant by which the Grant was paid to IVHP.”

5. This Amendment shall only become operative upon transfer of title to the Property from IVHP to the Agency prior to December 31, 2008. If the Property is not transferred to the Agency during that time period, this Amendment shall become null and void and the Agreement shall continue to exist and bind the parties without modification.

6. Except as amended by this Amendment, the Agreement shall continue unmodified and in full force and effect.

In witness whereof, the parties have executed this Amendment as of the date first written above.

Santa Barbara Neighborhood Clinics, INC  
a California non-profit corporation

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

COUNTY OF SANTA BARBARA.  
a political subdivision of the State of California

By: \_\_\_\_\_  
Salud Carbajal  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

DANIEL J. WALLACE  
COUNTY COUNSEL

By: \_\_\_\_\_  
Mary L McMaster  
Senior Deputy County Counsel

**APPROVED AS TO FORM:**

BOB GEIS  
AUDITOR CONTROLLER

By: \_\_\_\_\_  
Mark Paul  
Senior Financial Analyst

Expenditure Accounting Information  
Fund: \_\_\_\_\_ Dept: \_\_\_\_\_  
Line Item: \_\_\_\_\_ Program: \_\_\_\_\_

**Attachment 7**  
**Agency Resolution for Health & Safety Code §33445 and §33679**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY,  
STATE OF CALIFORNIA**

IN THE MATTER OF MAKING FINDINGS )  
REQUIRED BY HEALTH AND SAFETY )  
CODE §33445 AND §33679 )  
FOR THE REDEVELOPMENT ) RESOLUTION NO. \_\_\_\_\_  
AGENCY PURCHASE OF 970 )  
EMBARCADERO DEL MAR IN ISLA VISTA )  
\_\_\_\_\_ )

WHEREAS, pursuant to California Community Redevelopment Law, Health and Safety Code §33445, the Redevelopment Agency of Santa Barbara County (“Agency”) is authorized to pay part or all of the acquisition of land that will benefit the Isla Vista Project Area (“Project Area”) upon making the findings pursuant to Health and Safety Code §33445; and

WHEREAS, the Agency is also required to comply with Health and Safety Code §33679; and

WHEREAS, as set forth in the Summary Report Pursuant to Health and Safety Code §33445, on the County Redevelopment Purchase of 970 Embarcadero Del Mar from Santa Barbara Neighborhood Clinics (“33445 Report”) the Agency purchase of 970 Embarcadero Del Mar (“Property”) in the Project Area primarily benefits the Project Area by ensuring the continuation of medical care to Isla Vista residents; and

WHEREAS, as set forth in the 33445 Report, there is no reasonable alternative funding available to acquire the Property; and

WHEREAS, the County of Santa Barbara intends to loan the Agency funds necessary for the acquisition of the Property using proceeds from the issuance of Certificates of Participation (“County Loan”); and

WHEREAS, the Agency intends to use tax increment revenue to repay the County Loan over 20 years; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight by ensuring continued access to health care for Isla Vista residents and allowing for the eventual redevelopment of the Property by the Agency; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of the Property is consistent with the Isla Vista Project Area Five Year Implementation Plan (2007/2011); and

WHEREAS, a hearing was properly noticed and held according to Health and Safety Code §33679; and

WHEREAS, as required by Health and Safety Code §33679, the estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including

interest payments is set forth in the Summary Report Pursuant to Health and Safety Code §33679 on the County of Santa Barbara Redevelopment Agency Purchase of 970 Embarcadero Del Mar (“Property”) from Santa Barbara Neighborhood Clinics (“33679 Report”); and

WHEREAS, as required by Health and Safety Code §33679, the redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The Redevelopment Agency Board of Directors hereby finds and determines:
  - a. The acquisition of the Property by the Agency will be of benefit to the Project Area.
  - b. There are no other reasonable means of financing the Agency’s acquisition of the Property.
  - c. The payment of funds for the Agency purchase of the Property will assist in the elimination of one or more blighting conditions inside the Project Area.
  - d. The Acquisition of the Property by the Agency is consistent with the Redevelopment Plan and the Agency’s Implementation Plan, updated in April 2006 for the 2007/2011 cycle.
  - e. This hearing was noticed and held according to Health and Safety Code 33679.

APPROVED AND ADOPTED by the Redevelopment Agency Board of Directors of the County of Santa Barbara, State of California, the 15<sup>th</sup> day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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SALUD CARBAJAL  
Chair, Board of Directors

ATTEST  
MICHAEL F. BROWN  
Executive director

By: \_\_\_\_\_

APPROVED AS TO FORM:

DANIEL J. WALLACE  
Agency Counsel

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

ROBERT GEIS  
Agency Treasurer

By: \_\_\_\_\_



**Attachment 8**  
**Resolution of Intent to Purchase property at 970 Embarcadero Del Mar**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, STATE OF  
CALIFORNIA**

IN THE MATTER OF PURCHASING FEE )  
OWNERSHIP OF COUNTY ASSESSOR ) RESOLUTION NO. \_\_\_\_\_  
PARCEL NO. 075-163-014: )  
NOTICE AND RESOLUTION OF INTENT )  
TO PURCHASE REAL PROPERTY )  
\_\_\_\_\_ )

WHEREAS, Santa Barbara Neighborhood Clinics, a California non-profit corporation, (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. 075-163-014, including an approximately 9,914 square foot professional office building (hereinafter the "Property"); and

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

WHEREAS, COUNTY has identified a need to acquire certain properties in the downtown Isla Vista area for the purpose of revitalizing the downtown area; and

WHEREAS, the COUNTY has determined that acquisition of the Property and building located at 970 Embarcadero Del Mar, in Isla Vista will assist COUNTY in implementing its Isla Vista Master Plan, recently 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. 075-163-014.
3. It is in the public interest to proceed with the purchase of the Property.
4. That the entity selling the Property is:  
Santa Barbara Neighborhood Clinics, a California non-profit corporation.
5. That the purchase price to be paid by the COUNTY for the Property is: \$2,600,000.00.
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 May 20, 2008, to consummate the purchase by accepting the grant deed to the Property.

APPROVED AND ADOPTED by the Redevelopment Agency Board of Directors of the County of Santa Barbara, State of California, the 15th day of April, 2008, 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:  
DANIEL J. WALLACE  
AGENCY COUNSEL

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

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_

**Attachment 9**  
**Real Property Sale Contract and Escrow Instructions**

Project: SBNC Purchase  
A.P.N.: 075-163-014  
Folio: 003537  
Agent: DG

## REAL PROPERTY SALE CONTRACT AND ESCROW INSTRUCTIONS

**THIS REAL PROPERTY SALE CONTRACT AND ESCROW INSTRUCTIONS** (the "Contract") is made and entered into by and between Santa Barbara Neighborhood Clinics, a California non-profit corporation ("Seller"), and the Santa Barbara County Redevelopment Agency, a public body corporate and politic ("Buyer"), with reference to the following:

**WHEREAS**, Seller is the fee simple owner of a parcel of improved land, in the Isla Vista area of the County of Santa Barbara, State of California, commonly identified as Santa Barbara County Assessor's Parcel Number 075-163-014, located at 970 Embarcadero Del Mar, Isla Vista, California; improved with an approximately 9,914 square foot professional office building and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

**WHEREAS**, Seller desires to sell and Buyer desires to purchase the Property.

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

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

a. The total purchase price for the Property shall be TWO MILLION, SIX HUNDRED THOUSAND DOLLARS (\$2,600,000.00).

b. Upon final execution by Buyer, Buyer shall return a duplicate original of this Contract to Seller, and, upon the opening of escrow pursuant to Section 2 hereof, shall deliver to the escrow holder a copy of this Contract and a good faith deposit ("Deposit"), in the form of a County warrant made payable to Chicago Title Company in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00).

c. The Deposit shall be refundable for a period of SIXTY (60) days from the opening of escrow, (the "Due Diligence Period"). Upon expiration of the Due Diligence Period, the Deposit shall be immediately released to Seller and shall be non-refundable unless the transaction does not close due to Seller's default. Upon the close of escrow, the Deposit shall constitute a portion of the purchase price with the balance to be paid as set forth below. Following the Due Diligence Period, if Buyer, for any reason whatsoever except Seller's default, fails to complete the purchase, Seller shall retain the Deposit as Liquidated Damages in accordance with Section 3a, LIQUIDATED DAMAGES.

d. During the Due Diligence Period, Buyer may, in its sole and absolute discretion, elect to terminate this Contract based upon any of the following:

i. its review of the condition of the Property upon its investigation of the Property, which may include but shall not be limited to a Phase One Environmental Site Assessment, a CEQA analysis, or any other studies related to the condition of the Property or title to the Property; provided, however, Buyer's investigations shall be subject to the terms and conditions of Section 5 below;

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

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

e. Buyer's failure to deliver written notice of termination to Seller on or before 5:00 p.m. on the last day of the Due Diligence Period shall constitute Buyer's waiver and approval of all matters and contingencies with respect to the Property and shall further constitute Buyer's election to approve the Property and title to the Property and proceed with the purchase of the Property in accordance with the terms of this Contract. Seller shall not have any obligation to correct any defect or other condition with respect to the Property or title to the Property. In the event of termination pursuant to Section 1.c above, Buyer shall be refunded the entirety of its Deposit and the parties shall have no further obligations under this Contract, except those obligations that survive termination of this Contract.

f. During the Due Diligence Period, Buyer may elect to terminate this Contract if it has not obtained the approval and appropriation of necessary funding by the Board of Directors of the Santa Barbara County Redevelopment Agency. If Buyer fails to deliver notice of its election to terminate on or before 5:00 p.m. on the last day of the Due Diligence Period, then Buyer shall be deemed to have waived this condition. Buyer's notice of disapproval of any aspect or portion of the Property during the Due Diligence Period shall constitute Buyer's election to terminate this Contract.

g. A fully executed lease agreement (hereinafter "Lease"), whereby Buyer shall lease a portion of the Property to Seller upon the close of escrow, is attached hereto as Exhibit "B".

h. A fully executed amendment (hereinafter "Amendment") to that certain agreement regarding CDBG Funds, dated November 7, 1989, by and between Isla Vista Health Projects Inc., and the County of Santa Barbara is attached hereto as Exhibit "C".

i. At least thirty (30) day prior to the Closing Date, Seller will execute, acknowledge and deliver to Escrow Holder a Grant Deed in substantially the form shown in Exhibit "D" attached hereto and incorporated herein by reference.

j. At least one (1) day prior to the close of escrow, Buyer shall deposit with the escrow officer the balance of the purchase price plus costs of prorations, fees, and expenses

pursuant to this Contract, and a Certificate of Acceptance for the Property which has been executed by Buyer in substantially the form shown on Exhibit "E" attached hereto and incorporated herein by reference.

**2. ESCROW AND OTHER FEES:** Within THREE (3) days following the execution of this Contract by Buyer, Buyer shall open escrow at Chicago Title Company, 1101 Anacapa Street, Santa Barbara, California, (the "Escrow Holder"), with escrow instructions to be based upon terms and conditions set forth herein and Buyer shall deposit therein this Contract and the Deposit. This Contract shall become part of the escrow and shall constitute the basic instructions and documents as are reasonably required to complete the closing of the transaction contemplated herein in accordance with the terms and conditions of this Contract. In case of conflict between this Contract and any related escrow documents, the terms of this Contract shall govern.

a. The Closing shall be on or before June 16, 2008 (the "Closing Date"), or such other date as the parties hereto shall mutually agree in writing. The "Closing" is defined as the satisfaction or waiver of all conditions herein stated and the recordation of a Grant Deed which shall vest title to the Property in the Buyer or its approved assignee. Any assignment shall require Seller's written consent in compliance with Section 8, ASSIGNMENT RESTRICTIONS.

b. Upon Escrow Holder's receipt of the Certificate of Acceptance, it shall attach the Certificate of Acceptance to the Grant Deed and shall record the Grant Deed and the Amendment at the Closing.

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

i. Seller and Buyer shall each pay one-half (1/2) of the County Documentary Transfer Tax ("Transfer Tax"). "); provided, however, Buyer shall use diligent efforts to obtain an exemption from Transfer Tax for the equal benefit of both parties.

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

iii. Buyer shall pay for any additional title insurance coverage that may be required by Buyer (provided that ALTA coverage shall not be a condition to Closing).

iv. Seller and Buyer shall each pay one-half (1/2) of Escrow Holder's fee:

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

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

d. Escrow Officer shall be obligated as follows:

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

- ii To record the Grant Deed and Amendment upon the close of escrow; and
- iii To issue or have issued to Buyer the California Land Title Association policy of title insurance required herein, including an ALTA extended coverage Policy, if required by Buyer, however, issuance of the ALTA coverage shall not delay the Closing Date; and
- iv To deliver the purchase money to Seller at the close of escrow.

3. a. **LIQUIDATED DAMAGES:** BUYER AND SELLER AGREE THAT THE TOTAL DEPOSIT PAID BY BUYER TO SELLER PURSUANT TO SECTION 1 ABOVE, REPRESENTS A FAIR AND REASONABLE ESTIMATE OF SELLER'S COSTS IN THIS TRANSACTION INCLUDING SELLER'S DAMAGES, SAID COSTS AND DAMAGES BEING IMPRACTICAL AND DIFFICULT TO COMPUTE. IF BUYER FAILS TO COMPLY WITH THE TERMS AND CONDITIONS SET FORTH HEREIN, SELLER MAY TERMINATE THIS CONTRACT, IN WHICH CASE SAID DEPOSIT PAID BY BUYER TO SELLER SHALL BE RETAINED BY SELLER AS AGREED UPON LIQUIDATED DAMAGES AND AS SELLER'S SOLE MONETARY REMEDY BY REASON OF SUCH FAILURE BY BUYER.

\_\_\_\_\_  
BUYER'S INITIALS

b. **SELLER'S DEFAULT:** IF SELLER DEFAULTS UNDER THIS CONTRACT AND FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED HEREIN, THEN BUYER SHALL BE ENTITLED, AS ITS SOLE AND EXCLUSIVE REMEDY, WHETHER AT LAW OR IN EQUITY, EITHER (A) TO TERMINATE THIS CONTRACT AND RECOVER ITS DEPOSIT, OR (B) IN LIEU OF TERMINATING THE CONTRACT AND RECOVERING ITS DEPOSIT, BUYER SHALL BE ENTITLED TO PURSUE SPECIFIC PERFORMANCE OF THE CONVEYANCE OF THE PROPERTY WITHOUT RIGHT TO ANY DAMAGES OR OTHER EQUITABLE RELIEF WHATSOEVER, BUT ONLY IF BUYER DEPOSITS WITH ESCROW HOLDER, WITHIN FIVE BUSINESS DAYS FOLLOWING THE SCHEDULED CLOSING DATE, THE CASH BALANCE OF THE PURCHASE PRICE, TOGETHER WITH ALL CLOSING DOCUMENTS REQUIRED HEREUNDER FROM BUYER AND BUYER FILES SUCH SPECIFIC PERFORMANCE ACTION WITHIN THIRTY (30) DAYS FOLLOWING THE SCHEDULED CLOSING DATE AND DILIGENTLY PROSECUTES SUCH ACTION TO COMPLETION. BUYER SHALL NOT BE ENTITLED TO RECORD A LIEN OR LIS PENDENS AGAINST THE PROPERTY.

4. **COMMISSION:** It is understood that Buyer represents itself in this transaction and that any commission paid to any agent or broker representing Seller in this transaction shall be paid by Seller. Buyer represents and warrants to Seller that it has not engaged any broker, finder or agent in connection with this transaction.

5. **PROPERTY "AS IS WITH ALL FAULTS":** BUYER SPECIFICALLY ACKNOWLEDGES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE



**PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING THE PROPERTY, INCLUDING WITHOUT LIMITATIONS:** its physical condition, including the structural elements of any improvements; its geology; the development potential of the Property and its use, habitability, merchantability, or fitness for a particular purpose; its zoning or other legal status; its compliance with law; the presence or removal of hazardous or toxic materials, substances, or wastes on, under or about the Property or the neighboring property; the quality of labor or materials used in any improvements; the conditions of title to the Property; the leases, service contracts, other agreements affecting the Property; and the economics of the operation of the Property.

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Buyer's Initials

Without limiting the foregoing, Seller is relieved of the responsibility of inspecting the Property and of disclosing any conditions thereon, it being intended therein that Buyer is put on notice to inquire and inspect the Property and all records pertaining to it and that Buyer is relying strictly and solely on its own investigation in deciding whether or not to complete this purchase. Buyer is advised to investigate the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, including, but not limited to the square footage and lot size, property lines and boundaries, zoning and land use restrictions, all title issues, availability of utilities and services, environmental hazards, protected species or properties (i.e. wetlands), geologic conditions, condition of the Property and area conditions. Seller has not and will not verify any of the items above.

Buyer shall have the right of entry onto the Property to conduct such non-invasive and non-intrusive inspections and testing thereon as are, in Buyer's sole discretion, necessary to reasonably determine the condition of the Property. The scope of any analysis which requires physical sampling of all or any part of the Property shall be subject to: (a) the prior approval of Seller, which Seller may withhold or condition in its sole and absolute discretion, (b) Seller's receipt of written evidence that Buyer has procured the insurance required pursuant to this Section, and (c) the requirement that Buyer dispose of all such test samples in accordance with applicable law and at no cost or liability to Seller. Nothing herein shall authorize any subsurface testing or drilling on the Property by Buyer or its environmental consultant unless specifically approved in writing by Seller, which Seller may condition or deny in its sole and absolute discretion. Buyer shall use its best efforts during any inspections or tests to not interfere with the occupants of the Property. Buyer shall complete such inspections and testing within the Due Diligence Period. Following such testing, Buyer shall restore the area of the Property disturbed by said tests to its pre-test condition as near as is practicable.

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

condition of the Property).

Buyer shall give Seller not less than three (3) business days written notice prior to the commencement of any work in, on or about the Property and Seller shall have the right to post Notices of Testing, and/or Notices of Non-responsibility as provided by law. Any testing on the Property shall keep the Property free and clear of claims for labor and materials and Buyer shall indemnify, defend and hold Seller, its partners, officers, directors, members, shareholders, employees and agents harmless from and against any and all losses, damages, claims, liabilities and expenses arising out of any such testing, inspection or entry by Buyer, its agents or employees. Buyer shall obtain, at Buyer's sole cost and expense, prior to commencement of any investigative activities on the Property, a policy of commercial general liability insurance covering any and all liability of Buyer and Seller with respect to or arising out of any investigative activities. Such policy of insurance shall name Seller as an additional insured and shall be kept and maintained in force during the term of this Contract and so long thereafter as necessary to cover any claims of damages suffered by persons or property resulting from any acts or omissions of Buyer, Buyer's employees, officer, directors, partners, agents, contractors, suppliers, consultants or other related parties. Such policy of insurance shall have liability limits of not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage liability. Buyer's liability hereunder shall survive the Closing or termination of this Contract.

Notwithstanding, Seller agrees that Buyer's self-insured status, authorized by the Department of Industrial Relations for the State of California, satisfies all insurance required herein.

6. **INDEMNIFICATION:** Buyer shall defend, indemnify, save and hold harmless Seller, its agents, employees, officers, directors, partners, members, shareholders, successors and assigns from any and all claims, liabilities, demands, costs (including reasonable attorney fees) and cause of action of all kinds with regard to contamination by harmful, hazardous and/or toxic materials released upon the Property by Buyer during Due Diligence. Buyer's liability hereunder shall survive the Closing or termination of this Contract.

7. **TITLE WARRANTIES OR REPRESENTATIONS:** SELLER MAKES NO WARRANTIES OR REPRESENTATIONS WHATSOEVER WITH REGARD TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE TITLE TO THE PROPERTY.

8. **ASSIGNMENT RESTRICTIONS:** This Contract shall not be sold, assigned, or otherwise transferred by Buyer without the prior written consent of Seller. Failure to obtain Seller's written consent shall render said attempted sale, assignment, or transfer void and without legal effect.

9. **POSSESSION:** Seller shall deliver possession and occupancy of the Property to Buyer no later than noon (12:00 P.M.) local time upon the date of the close of escrow.

10. **COMPLIANCE WITH THE LAW:** This Contract shall be governed by and be construed according to the laws of the State of California. Buyer shall be required to obtain any and all encroachment, building, and land use permits and/or licenses which may be required in connection with the purchase or intended use of the Property.

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

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

**IF TO SELLER:** Santa Barbara Neighborhood Clinics  
c/o Gregory Bartholomew  
Pacifica Commercial Real Estate  
222 East Carrillo Street  
Santa Barbara, CA 93101  
Facsimile: (805) 899-2424

with a copy to: Dr. David Chernof, Chairman  
Santa Barbara Neighborhood Clinics  
970 Embarcadero del Mar  
Isla Vista, CA 93117  
Facsimile: (805) 685-2467

**IF TO BUYER:** Santa Barbara County Redevelopment Agency  
Attn: Jamie Goldstein  
1105 Santa Barbara Street  
Courthouse, East Wing, Fourth Floor  
Santa Barbara, CA 93101  
Facsimile: (805) 568-3249

with a copy to: Daniel J. Wallace, County Counsel  
County of Santa Barbara  
105 East Anapamu Street, Room 201  
Santa Barbara, CA 93101  
Facsimile: (805) 568-2982

**IF TO ESCROW HOLDER:** Chicago Title Insurance Company  
Attn: Leslee Colunga  
1101 Anacapa Street  
Santa Barbara, CA 93101  
Facsimile: (805) 564-7488

13. **ENTIRE CONTRACT**: This Contract contains the entire agreement between the parties relating to the agreement to purchase and sell the Property described herein and

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

14. **TIME IS OF THE ESSENCE**: Time is of the essence in the performance of the parties in respect to the obligations herein contained. Subject to the restrictions against the sale, assignment, or other transfer above, this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

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

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

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

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

19. **FACSIMILE SIGNATURES**: If the parties use facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours after transmission of the facsimile signature, except that funds shall not be released upon a facsimile signature.

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

21. **LIMITATION OF LIABILITY**: Buyer acknowledges and agrees that none of the trustees, shareholders, officers, directors, managers, employees, members, partners nor advisors of Seller, assume any personal liability for obligations entered into by or on behalf of Seller.

Notwithstanding any other provision of this Contract to the contrary (or any rights that Buyer may have at law or in equity), in no event shall Seller have any liability for lost profits, speculative, special, consequential or punitive damages.

**22. ATTORNEYS' FEES:** If either Buyer or Seller brings any action or suit against the other for any matter relating to or arising out of this Contract, then the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to recover from the other party all costs and expenses of suit, including actual attorneys' fees.

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///

///

Project: SBNC Purchase  
A.P.N.: 075-163-014  
Folio: 003537  
Agent: DG

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

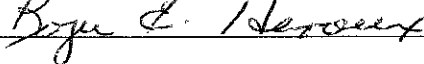
**SELLER:**

Santa Barbara Neighborhood Clinics  
a California non-profit corporation

By: 

DAVID CHERNOF BOARD CHAIR

Name and Title

By: 

Roger E. Heroux Vice-Chair

Name and Title

**BUYER:**

SANTA BARBARA COUNTY REDEVELOPMENT AGENCY  
a public body corporate and politic

ATTEST:  
Michael F. Brown  
Executive Director

By: \_\_\_\_\_  
Chair, Board of Directors

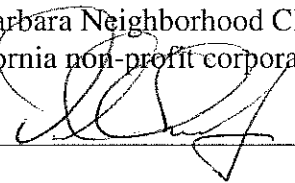
Date: \_\_\_\_\_

Project: SBNC Purchase  
A.P.N.: 075-163-014  
Folio: 003537  
Agent: DG

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

**SELLER:**

Santa Barbara Neighborhood Clinics  
a California non-profit corporation

By: 

BOARD CHAIR  
Name and Title

By: Roger E. Heroux

Roger E. Heroux Vice Chair  
Name and Title

**BUYER:**

SANTA BARBARA COUNTY REDEVELOPMENT AGENCY  
a public body corporate and politic

ATTEST:  
Michael F. Brown  
Executive Director

By: \_\_\_\_\_  
Chair, Board of Directors

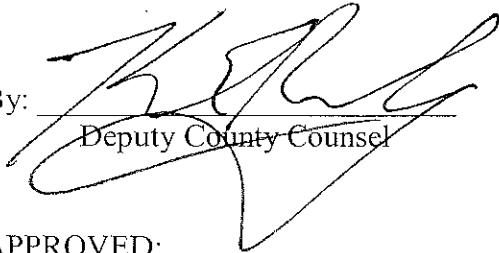
\_\_\_\_\_

Date: \_\_\_\_\_


Project: SBNC Purchase  
A.P.N.: 075-163-014  
Folio: 003537  
Agent: DG

**COUNTY SIGNATURE PAGE**

APPROVED AS TO FORM:  
DANIEL J. WALLACE  
COUNTY COUNSEL

By:   
Deputy County Counsel


APPROVED:

By:   
Romn Carlentine, SR/WA  
Real Property Manager

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

By:   
Deputy

APPROVED:

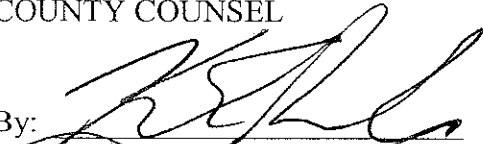
By:   
Ray Aromatorio, ARM, AIC  
Risk Program Administrator



Project: SBNC Purchase  
A.P.N.: 075-163-014  
Folio: 003537  
Agent: DG

**COUNTY SIGNATURE PAGE**

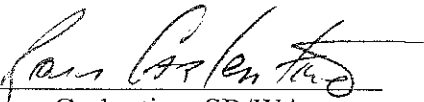
APPROVED AS TO FORM:  
DANIEL J. WALLACE  
COUNTY COUNSEL

By:   
Deputy County Counsel

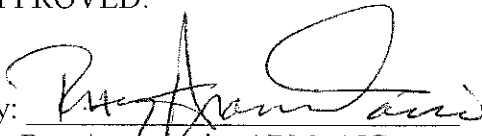
APPROVED AS TO FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By:   
Deputy

APPROVED:

By:   
Ronn Carlentine, SR/WA  
Real Property Manager

APPROVED:

By:   
Ray Aromat6rio, ARM, AIC  
Risk Program Administrator

## CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to:

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

in the performance of its duties as Escrow Holder.

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

\_\_\_\_\_, 2008

CHICAGO TITLE COMPANY

By: \_\_\_\_\_

\_\_\_\_\_  
Leslee Colunga

## LEGAL DESCRIPTION

### EXHIBIT A

All that certain land situated in the State of California in the unincorporated area of the County of Santa Barbara, described as follows:

#### PARCEL ONE:

Parcel "B" of Parcel Map No. 12463 as shown by map on file in Book 19, Pages 17 and 18 of Parcel Maps, records of Santa Barbara County, California.

EXCEPTING therefrom an undivided  $\frac{1}{2}$  interest of all oil, gas and other hydrocarbon substances, in and under said land, as reserved by Deed from James D. Crawford and wife, to Matt Orr, a widower, recorded October 20, 1944 in Book 626, Page 322 of Official Records, which deed provides as follows: "Together with the right of entry to develop and remove said substances."

#### PARCEL TWO:

A private driveway easement, for ingress and egress, over upon or on the Southerly 10.00 feet of Parcel "A" of Parcel Map No. 12463 as shown by map on file in Book 19, Pages 17 and 18 of Parcel Maps, records of Santa Barbara County, California.

PARCEL THREE: An easement for ingress, egress and parking purposes over and across the Easterly 15.00 feet of Parcel "A" of Parcel Map No. 12463 as shown by map on file in Book 19, Pages 17 and 28 of Parcel Maps, records of Santa Barbara County, California, EXCEPTING therefrom that portion thereof lying within Parcel Two above described.

#### PARCEL FOUR:

A private drive easement, for ingress and egress over, upon or on the Northerly 10.00 feet of Lot 5 of Orr Commercial Center, as shown on a map recorded in Book 40, Page 55 of Maps, records of Santa Barbara County, California.

APN: 075-163-14

**EXHIBIT "B" TO  
REAL PROPERTY SALE CONTRACT  
AND ESCROW INSTRUCTIONS**

**LEASE AGREEMENT**

*[A copy of the Lease Agreement follows on the next page.]*

**Lease Agreement located in Attachment 10 of Board letter**

**EXHIBIT "C" TO  
REAL PROPERTY SALE CONTRACT  
AND ESCROW INSTRUCTIONS**

**AMENDMENT**

*[A copy of the Amendment follows on the next page.]*

**EXHIBIT "C" TO  
REAL PROPERTY SALE CONTRACT  
AND ESCROW INSTRUCTIONS**

**Amendment located in Attachment 6 of Board letter**

**EXHIBIT "D" TO  
REAL PROPERTY SALE CONTRACT  
AND ESCROW INSTRUCTIONS**

**GRANT DEED**

*[A copy of the Grant Deed follows on the next page.]*



**RECORDING REQUESTED BY:**

Chicago Title Company

Escrow No.:

Locate No.:

Title No.:

**When Recorded Mail Document  
and Tax Statement To:**

APN:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**GRANT DEED**

**The undersigned grantor(s) declare(s)**

**Documentary transfer tax is not part of the permanent record**

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale,
- Unincorporated Area    City of

**FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,**

**hereby GRANT(S) to**

**the following described real property in the County of Santa Barbara, State of California:**

SEE "ATTACHMENT 1" ATTACHED HERETO AND MADE A PART HEREOF

DATED:

State of California )  
County of \_\_\_\_\_ ) \_\_\_\_\_

On \_\_\_\_\_ before me,  
\_\_\_\_\_, Notary Public  
(here insert name and title of the officer), personally appeared

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**MAIL TAX STATEMENTS AS DIRECTED ABOVE**

## LEGAL DESCRIPTION

### ATTACHMENT 1

All that certain land situated in the State of California in the unincorporated area of the County of Santa Barbara, described as follows:

#### PARCEL ONE:

Parcel "B" of Parcel Map No. 12463 as shown by map on file in Book 19, Pages 17 and 18 of Parcel Maps, records of Santa Barbara County, California.

EXCEPTING therefrom an undivided  $\frac{1}{2}$  interest of all oil, gas and other hydrocarbon substances, in and under said land, as reserved by Deed from James D. Crawford and wife, to Matt Orr, a widower, recorded October 20, 1944 in Book 626, Page 322 of Official Records, which deed provides as follows: "Together with the right of entry to develop and remove said substances."

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APN: 075-163-14

**EXHIBIT "E" TO  
REAL PROPERTY SALE CONTRACT  
AND ESCROW INSTRUCTIONS**

**CERTIFICATE OF ACCEPTANCE**

*[A copy of the Certificate of Acceptance follows on the next page.]*

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA: SS.

THIS IS TO CERTIFY that the interest in real property conveyed by the GRANT DEED dated \_\_\_\_\_, from SANTA BARBARA NEIGHBORHOOD CLINICS, a California Non-profit Corporation, to the SANTA BARBARA COUNTY REDEVELOPMENT AGENCY, a political subdivision of the State of California, is hereby accepted by Order of the Board of Directors of the Santa Barbara County Redevelopment Agency on \_\_\_\_\_, 2008, and the Santa Barbara County Redevelopment Agency, as Grantee, consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this \_\_\_\_\_ day of \_\_\_\_\_, 2008

MICHAEL F. BROWN  
EXECUTIVE DIRECTOR

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**Attachment 10**  
**Lease Agreement**

Project: SBNC Lease  
APN: 075-163-014 (portion)  
Folio: 003537  
Agent: DG

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** is made by and between the

SANTA BARBARA COUNTY REDEVELOPMENT  
AGENCY, a public body corporate and public ,  
hereinafter referred to as "COUNTY";

and

SANTA BARBARA NEIGHBORHOOD CLINICS, a  
California non-profit corporation, hereinafter referred  
to as "SBNC";

with reference to the following:

**WHEREAS**, COUNTY is the fee owner of a parcel of improved land, in the Isla Vista area of the County of Santa Barbara, State of California, commonly identified as Santa Barbara County Assessor's Parcel Number 075-163-014, located at 970 Embarcadero Del Mar, Isla Vista, California; improved with an approximately 9,914 square foot professional office building and identified as the diagonally-slashed area of Exhibit "A", attached hereto and incorporated herein by reference (the "Property"); and

**WHEREAS**, COUNTY purchased the Property from SBNC upon the condition that COUNTY lease a portion of the Property back to SBNC at the close of escrow so that SBNC can continue to provide medical services to the local community; and

**WHEREAS**, this Lease Agreement (hereinafter "Agreement") is intended to be a "Triple Net" lease wherein SBNC shall pay all reasonable costs directly associated with maintenance and operation of the leased area, including all improvements within the leased area; and

**WHEREAS**, COUNTY hereby leases to SBNC that portion of the Property identified as the cross-hatched area of Exhibit "B", attached hereto and incorporated herein by reference (hereinafter "Premises"), for a period of ten years, subject to the terms and conditions contained herein.

**NOW, THEREFORE**, in consideration of the provisions, covenants, and conditions contained herein, the parties agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for the COUNTY by the Executive Director of the Santa Barbara County Redevelopment Agency, and for SBNC by the Chairman of SBNC (hereinafter collectively referred to as the "Directors"), or their designees.

2. **LEASED AREA:** For and in consideration of the covenants to be performed by SBNC under this Agreement, COUNTY hereby leases to SBNC and SBNC hereby takes from COUNTY, the Premises, consisting of approximately 3,110 square feet of the "Medical Clinic" space, 1,636 square feet of the "Health Promotion Center", and 2,611 square feet of the "Clinic Administration" space; for a total leased area of 7,357 square feet, as shown and described on Exhibit B hereof.

3. **PARKING:** SBNC shall have exclusive use of its proportionate share of parking spaces in the parking lot on the Property, as determined by the Directors.

4. **PURPOSE AND USE:** SBNC shall use the Property solely to provide health care services to the community. SBNC shall not use the Property for any other purposes without the express written consent of COUNTY. In addition, SBNC shall comply with all COUNTY security programs and policies regarding the Property.

5. **TERM:** The term of this Agreement shall commence upon the transfer of title to the Property from SBNC to COUNTY, and shall continue for a period of TEN (10) years thereafter, subject to such provisions for extension and termination as contained herein; so long as the Property is used only for SBNC'S operations and those operations are consistent with the purposes and uses set forth in this Agreement. Upon the close of escrow for the transfer of the Property from SBNC to COUNTY, COUNTY shall provide SBNC written notice memorializing the commencement date of this Agreement (hereinafter "Commencement Date").

6. **RENT/ANNUAL ADJUSTMENT:** Rent for the term of this Agreement shall be \$151,086.00 per year (hereinafter "Base Rent"), subject to the annual adjustment described herein, and shall be paid semi-annually, in arrears, based on the following:

- "Medical Clinic" space, consisting of 3,110 square feet, at \$2.00 per square foot per month, for a monthly base rent of \$6,220.00 (semi-annual base rent = \$37,320.00)
- "Health Promotion Center", consisting of 1,636 square feet, at \$1.50 per square foot per month, for a monthly base rent of \$2,454.00 (semi-annual base rent = \$14,724.00)
- "Clinic Administration" space consisting of 2,611 square feet, at \$1.50 per square foot per month, for a monthly base rent of \$3,916.50 (semi-annual base rent = \$23,499.00)

Rent shall begin to accrue on the Commencement Date, and shall become due and payable on December 1<sup>st</sup> and on June 1<sup>st</sup> of each and every year of the term. The first rent payment shall be due on December 1, 2008, and shall include rent calculated from the Commencement Date through November 30, 2008. Each subsequent rental payment shall be calculated to include December 1<sup>st</sup> through May 30<sup>th</sup>, and June 1<sup>st</sup> through November 30<sup>th</sup>, respectively. The rent due for any period which is for less than one (1) calendar month shall be pro-rated based upon a thirty (30) day month.

The Base Rent shall be subject to an annual increase of three percent (3%). On June 1, 2009, and on each and every anniversary of that date, the monthly rent hereunder shall be increased from the monthly rent payable during the immediately preceding year of the term by three percent (3%).

In addition to Base Rent, SBNC shall pay its proportionate share of all reasonable costs directly associated with maintenance and operation of the Premises according to and subject to the terms and conditions of Exhibit C hereof.

In the event the leased area is reduced according to Section 7, *Reduction in Leased Area*, the Base Rent shall be reduced according to the afore-mentioned allocation of square footage and associated cost per square foot, and "SNBC's share" of the operating costs described in Exhibit C hereof shall be reduced proportionally.

7. **REDUCTION IN LEASED AREA:** SBNC shall have the right, at any time during the term, to reduce its leased space by terminating its use of the 2,611 square foot Clinic Administration space. In the event SBNC chooses to exercise this right, SBNC shall provide COUNTY with ninety (90) days advance written notice of its intent to vacate the Clinic Administration space. This Agreement shall remain in full force and effect in regard to the reduced leased area, and the Base Rent shall be reduced according to the square footage and cost allocations in Section 6 above. In addition, the reasonable costs directly associated with maintenance and operation of the Premises and parking lot on the Property described in Exhibit C shall be reduced in proportion to the reduction in leased space.

Alternatively, any reduction in leased space in the Medical Clinic or in the Health Promotion Center space shall require the prior written consent of COUNTY. If the leased area is reduced or terminated in the Medical Clinic or Health Promotion Center space without the written consent of COUNTY, SBNC shall indemnify COUNTY in regard to any costs or damages incurred in connection with the Community Development Bloc Grant, dated November 7, 1989.

8. **PROPERTY SUITABILITY:** SBNC has investigated the Premises and has determined that it is suitable for SBNC'S intended operations, and hereby accepts, by way of executing this Agreement, the Premises, as described in Exhibit B hereof, in its existing condition.

**SBNC ACKNOWLEDGES THAT, EXCEPT AS STATED HEREIN, COUNTY HAS MADE NO REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PROPERTY OR IT'S SUITABILITY FOR THE INTENDED USE BY SBNC.**

9. **PERMITS, CONSTRUCTION AND IMPROVEMENTS:** In the event SBNC wishes to make any structural alterations to the Premises, SBNC shall obtain advance written approval from COUNTY (not to be unreasonably withheld, conditioned or delayed), through COUNTY'S Director, or designee; and shall comply with all requirements of the County Architect and all permits. Copies of any required Land Use Permit(s) and/or Building Permit(s) shall be delivered to the County Architect. With respect to all non-structural alterations, SBNC shall not be required to obtain County's approval, but shall provide County with notice of such non-structural alterations.

SBNC shall give COUNTY no less than ten (10) days written notice prior to the commencement of any material work in, on, or about the Property and shall keep the Property free and clear of liens for labor and materials. Nothing in this Agreement shall be construed to entitle SBNC to undertake alterations or improvements to the Property, nor additional future improvements, without complying with all permitting (if any) required by COUNTY in its governmental capacity.

10. **TITLE:** During the term of this Agreement, title to the Property shall remain vested in COUNTY, subject to SBNC's leasehold interest. SBNC shall have no right to waste, destroy, or demolish the Property or any improvements thereon.



11. **ABANDONMENT OF THE PROPERTY:** SBNC shall not abandon the Premises at any time during the term of this Agreement. If SBNC does abandon the Premises, this Agreement and all of SBNC'S rights thereto shall terminate at the option of COUNTY. In the event of such termination, the Premises and any personal property belonging to SBNC and left on the Property more than thirty (30) days shall be deemed abandoned at the option of COUNTY, and title to such shall pass to COUNTY. This provision shall also apply to property left after the termination, or other expiration of this Agreement. In addition, if SBNC abandons the Premises, SBNC shall indemnify COUNTY in regard to any costs or damages incurred in connection with the Community Development Bloc Grant, dated November 7, 1989.

12. **NONINTERFERENCE:** SBNC agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, patients, agents and/or contractors, to use any portion of the Property in any way which interferes with other COUNTY operations in the vicinity. Such interference shall be deemed a material breach, and SBNC shall terminate said interference immediately upon notice from COUNTY. In the event SBNC fails to stop such interference promptly, this Agreement shall terminate at the option of COUNTY.

13. **UTILITY CHARGES:** COUNTY shall provide adequate utilities to SBNC for SBNC's intended use, subject to COUNTY'S right to reimbursement according to Exhibit C hereof. The utility infrastructure existing at the Premises on the Commencement Date shall be deemed to be adequate for SBNC's intended use. SBNC may, subject to written approval by COUNTY, improve or expand the utility infrastructure at its sole expense.

14. **MAINTENANCE AND REPAIR:** During the term of this Agreement, including any extensions, SBNC agrees to keep the Premises in good maintenance and repair, at its sole expense; reasonable wear and tear, damage by casualty, and any condition arising out of County's acts or omissions excepted. SBNC shall independently maintain and contract for janitorial services for the Premises. COUNTY shall maintain the exterior of the Premises, and those portions of the Property not included within the Premises. SBNC and COUNTY shall be responsible for maintenance and repair of the Property and Premises as set forth in Exhibit "D", attached hereto and incorporated herein by reference.

In the event that the Premises are in need of maintenance or repair that is SBNC's responsibility according to Exhibit D, SBNC shall have the maintenance or repair completed, and shall pay for such maintenance or repair in a timely manner. In the event of an emergency such that the Property requires immediate maintenance or repair that would otherwise be COUNTY's responsibility according to Exhibit D and SBNC'S operations would be negatively impacted by any delay, SBNC may independently contract for such maintenance or repair. In such an event, SBNC shall ensure that any maintenance or repair will conform to COUNTY maintenance standards, to be determined by COUNTY, and the cost of such maintenance or repair shall be allocated according to the responsibilities set forth in Exhibits C and D. Prior to contracting for any maintenance or repair that is COUNTY's responsibility, SBNC shall provide COUNTY with notice of the emergency and an opportunity to respond to the emergency, according to the emergency contact information provided by COUNTY.

COUNTY, its agents, employees and contractors reserve the right to enter the Property at all reasonable times, upon twenty-four hour notice to SBNC (except in the case of emergency) to perform maintenance and repair, as needed on the Property. This right extends to public utilities in

regard to repair, maintenance, construction and demolition of utility infrastructure on the Property, including appurtenances.

15. **ASSIGNMENT/ SUBLEASE:** SBNC shall not assign, license, or sublease the Property without COUNTY'S prior written consent, which shall not be unreasonably withheld. A consent by COUNTY to one assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment made contrary to this Section shall be null and void. If SBNC is not utilizing the entire Premises and chooses to sublease or allow occupancy of the unused portion, then COUNTY shall have first right to use that portion. In the event COUNTY occupies any portion of the Premises, SBNC's rent, utilities and operating costs shall be reduced proportionally. If SBNC subleases or assigns any rights granted herein to any third party, any compensation paid by such third party may not exceed SBNC's rental obligations under this Agreement.

16. **SUCCESSORS IN INTEREST:** This Agreement and the covenants contained herein shall be binding upon and inure to the benefit of the respective parties and to any government or private organization into which SBNC may be merged.

17. **INDEMNIFICATION:** SBNC shall defend, indemnify, and save harmless COUNTY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of SBNC or its agents, employees, or other independent contractors directly responsible to SBNC; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the COUNTY.

SBNC shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

18. **INSURANCE:** Without limiting SBNC'S indemnification of the COUNTY, SBNC shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place SBNC in default. Upon request by COUNTY, SBNC shall provide a certified copy of any insurance policy to COUNTY within ten (10) working days.

a. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all SBNC'S staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by COUNTY. In the event SBNC is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if SBNC has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and SBNC submits a written statement to the COUNTY stating that fact.

b. **General and Automobile Liability Insurance:** The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford

coverage for all premises, operations, products and completed operations of SBNC and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by SBNC in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Agreement between COUNTY and SBNC. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of SBNC pursuant to SBNC'S activities hereunder. SBNC shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention (SIR) over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

*"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."*

If the policy providing liability coverage is on a 'claims-made' form, SBNC is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

c. Personal Property Insurance. SBNC shall maintain property insurance for its personal property within the Premises, including but not limited to equipment, supplies and tenant improvements, throughout the term hereof.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY'S Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. SBNC agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

PROPERTY INSURANCE (COUNTY). COUNTY shall provide Property Insurance for the structure, subject to reimbursement by SBNC. SBNC shall reimburse COUNTY for its proportionate share of the cost of such insurance concurrently with the payment of Base Rent. SBNC's proportionate share shall be determined by applying "SBNC's share", as described in Exhibit C hereof, to the total cost of property insurance for the Property. In the event of any loss or damage to the Premises which is caused by any occurrence that is covered by such property insurance, SBNC shall reimburse COUNTY for its proportionate share of any payment of any deductible.

19. **NONDISCRIMINATION:** SBNC shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Agreement and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interest hereby created without liability therefor. SBNC shall also comply with applicable State or Federal laws, rules and regulations regarding nondiscrimination, including, but not limited to Section 33436 of the California Health and Safety Code, which states, in part:

"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

The foregoing provisions shall be binding upon and shall obligate SBNC and any subcontracting party or parties, or other transferees.

20. **ENVIRONMENTAL IMPAIRMENT:** SBNC shall comply with all applicable laws, regulations, rules, and orders applicable to its operations at the Premises regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Premises due to SBNC'S use and occupancy, SBNC shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. SBNC shall indemnify, hold harmless, and defend COUNTY from and against all liability, claims, costs, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of SBNC'S breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to SBNC'S use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Agreement, and regardless of negligence, active or passive, of COUNTY.

21. **TOXICS:** SBNC shall not manufacture or generate hazardous wastes on the Property in violation of applicable laws. SBNC shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are

manufactured, generated, used, placed, disposed, stored, or transported by SBNC, its agents, employees, or designees on the Property during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. SBNC shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

22. **COMPLIANCE WITH THE LAW:** SBNC shall comply with all applicable laws, rules, and regulations affecting the Property now or hereafter in effect.

23. **TAXES AND ASSESSMENTS, POSSESSORY INTEREST:** SBNC shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to SBNC'S operations, may be levied upon the Property during the term of this Agreement.

POSSESSORY INTEREST: SBNC acknowledges and agrees that this Agreement may create a possessory interest subject to property taxation and that SBNC may be required to pay any tax levied on such interest. Notwithstanding, COUNTY acknowledges that, as of the Commencement Date, SBNC qualifies for an exemption from Possessory Interest taxes.

24. **NOTICES:** Any notice to be given to the parties shall be in writing and shall be served, either personally or by mail, to the following:

COUNTY: Santa Barbara County Redevelopment Agency  
 Jamie Goldstein, Deputy Director  
 1105 Santa Barbara Street, 4<sup>th</sup> Floor, East Wing  
 Santa Barbara, CA 93101  
 Facsimile: (805) 568-3249

SBNC: Santa Barbara Neighborhood Clinics  
 Dr. David Chernof, Chairman  
 970 Embarcadero Del Mar  
 Isla Vista, CA 93117  
 Facsimile: (805) 685-2467

or to the parties at such other place as may be designated in writing. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. mail, reliable overnight courier, or by personal delivery. The date of mailing, or in the event of personal delivery, the date of delivery shall constitute the date of service.

25. **DEFAULT:** Except as otherwise required herein, should either party at any time be in material default hereunder with respect to any covenant contained herein, the non-defaulting party shall give notice to the defaulting party specifying the particulars of the default and the defaulting party shall promptly commence remedial action to cure the default. Should such default continue uncured for a period of thirty (30) calendar days from such notice, this Agreement shall terminate at the option of the non-defaulting party; unless the cure of such default shall reasonably

take more than thirty (30) calendar days in which case the defaulting party shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

26. **REMEDIES:** In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including but not limited to the following:

a. The non-defaulting party may waive the default or breach in accordance with Section 27, **WAIVER**, herein below.

b. The non-defaulting party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.

c. Where SBNC is the nondefaulting party, SBNC may terminate the Agreement and surrender use of the Premises.

d. Where COUNTY is the nondefaulting party, COUNTY may terminate the Agreement and SBNC shall vacate within thirty (30) days of written notice from COUNTY.

27. **WAIVER:** It is understood and agreed that any waiver, express or implied of any term of this Agreement shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Agreement.

28. **AMENDMENTS:** This Agreement may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties. Amendments to the Agreement that do not alter the purpose of the Agreement may be approved and executed by the Directors.

29. **TERMINATION:** This Agreement shall terminate and all rights of SBNC shall cease and SBNC shall quietly and peacefully deliver to COUNTY, possession, interest and title to the Premises:

a. Upon expiration or earlier termination of the Agreement as provided in Section 5, **TERM**; or

b. Upon ninety (90) days written notice by SBNC to COUNTY, which may be given with or without cause, at any time during the Term; or

c. Upon the failure of SBNC to satisfy, observe or perform any of the covenants, conditions or reservations set forth in this Agreement and the expiration of the cure period as provided in Section 25, **DEFAULT**; or

d. As provided in Section 30, **DESTRUCTION**; or

e. In the event SBNC is found to be in non-compliance with any permits associated with this Agreement and such non-compliance is not resolved in a timely fashion.

If this Agreement is terminated prior to expiration of the term such that SBNC is no longer providing the services required by the Community Development Bloc Grant, dated November 7, 1989, SBNC shall indemnify COUNTY in regard to any costs or damages incurred in connection with said Bloc Grant. Notwithstanding, prior to termination of this Agreement, COUNTY and SBNC shall cooperate in locating a comparable facility in the Isla Vista area from which SBNC may continue to offer an affordable range of primary health care and medical services to Isla Vista, Goleta Valley, and other Santa Barbara County residents, predominantly those of low and very low income, in accordance with said Bloc Grant. If SBNC obtains written consent from COUNTY to relocate to such a facility and continues to provide those services required by said Bloc Grant for the initial ten-year term of this Agreement, no repayment obligations shall arise therefrom.

30. **DESTRUCTION:** If the Property is partially or totally destroyed by fire or other casualty, this Agreement, at the option of SBNC, shall terminate. If SBNC chooses to terminate the Agreement; SBNC, at COUNTY'S option, shall return the Premises in a neat and orderly condition, as near as is practical, given the circumstances of the destruction. If SBNC does not elect to terminate this Agreement, then County shall diligently perform the necessary repairs to return the Premises and the Property to their original condition as near as is practical and rent shall abate to the extent the Premises are rendered unusable until the Property and Premises are restored.

31. **HOLDING OVER:** Should SBNC occupy the Premises after the expiration date of this Agreement or any extension thereof, with the consent of COUNTY, expressed or implied, such possession shall be construed to be a tenancy from month to month.

32. **AGENCY DISCLOSURE:** SBNC acknowledges that the General Services Department, Facilities Services Division of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for SBNC nor a dual agent in this transaction.

33. **SURRENDER OF PREMISES:** Upon expiration or termination of this Agreement, SBNC shall vacate and surrender possession of, and any claim to the Property, leaving it in good condition, except for ordinary wear and tear.

34. **CONDEMNATION:** In the event the Property or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Property, COUNTY shall have the exclusive right to control the defense of any such action in condemnation or eminent domain and to defend any such action and settle the same in COUNTY'S absolute discretion. SBNC agrees that COUNTY shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of SBNC'S operations at the Property.

SBNC shall receive from COUNTY such proportionate amount of the judgment, award, or settlement as shall be attributable to SBNC'S interests.

In the event possession of the Property or partial possession of the Property is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes SBNC'S intended use, this Agreement shall terminate as of the effective date of possession and upon such termination, any obligation of SBNC to pay rent shall cease with the payment of the pro-rated portion of rental obligations up to said termination date. Any pre-paid rent shall be returned to SBNC from the effective date of possession.

In the event of a partial taking, this Agreement may continue upon mutual agreement of the parties hereto, and rent shall be abated in proportion to the percentage of leased space taken.

35. **CAPTIONS:** The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

36. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity,

illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

37. **CERTIFICATION OF SIGNATORY:** The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind COUNTY and SBNC to its terms and conditions or to carry out duties contemplated herein.

38. **ENTIRE AGREEMENT:** The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

39. **CONSTRUCTION:** The parties have negotiated the terms of this Agreement and have consulted an attorney as deemed necessary. The terms of this Agreement reflect this negotiation and the intentions of both parties. These terms shall be interpreted with regard to each party equally.

40. **FACSIMILE SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing ORIGINAL SIGNATURES are provided within seventy-two (72) hours of transmission of the facsimile, except that funds shall not be released upon facsimile signature nor shall facsimile signed documents be accepted for recordation by the Clerk Recorder of the County.

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

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Project: SBNC Lease  
APN: 075-163-014 (portion)  
Folio: 003537  
Agent: DG

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

“COUNTY”  
SANTA BARBARA COUNTY REDEVELOPMENT AGENCY

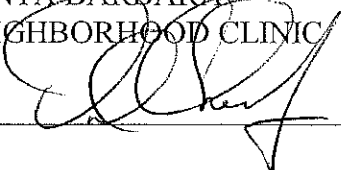
ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

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Chair, Board of Directors

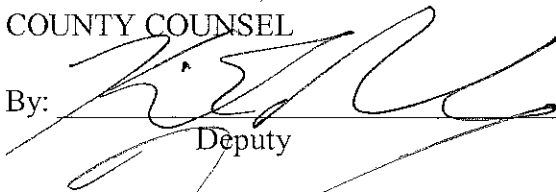
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Deputy

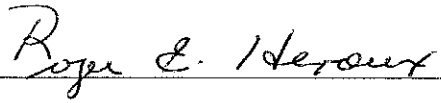
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“SBNC”  
SANTA BARBARA  
NEIGHBORHOOD CLINIC


  
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DAVID CHERNOF BOARD CHAIR  
Name and Title

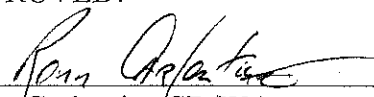
APPROVED AS TO FORM:  
DANIEL J. WALLACE  
COUNTY COUNSEL

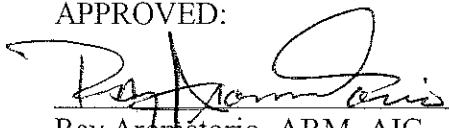
By:   
Deputy

  
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Roger E. Heroux, Vice-Chair  
Name and Title

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

By:   
Deputy

APPROVED:  
  
\_\_\_\_\_  
Ronn Carlentine SR/WA  
Real Property Manager

APPROVED:  
  
\_\_\_\_\_  
Ray Aronatorio, ARM, AIC  
Risk Program Administrator

Project: SBNC Lease  
APN: 075-163-014 (portion)  
Folio: 003537  
Agent: DG

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

“COUNTY”  
SANTA BARBARA COUNTY REDEVELOPMENT AGENCY

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

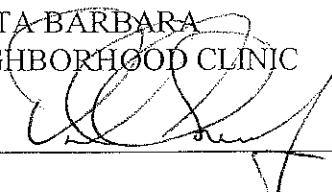
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Chair, Board of Directors

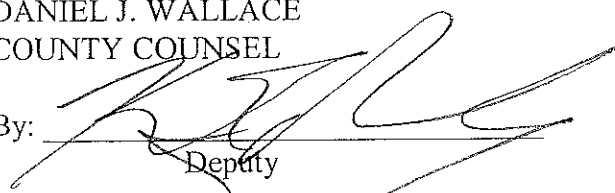
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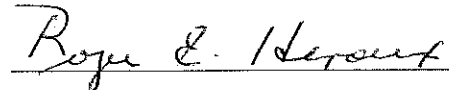
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“SBNC”  
SANTA BARBARA  
NEIGHBORHOOD CLINIC

APPROVED AS TO FORM:  
DANIEL J. WALLACE  
COUNTY COUNSEL

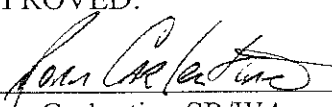
  
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DAVID CHERNOFF Board Chair  
Name and Title

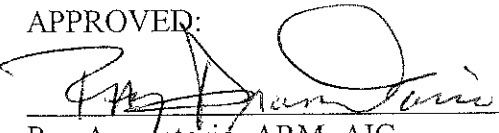
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Deputy

  
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Roger E. Heroux Vice-Chair  
Name and Title

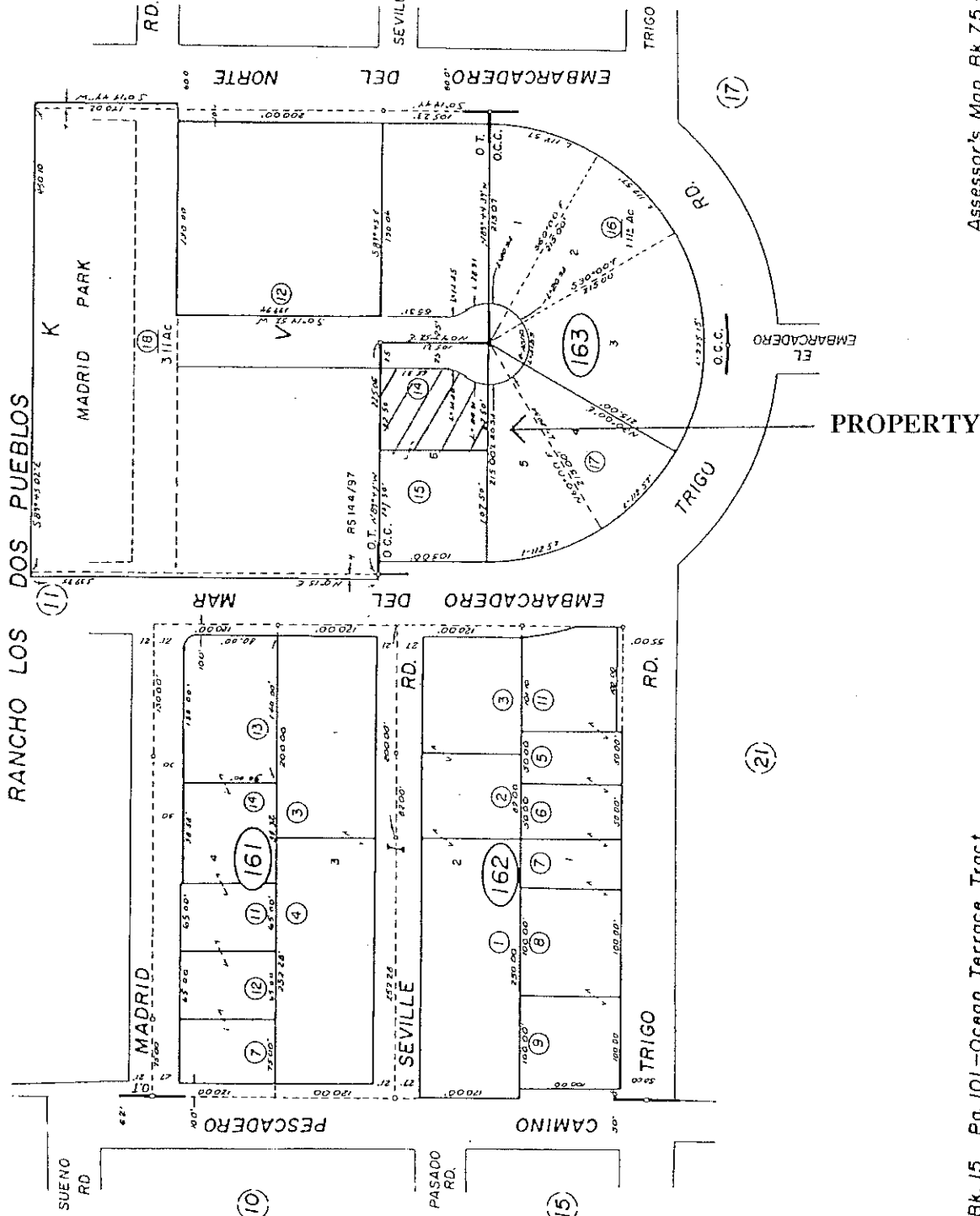
APPROVED AS TO FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By:   
Deputy

APPROVED:  
  
\_\_\_\_\_  
Romm Carlentine SR/WA  
Real Property Manager

APPROVED:  
  
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Ray Aromatorio, ARM, AIC  
Risk Program Administrator

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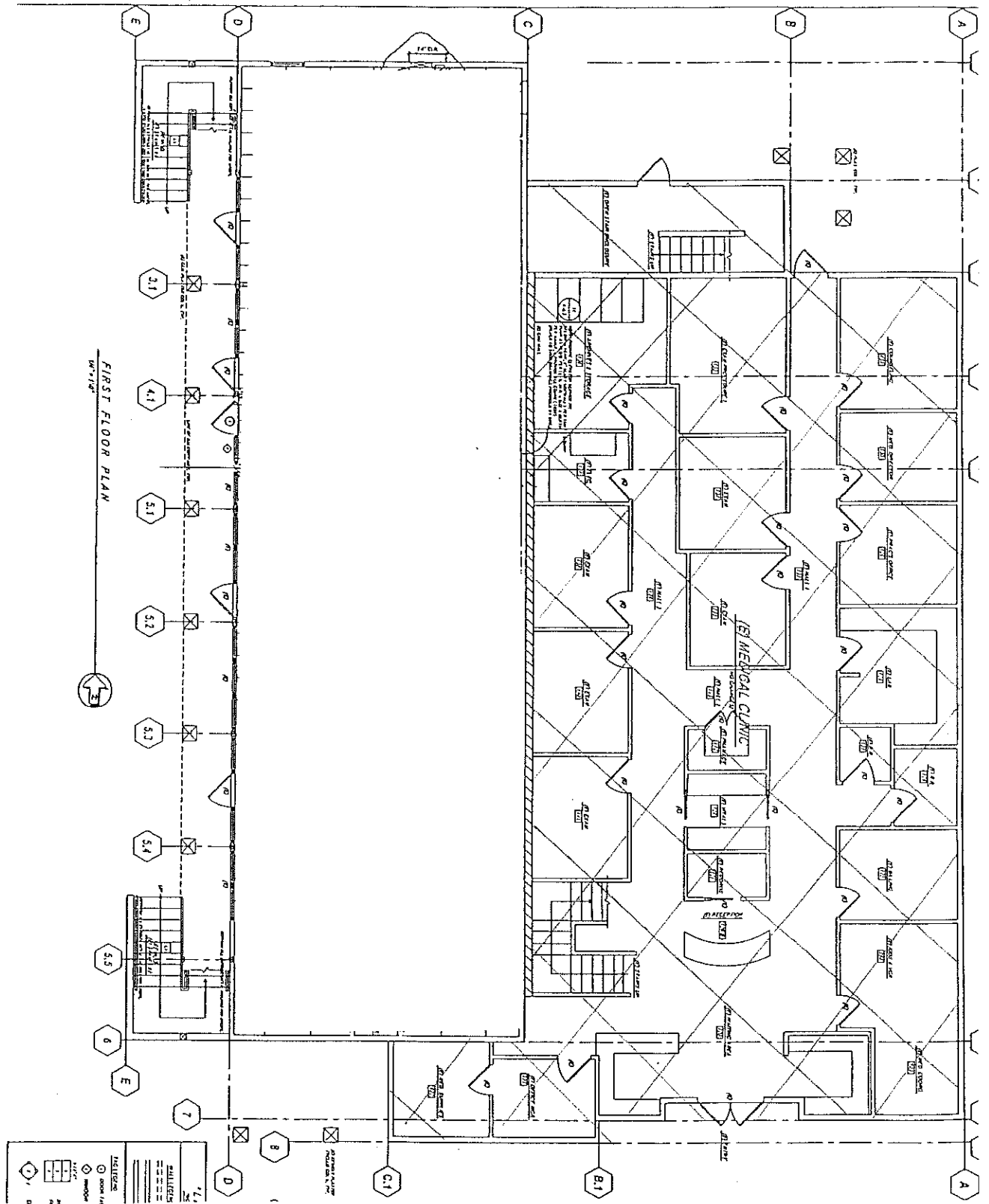


Assessor's Map Bk. 75 - Pg. 16  
 County of Santa Barbara, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses  
 Assessor's Parcel Numbers Shown in Circles

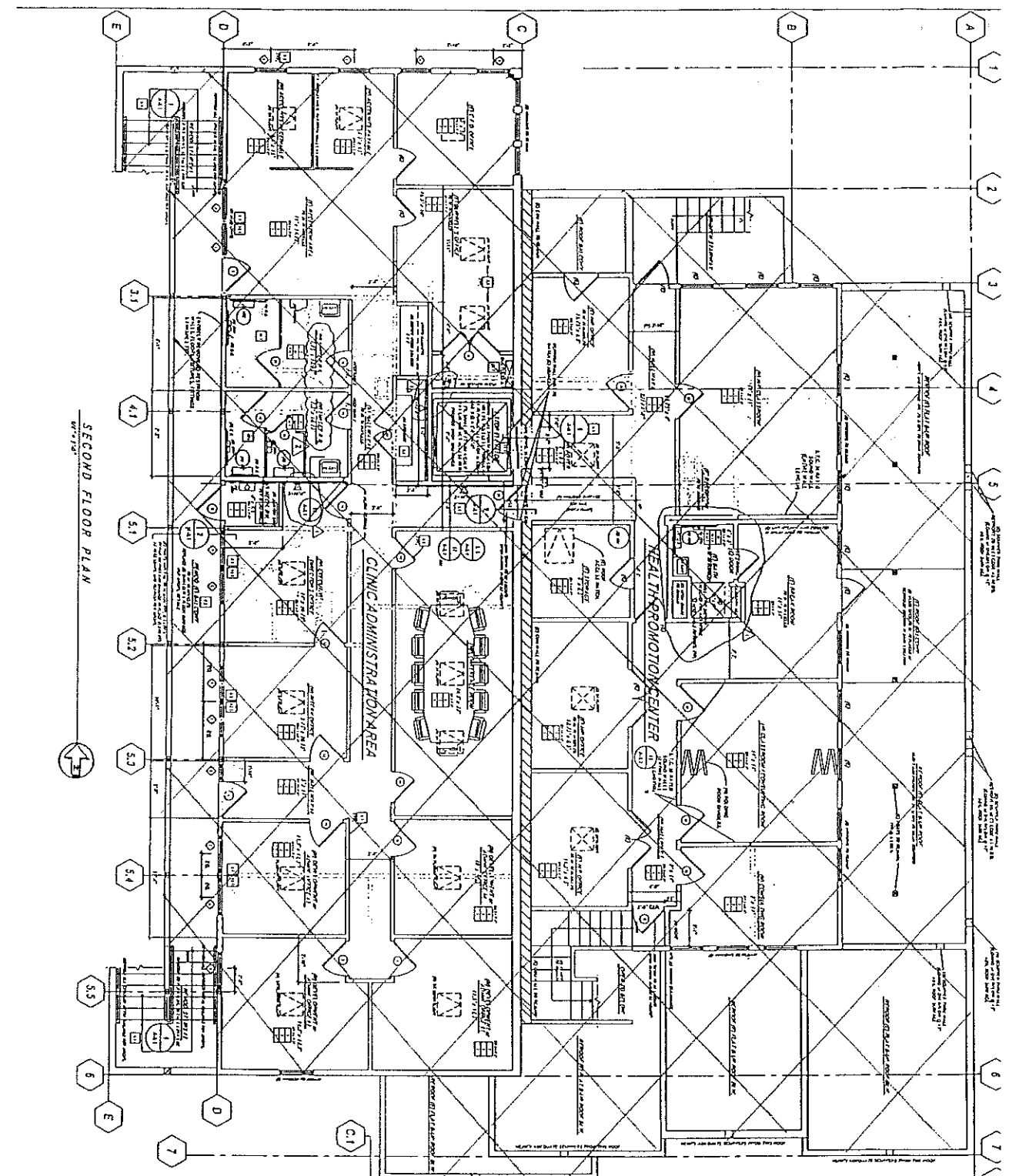
R.M. Bk. 15, Pg. 101 - Ocean Terrace Tract  
 3/5/57 R.M. Bk. 40, Pg. 55 - Orr Commercial Center

EXHIBIT A



Medical Clinic space  
3,110 square feet

**EXHIBIT B  
PREMISES  
FIRST FLOOR**



SECOND FLOOR PLAN  
W-7719

Clinic Administration space  
2,611 square feet

Health Promotion Center  
1,636 square feet

- 1. See page 10 for notes
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- 98. See page 10 for notes
- 99. See page 10 for notes
- 100. See page 10 for notes

EXHIBIT B  
PREMISES  
SECOND FLOOR

**EXHIBIT C**  
**TOTAL OPERATING COSTS**

1. **TOTAL OPERATING COSTS DEFINED:** Operating costs shall mean all reasonable costs paid or incurred by COUNTY that are directly attributable to the maintenance and operation of the Property in which the Premises are situated, including costs allocable to the improvements and to all common areas. Such costs shall include, without limitation, the costs and expenses incurred during the term of the Agreement and attributable to the following:

- a. All costs necessary in COUNTY'S reasonable judgment for the repair, maintenance and operation of the Property, including the common areas of the Property and any utilities provided by COUNTY;
- b. Lot sweeping, resealing, repainting, and restriping of any parking areas;
- c. Cleaning, sweeping, and trash removal;
- d. Maintenance and repair of refuse receptacles;
- e. Maintenance of heating, ventilation and air-conditioning systems serving the Property;
- f. The premiums on insurance maintained by COUNTY with respect to the Property and Premises; and
- g. SBNC'S proportionate share of all applicable real property taxes, personal property taxes and general and special assessments and similar levies ("Property Taxes") levied and assessed against the structure, improvements, and land of which the Premises are a part, subject to any and all exemptions applicable to COUNTY and/or SBNC, and, should the Property Taxes be increased because of any improvements made by SBNC, SBNC shall also pay the amount of the increase attributable thereto; and
- h. Reasonable property management fees paid to a third party property management company.

Common Areas: The term "common areas" shall include the parking lots and grounds on the Property.

For purposes of this Agreement, operating costs shall be allocated such that SBNC shall pay its proportionate share of actual costs for maintenance of the Property and Premises. SBNC'S proportionate share of COUNTY'S total operating costs shall be the ratio that the total number of square feet of the Leased Area (as stipulated to in Section 2, *LEASED AREA*) bears to the total number of leasable square feet at the Property (hereinafter "SBNC'S share"). Upon commencement of this Agreement, SBNC'S share shall be 7,357/9,914, or 74%.

Capital Expenditures: Replacement of any structural components of the Premises, heating, ventilation and air-conditioning systems, subsurface plumbing or foundation, shall be capital expenditures for purposes of calculating SBNC's Share. The cost of any capital expenditures shall be allocated over a twelve (12) year period and SBNC shall not be required to pay more than SBNC's Share of 1/144<sup>th</sup> of the cost of such capital expenditure in any given month.

2. **ESTIMATED COSTS – RECONCILIATION OF PAYMENTS:**

COUNTY shall furnish to SBNC at the commencement of each year of the term an estimate of the operating costs reasonably anticipated by COUNTY for the ensuing year, and SBNC'S monthly proportionate share thereof. Within ninety (90) days after the end of each year of the term, upon written request by SBNC; COUNTY shall furnish SBNC a statement showing the actual operating costs for that period, SBNC'S proportionate share thereof, and the sum of the estimated payments made by SBNC during that year. Each such statement shall be certified to be correct by COUNTY or its duly authorized agent.

If SBNC'S proportionate share of the actual operating costs for the proceeding year exceeds the estimated costs billed by COUNTY, then SBNC shall pay any deficiency to COUNTY within thirty (30) days after SBNC'S receipt of COUNTY'S statement. Should the estimated payments made by SBNC during the preceding year exceed SBNC'S proportionate share of the operating costs, COUNTY shall credit to SBNC'S account the excess at the time COUNTY furnishes said statement to SBNC.

3. **PAYMENT BY SBNC:** SBNC shall pay to COUNTY, concurrently with its payment of Base Rent, SBNC'S proportionate share of COUNTY'S estimated total operating costs (except for utility charges) for the applicable period. Costs for a partial month shall be computed on a thirty (30) day basis. Operating costs for any portion of an accounting period not included within the term of this Agreement shall be prorated on the basis of a 360-day year period.

Objections to accounting, if any, by SBNC shall be made no more than thirty (30) business days after statements are mailed, and SBNC shall have the right to audit the accounting statements upon reasonable notice to COUNTY.

4. **UTILITY CHARGES:** Upon commencement of the Agreement and for so long as SBNC is the only tenant at the Property, SBNC shall independently contract for and pay all invoices for all utilities serving the Premises.

If COUNTY leases any space at the Property to a third party, or occupies any portion of the Property, COUNTY shall assume responsibility for contracting for, paying all invoices and allocating the proportionate costs of all utilities, and SBNC shall reimburse COUNTY for the estimated costs of all utilities serving the Premises. COUNTY shall invoice SBNC, on a quarterly basis, for SBNC's share. SBNC shall pay to COUNTY, within ten days of receipt, SBNC's share of such utilities invoices.

## EXHIBIT C

EXHIBIT D  
MAINTENANCE AND REPAIR RESPONSIBILITIES

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	SBNC
<b>1. Building Exterior</b>				
	Repair Walls		X	
	Painted Surfaces		X	
	Door and Window Trim		X	
	Doors, Hardware		X	
	Windows: Hardware and Screens		X	
	Locks		X	
	Roof		X	
	Rain Gutters		X	
	Flashing		X	
	Down Spouts		X	
	<b>Lighting</b>		X	
	Bulbs		X	
	Fixtures		X	
	Transformers		X	
	Fluorescent Lights		X	
	Ballast		X	
	Handrails		X	
	Signs (County Designation)		X	
	Timers		X	
	Gutters		X	
	Decking Walkways		X	
	Exterior Patios		X	
	Decking (Overdecking on roof top area)		X	
	Water Softener, Filter and Conditioner		X	
	Stairs		X	
	Roof Drains		X	
	Gates		X	
	Gas/Water Lines		X	
	Elect. Lines		X	
	Phone/ Computer Lines			X
	Sewer Lines		X	

**EXHIBIT D**



ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	SBNC
<b>2. Building Interior (within Leased Premises)</b>				
	Walls			X
	Painted Surfaces			X
	Door Hardware			X
	Locks			X
	General Cleaning			X
	Floor, Sweeping and Cleaning			X
	Carpet, Vacuum and Cleaning			X
	Window Coverings			X
	<b>Lighting</b>			X
	Bulbs			X
	Fixtures			X
	Transformers			X
	Fluorescent Lights			X
	Ballast			X
	Handrails (ADA)			X
	Signs			X
	Timers			X
	Drinking Fountains			X
	Ceiling			X
	Showers			X
	Toilet/Urinals (Replacement)		X	
	Toilet/Urinals (Maintenance)			X
	Sink & Faucets (Replacement)		X	
	Sink & Faucets (Maintenance)			X
	Gas Lines		X	
	Water Lines		X	
	Sewer Lines/Drains		X	
	Phone Lines & Jacks			X
	Computer Lines & Jacks			X
	T.V. Cable & Jacks			X

**EXHIBIT D**

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	SBNC
	Phones			X
	Towel Racks	X		
	Garbage Disposal			X
	Refrigerator/ Microwave	X		
	Stove	X		
	Counter Tops, replacement	X		
	Cabinets, replacement	X		
	Dish Washer	X		
	Trash Compactor	X		
<b>3. Grounds</b>				
	Drinking Fountains		X	
	Mail Boxes		X	
	Fences		X	
	Trash Bins		X	
	Trash Enclosures		X	
	Bike Racks		X	
	Signs (County)		X	
	Litter Pick-up			X
<b>Lighting</b>				
	Parking Lot		X	
	Driveways		X	
	Walkways		X	
	Timers (external)		X	
	Signs		X	
<b>4. Landscaping</b>				
	Trees		X	
	Shrubs		X	
	Flowers		X	
	Lawn		X	

**EXHIBIT D**

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	SBNC
	Watering		X	
	Sprinkler, Repair and Replace		X	
	Headers		X	
	Rodent/Pest		X	
	Seeding		X	
	Fertilizer		X	
	Plant Trimming		X	
	Plant Removal		X	
	Plant Replacement		X	
	Tree Care & Trimming		X	
<b>5. Mechanical Systems</b>				
	Electrical Panels, Breaker, Interior			*X
	Electrical Fuses, Interior			*X
	Electrical Receptacle, Switches, Interior			*X
	Electrical Central Switches		X	
	Elevator		X	
	Heating		X	
	Air Conditioning		X	
	Water Heater		X	
<b>6. Roadways/Parking Lots Repair &amp; Maintenance</b>				
	Striping		X	
	Handicap Signage		X	
	Asphalt Surface, Curbing		X	
	Cement Surface, Curbing		X	
	Wheel Stops		X	
	Drainage		X	
	Signs		X	

\*SBNC may elect to provide maintenance and repair or request COUNTY to provide maintenance and repair.

## EXHIBIT D

ITEM NO.	ITEM	NOT APPLICABLE	COUNTY	SBNC
<b>7. Fire Equipment</b>				
	Sprinklers		X	
	Hoses		X	
	Extinguisher (interior)		X	
	Alarm Systems		X	
	Smoke Detectors		X	
<b>8. Other Items</b>				
	Paper supplies, dispensers, waste containers, soap in restrooms and kitchens			X
	Interior janitorial products and services			X
	Interior Floor Waxing, Sweeping			X
	Window Washing (interior & exterior)			X
	Exterior sweeping entry, sidewalks and walkways			X
	Janitorial service for public areas or common use areas			X
	Broken window glass or door glass			X
	Refuse, Rubbish and Garbage Disposal			X
	Cleaning Storage Rooms, Utility Rooms			X
	Exterminating		X	
	Carpet Replacement Linoleum Replacement Tile Replacement			X
	Building Foundation		X	
	Utility mains & appurtenances		X	

**Attachment 11**

**June 7, 2007 Summary Letter for Appraisal of 970 Embarcadero Del Mar**

**Attachment 11**

**June 7, 2007 Summary Letter for Appraisal of 970 Embarcadero Del Mar**

HAMMOCK, ARNOLD, SMITH & COMPANY  
*Real Estate Appraisers & Consultants*

JAMES W. HAMMOCK, MAI  
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215 W. FIGUEROA STREET  
SANTA BARBARA  
CALIFORNIA 93101

June 7, 2007

County of Santa Barbara  
Isla Vista Redevelopment Agency  
1105 Santa Barbara Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101

Attention: Jamie Goldstein

Reference: 970 Embarcadero Del Mar  
Isla Vista, California

Dear Mr. Goldstein:

In response to your request I have personally inspected the property referred to above for the purpose of providing you with my opinion as to the current market value for the fee simple estate.

Prior Appraisal

In June, 2006 I prepared an appraisal report for this property for the County of Santa Barbara. By reference hereto that report is made a part of this letter update.

Brief Property Update

The property is a two-story mixed-use, medical clinic/office building of 9,570 square feet on 11,288 square feet of land. The office portion was built in 1990; the clinic portion in 1968.

The owners have nearly completed the remodel/upgrade project mentioned in the previous report. The prior condition was fair to average; the improvements are now in excellent condition. An estimated \$800,000 has been spent to install and elevator, upgrade interiors, add new roof and other improvements.

Approach to Value

Set out below are the results of a search for comparable sales from which to estimate market value for the property in question.

SALES SUMMARY						
No.	Address/A.P.N.	Sq. Ft. Land Zoning	Sq. Ft. Impvts.	Sale Date	Sale Price	SP/SF Impvts.
1.	163 Aero Camino 73-070-04	43,560 M-1	16,450	8/06	\$3,125,000	\$190
2.	310 Pine Avenue 71-121-13	5,570 C-3	4,740	5/07	1,600,000	338

My search for recent sales in Isla Vista and Goleta only produced two transactions. These, along with the data in my prior report, provide a broad range of comparisons within which to value the subject.

Taken as a group the data show a range of \$183 to \$471 per square foot of building area. Excluding the extremes, which are the least comparable, the range narrows to \$225 to \$375. The subject falls easily within this range. In the analysis below the office area will be valued at \$250 per foot and the clinic at \$300 per square foot reflecting its higher degree of interior improvement.

Commercial – Office Area:

6,240 Sq. Ft. @ \$250/Sq. Ft. = \$1,560,000

Clinic Area:

3,330 Sq. Ft. @ \$300/Sq. Ft. = 999,000

Indicated Value: \$2,559,000

Say, \$2,600,000

Income Discussion

As in the prior appraisal, rental data is difficult to obtain for medical clinic space. The analysis that follows is the same as in the prior report. It begins with the value indicated in the Sales Approach and ends with a projection of rents needed to support an investment-based purchase.



June 7, 2007

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Market Value:	\$2,600,000
Required Annual Yield:	<u>x .07</u>
Net Operating Income:	\$182,000
Adjusted for Vacancy, etc.:	<u>÷ .85</u>
Annual Income:	\$214,118
Monthly Income:	

$$\$214,118 \div 12 \text{ Months} = \$17,843$$

An allocation of this rent could be as follows, to reflect the increased value of the clinic space:

Clinic Area:

$$3,330 \text{ Sq. Ft. @ } \$2.00/\text{Sq. Ft.} = \$6,660$$

Commercial – Office Area:

$$6,240 \text{ Sq. Ft. @ } \$1.50/\text{Sq. Ft.} = \underline{9,360}$$

$$\text{Total: } \underline{\underline{\$16,020}}$$

These rents are supportable in the local market, considering the type and condition of the space. A lower rate of return than the 7% used, say 6%, would be acceptable in the market and nearly match the income projected above.

#### Valuation

Based upon the personal examination and study made, and as a result of my experience as a real estate appraiser, the opinion has been formed that the market value of the fee simple estate of the subject property, as of June 7, 2007 is as follows:

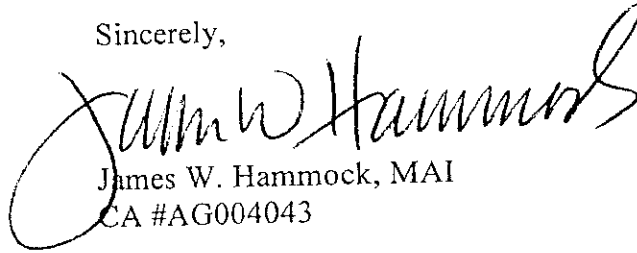
\$2,600,000

TWO MILLION SIX HUNDRED THOUSAND DOLLARS

June 7, 2007  
Page 4

I hope the information contained in this letter is suitable for your current needs. If you have any questions or require further information please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Hammock". The signature is fluid and cursive, with a large initial "J" and "H".

James W. Hammock, MAI  
CA #AG004043

HAMMOCK, ARNOLD, SMITH & CO.

JWH:lz