RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, STATE OF CALIFORNIA

IN THE MATTER OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH & SAFETY CODE SECTION 34191.5(b)	)	Resolution No. 13-05

WHEREAS, on November 27, 1990, the Santa Barbara County Board of Supervisors adopted the redevelopment plan for the Isla Vista Redevelopment Project Area; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed ABX1 26 requiring among other things that each Successor Agency to a former Redevelopment Agency prepare a draft Recognized Obligation Payment Schedule that lists all of the enforceable obligations of the former Redevelopment Agency; and

WHEREAS, an action challenging the constitutionality of ABX1 26 was brought on behalf of cities and redevelopment agencies in the case of California Redevelopment Association et al v. Matosantos (S194861) ("Matosantos case"); and

WHEREAS, on December 29, 2011 the California Supreme Court ("Court") rendered a decision in the Matosantos case whereby it upheld most of ABX1 26, including those provisions requiring the dissolution of all redevelopment agencies; and

WHEREAS, on January 24, 2012, the Santa Barbara County Redevelopment Agency ("Redevelopment Agency") adopted the amended Enforceable Obligation Payment Schedule ("EOPS") through adoption of County Resolution 12-14 and forwarded the amended EOPS to the County Auditor-Controller, the State Controller and the State Department of Finance, and posted the EOPS on the Redevelopment Agency's website; and

WHEREAS, California Health and Safety Code Section 34171(j) and 34173(d)(1) provide that the County is the Successor Agency to the former Redevelopment Agency unless the County adopted a resolution by September 1, 2011 electing not to serve as Successor Agency for the Redevelopment Agency; and

WHEREAS, on August 9, 2011 the County of Santa Barbara Board of Supervisors decided to take no action under California Health and Safety Code Section 34173(d)(1), after which County of Santa Barbara automatically became Successor Agency to the former Redevelopment Agency; and

WHEREAS, on January 10, 2012, the County of Santa Barbara Board of Supervisors

reaffirmed their decision for County of Santa Barbara to automatically become Successor Agency to the former Redevelopment Agency by taking no action under California Health and Safety Code Section 34173(d)(1); and

WHEREAS, as of February 1, 2012, the Redevelopment Agency was dissolved and the Successor Agency became operational; and

WHEREAS, Health & Safety Code Section 34191.5(b) requires that the Successor Agency prepare a Long-Range Property Management Plan and submit it to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion. In the Long-Range Property Management Plan, the Successor Agency is required to address all of the requirements included in Health & Safety Code Section 34191.5(c); and

WHEREAS, the Successor Agency was issued a Finding of Completion from the Department of Finance on April 26, 2013 and the six month period referred to above ends on October 26, 2013; and

WHEREAS, the Successor Agency approved the Long-Range Property Management Plan pursuant to Health & Safety Code Section 34191.5(b) on October 15, 2013 and submitted it to the Oversight Board and the Department of Finance for approval on October 21, 2013; and

WHEREAS, the Oversight Board now wishes to approve the attached Long-Range Property Management Plan pursuant to Health & Safety Code Section 34191.5(b).

NOW, THEREFORE BE IT FOUND AND RESOLVED AS FOLLOWS:

1. The above recitations are true and correct.

2. The Long-Range Property Management Plan included as Exhibit A is hereby approved.

3. The Oversight Board of the Successor Agency to the former County of Santa Barbara Redevelopment Agency, approved this Long-Range Property Management Plan and directs the Agency Secretary to provide it to the State Department of Finance the County Auditor-Controller, the Successor Agency and to post the Plan on the Oversight Board's website.

PASSED, APPROVED AND ADOPTED by the Oversight Board of the Successor Agency to the former County of Santa Barbara Redevelopment Agency, this 24th day of October, 2013, by the following vote:

AYES: 6

NOES: 0

ABSTAIN: 0

ABSENT: 0

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY
a public body, corporate and politic

By: _____

DAN EIDELSON
Chair, Oversight Board

ATTEST:

By: _____

ERRIN BRIGGS
Secretary, Oversight Board

Successor Agency: County of Santa Barbara
Society: Santa Barbara

ED BY OVERSIGHT BOARD

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (b)(2)		HSC 34191.5 (b)(1)(A)					SALE OF PROPERTY		HSC 34191.5 (b)(1)(B)	HSC 34191.5 (b)(1)(C)				HSC 34191.5 (b)(1)(D)	HSC 34191.5 (b)(1)(E)		HSC 34191.5 (b)(1)(F)	HSC 34191.5 (b)(1)(G)		HSC 34191.5 (b)(1)(H)
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Assessment of planning objectives of the successor agency	History of previous development proposals and activity
1	Church	Future Development	See attached LRPMP for more detail	8/4/2009	$ 1,877,000	$ 2,400,000	Appraised	7/10/2013	Appraised value $2,400,000	N/A	Future development of park space and/or provision of parking	976 Embarcadero Del Mar	075-163-017	94,215 square feet (gross)	C-2, Retail Commercial	$2,400,000 (Based on July 2013 Appraisal)	None. building/property is vacant	None	None	Minimal	See attached LRPMP for more detail	Church building was permited on 6/7/63 under permit no. 21913 and constructed in 1965. The Isla Vista Master Plan calls for this parcel to become park space and united with Anisq 'Oyo Park - Lease discussed in narrative
2	Medical Clinic	Governmental Use	See attached LRPMP for more detail	5/15/2008	$ 2,600,000	$ 1,650,000	Appraised	7/10/2013	Appraised Value $1,650,000	N/A	Future development of park space and/or the provision of parking	970 Embarcadero Del Mar	075-163-014	11,288 square feet (gross)	C-2, Retail Commercial	$1,650,000 (Based on July 2013 Appraisal)	$3,110 per month collected from tenant for lease (month to month)	No contractual requirement for use of revenues collected. Revenues are included in the RPTTF and distributed to taxing entities	None	Minimal	See attached LRPMP for more detail	Clinic building was constructed prior to 1979. The Isla Vista Master Plan calls for this parcel to become park space and united with Anisq 'Oyo Park - Lease discussed in narrative
3	Parking Lot	Governmental Use	For governmental purpose pursuant to Health and Safety Code Sections 34181(a) and 34191.5(c)(2)(A) and/or 2) For a project identified in an approved Redevelopment Plan pursuant to Health and Safety Code Section 34181.4(c)(2)(A); and/or 3) Use to fulfill an enforceable obligation pursuant to Health and Safety Code Section 34191.5(c)(2) - See attached LRPMP for more detail	10/21/2008	$ 1,495,498	$ 1,800,000	Appraised	7/10/2013	N/A	N/A	Development of Parking Lot	881 Embarcadero Del Mar	075-111-008 & 075-111-014	22,200 square feet (gross)	C-2, Retail Commercial & SR-H, Student Residential High Density	$1,800,000 (Based on July 2013 Appraisal)	1. $800/month - Lease for (18) parking spaces to Paradise Ivy, LLC 2. $60/month (approx) Revenues collected from Parking Meter	No contractual requirement for use of revenues collected. Revenues are included in the RPTTF and distributed to taxing entities	Site was previously used as a gas station which utilized Underground Storage Tanks (USTs). The tanks leaked hydrocarbons which contaminated the onsite soils. Soils were remediated, an impermeable membrane was placed over the site to prevent any surface contamination from underground contaminants. The site was cleared by the Santa Barbara County Fire Department for non-residential use on November 22, 2011	Minimal	See attached LRPMP for more detail	Parking Lot was permitted on 12/3/08 under Cleo No. 08CDP-00000-00078 and constructed in 2008 - Lease discussed in narrative

Successor Agency to the former Santa Barbara County Redevelopment Agency

Draft Long-Range Property Management Plan

976 Embarcadero Del Mar - aka "The Church"

This portion of the Long-Range Property Management Plan (LRPMP) for the Church Property located at 976 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on June 4, 2008. The purchase price paid for the property, which represented its value at the time of purchase, was $1,877,000. The estimated current value of the property is $2,400,000, as further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision for the site identified in the Isla Vista Master Plan which was for the existing building to be demolished and the site to be unified with the surrounding Anisq 'Oyo' Park.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property is 24,215 square feet in size, designated as Assessor's Parcel No. 075-163-017 and is addressed as 976 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is zoned C-2 (Retail Commercial).

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is $2,400,000. This valuation is based on an appraisal commissioned by the Successor Agency on July 10, 2013 prepared by Steve Schott of Schott & Company. A copy of the current appraisal is included herein as Attachment B.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

The property is currently developed with a church building. The building is currently vacant and no revenues are generated by the property.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

There is no known history of contamination at the subject site.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. The Isla Vista Master Plan specifies that the site be converted to park space and unified with the surrounding Anisq 'Oyo' Park.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The Church building was permitted on September 7, 1962 under permit no. 21913 and constructed in 1963. Several permits for various commercial uses were granted subsequent to 1962 but the most recent use of the site was that of a Church in July of 2011.

At the time the property was acquired by the former Redevelopment Agency on June 4, 2008, the Church building was occupied by St. Athanasius Church. Upon purchase of the property, the former RDA entered into a lease agreement with St. Athanasius Church which specified that the lease would terminate in July of 2011. St. Athanasius Church vacated at that time.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Use and Disposition of the Property

Project Identified in an Approved Redevelopment Plan [§34191.5(c)(2)(A)]

Health & Safety Code Section 34191.5(c)(2)(A) provides for the retention of property for a project identified in an approved redevelopment plan. The following projects are included in the former Redevelopment Agency's approved redevelopment plans and also serve a governmental purpose as defined in 34181(a).

1. Community Center

The approved 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies the development of a community center as a possible project for the former Agency (Section V.G.1). Section VI.C.2 states:

> *The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.*

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Parking Facilities and a Community Center. Page 12 of the former Redevelopment Agency's Five-Year Implementation Plan for the period 2007 – 2011 describes the community center project as a "Community Project".

2. Parking Facilities

The Isla Vista area has been historically plagued by insufficient on-street parking dating back to the 1970's. Numerous planning studies have identified a severe lack in available on-street parking spaces during UCSB's class schedule, particularly in the eastern portion of Isla Vista near the UCSB campus. In addition to Isla Vista residents, both student and staff commuters park in the community during school hours and students who reside in on-campus dorms store their cars in Isla Vista rather than parking on campus because the University charges a substantial fee to park on campus while parking in Isla Vista is free. Numerous planning documents and approved redevelopment plans for the Isla Vista area identify the ongoing parking issue and include policies or projects intended to help alleviate existing conditions. For example, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parking facilities as a possible project for the former Agency (Section V.G.1). Section V.G.2 states:

> *The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause, provide, undertake or make provistons with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.*

Additionally, Section VI.C.2 states:

> *The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.*

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Isla Vista Master Plan (IVMP), adopted by the Board of Supervisors in August of 2007, established a goal of providing centralized parking in the downtown area of Isla Vista in order to help facilitate the development of private mixed-use projects and provide additional off-street parking for the downtown commercial core. The "Parking & Transit" Section of the IVMP beginning on page 2-28 includes numerous goals, actions and policies which encouraged the former Redevelopment Agency (RDA) to actively provide additional parking in the downtown area of Isla Vista. The IVMP anticipated the use of redevelopment powers and tax increment financing to implement the goals related to the development of public parking. In essence, the former RDA, acting as a governmental body, was envisioned to carry out this function:

> ***Parking and Transit Action 2.3:*** *The RDA shall seek funding sources for the design, construction, and maintenance of potential public parking facilities within Isla Vista. (page 2-29)*

Additionally, the former Redevelopment Agency's Bond Projects document dated December, 2007, which detailed preliminary descriptions of projects to be carried out with future bond proceeds, included a "Proposed Bond Expenditures" table which lists "Parking Lot Acquisition" and "Parking Lot Improvements" on page 2, describing a potential future project as "Acquire and develop site for a downtown surface parking lot." It also describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps" Further, the Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

Lastly, the former Agency's Five-Year Implementation Plan Update for the Period 2012-2016, Isla Vista Redevelopment Project Area included the following:

- "Downtown Parking Lot" is listed as a Redevelopment Project in the Cash Flow Projections (p. 21 and 40).

- Development of a downtown parking lot is identified, and implementation of an In-Lieu Parking Fee Program is mentioned (p.11).

Because the Church property includes 18 parking spaces, it can be used to fulfill this purpose and provide parking spaces for the general public and/or aid in facilitation of the County's In-Lieu

Fee Parking Program. The existing 18 parking spaces would also continue to serve the ongoing governmental use at the adjacent property located at 970 Embarcadero Del Mar where the Santa Barbara Neighborhood Clinic operates a governmental purpose medical facility.

3. Park Facilities

The Church property is located in the southern portion of the Embarcadero Loop and bounded by Anisq 'Oyo' Park to the north and People's Park and Perfect Park directly to the east. The Isla Vista Master Plan envisioned expansion of the existing park space and unification of these three parks which are currently fragmented by the existing church building. In several sections, the IVMP discusses proposed improvements to Anisq'Oyo' Park including:

> ***Open Space and Parks Action 2.1:*** *The RDA should work with IVRPD to expand the function of Anisq'Oyo' Park to create a visually prominent core for the community and downtown and to provide a venue for community events. (p. 3-2)*
>
> *Properties inside the Embarcadero Loop should be encouraged to form new strategic partnerships that would allow them to relocate – potentially to new, mixed-use buildings facing the park – in order to free up additional land for park expansion. (p. 3-8)*
>
> *If St. Athanasius Orthodox Church wishes to remain within the park, their church, or a newly renovated chapel – may be easily integrated into such a space as illustrated above. (p. 3-9)*

More specifically, the IVMP contains several illustrations on pages 3-8, 3-9 and 4-24 detailing the progressive conversion of the Church property from its existing, commercial nature to recreational open space. The illustrations show the existing building being removed and then eventually the underlying parcel developed with various configurations of recreational improvements. The accompanying text discusses how the existing entities located within the park area should explore strategic partnerships to allow them to relocate outside the park in order to free up the underlying land for park expansion. The enhancement of Anisq 'Oyo' Park is one of the five "Guiding Principles for Downtown Planning" identified in the IVMP (p. 4-10 & 4-11)

Additionally, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parks as possible projects for the Agency (Section V.G.1). Section V.G.2 states:

> *The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause, provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.*

Exhibit C of the 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Agency's 2007 Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing

sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

Further, the Agency's Proposed Bond Expenditures table describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps." (p.2)

Lastly, the former Agency's Five-Year Implementation Plan Update for the Period 2012-2016, Isla Vista Redevelopment Project Area included the following:

- "The Agency is also proposing to assist the Isla Vista Recreation and Park District with comprehensive improvements to Anisq'Oyo' Park." (Church is located within the park) (p. 41, see also p. 14 and 16).

- "A/O Park/Community Center" is listed as a Redevelopment Project in the Cash Flow Projections (p. 21 and 40).

Bond Restrictions

There are restrictions on the use of the property because it was purchased with tax-exempt bond proceeds (from the County's 2008 Certificates of Participation (COPs)). These restrictions are contained in federal law and the Tax Certificate tied to the 2008 COPs. The 2008 Repayment Agreement between the Successor Agency and the County tied to the 2008 COPs is an approved enforceable obligation of the Successor Agency. Government and 501(c)(3) non-profit uses are permissible and consistent with this enforceable obligation.

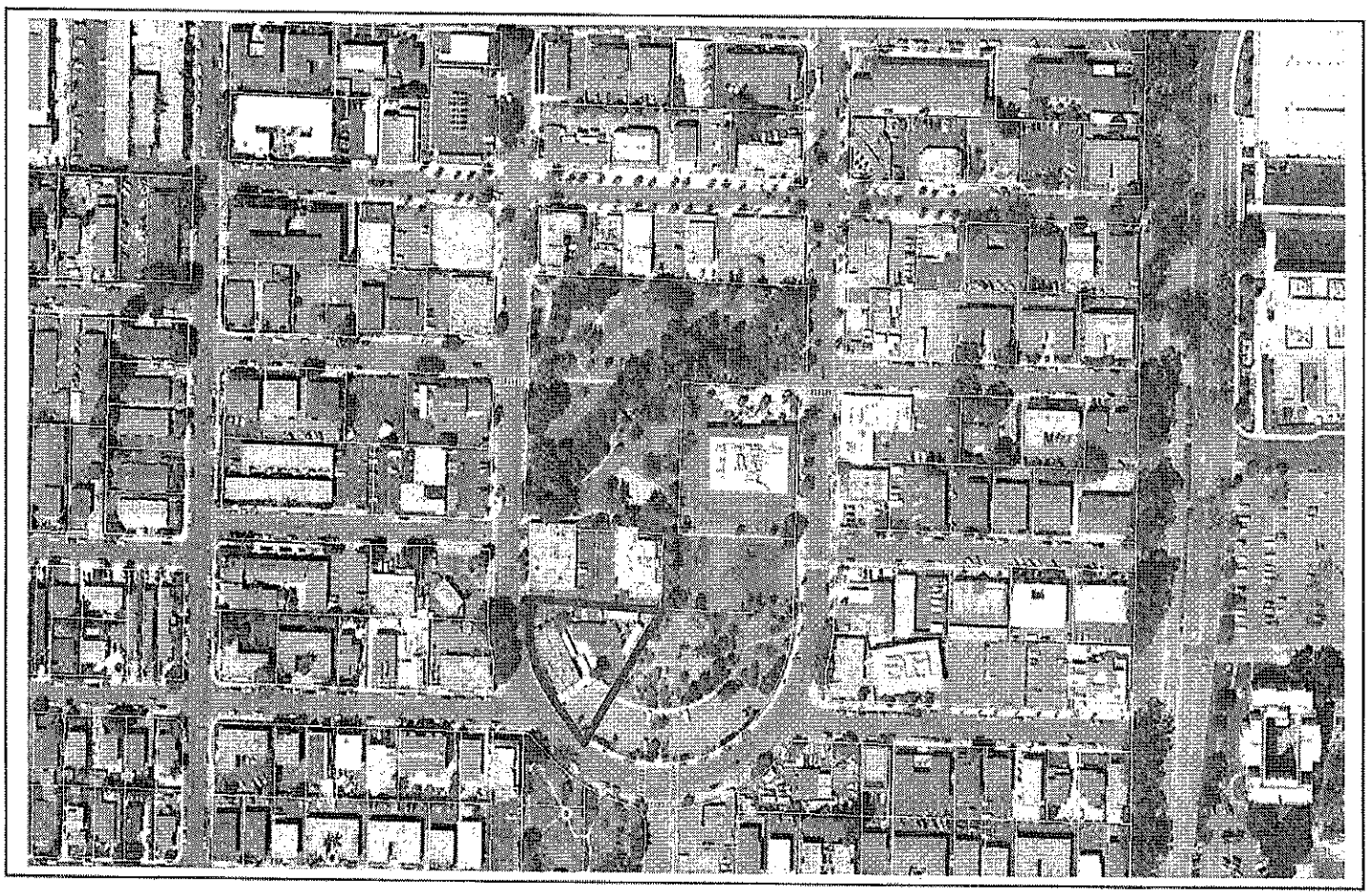
Conclusion

The Successor Agency directs that the property be transferred to the County of Santa Barbara at no cost for use for a project identified in an approved Redevelopment Plan as discussed above, i.e. as a community center and/or park facilities and/or parking lots, as authorized pursuant to Health and Safety Code Section 34191.5(c)(2)(A). Each project identified above also serves a governmental purpose as defined in 34181(a).

Attachments:

A. Site Map
B. Appraisal of Property dated July 10, 2013
C. Isla Vista Master Plan hyperlink http://www.countyofsb.org/ceo/rda.aspx?id=1656
D. 1990 Isla Vista Redevelopment Plan hyperlink http://www.countyofsb.org/ceo/RDA/docs/FinalRedevelopmentPlan2007.pdf
E. 2007 – 2011 5-year Implementation Plan hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/ivrda5yrplan2007_2011.pdf
F. 2012 – 2016 5-year Implementation Plan hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/RDA%205-Year%20Implementation%20Plan.pdf
G. 2007 Bond Document hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/2007%20RDA%20Bond%20Projects%20Document.pdf

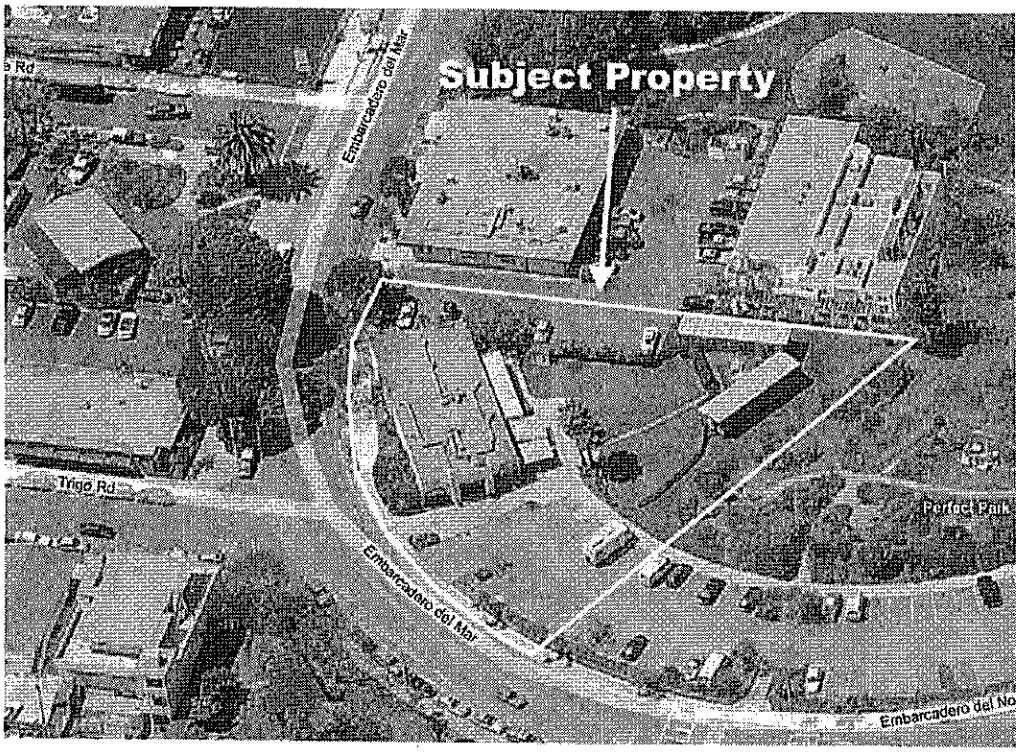
Attachment A – Site Map



ATTACHMENT B

APPRAISAL REPORT:

COMMERCIALLY ZONED LAND IMPROVED WITH A CHURCH



976 EMBARCADERO DEL MAR

ISLA VISTA, CALIFORNIA

Date of Value:
July 10, 2013

Date of Report:
July 26, 2013

Prepared For:
Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

SCHOTT & COMPANY
REAL ESTATE APPRAISAL & CONSULTING

July 26, 2013

Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Commercially Zoned Land Improved with a Church
976 Embarcadero Del Mar
Isla Vista, California

Dear Mr. Grady:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of July 10, 2013, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

Introduction

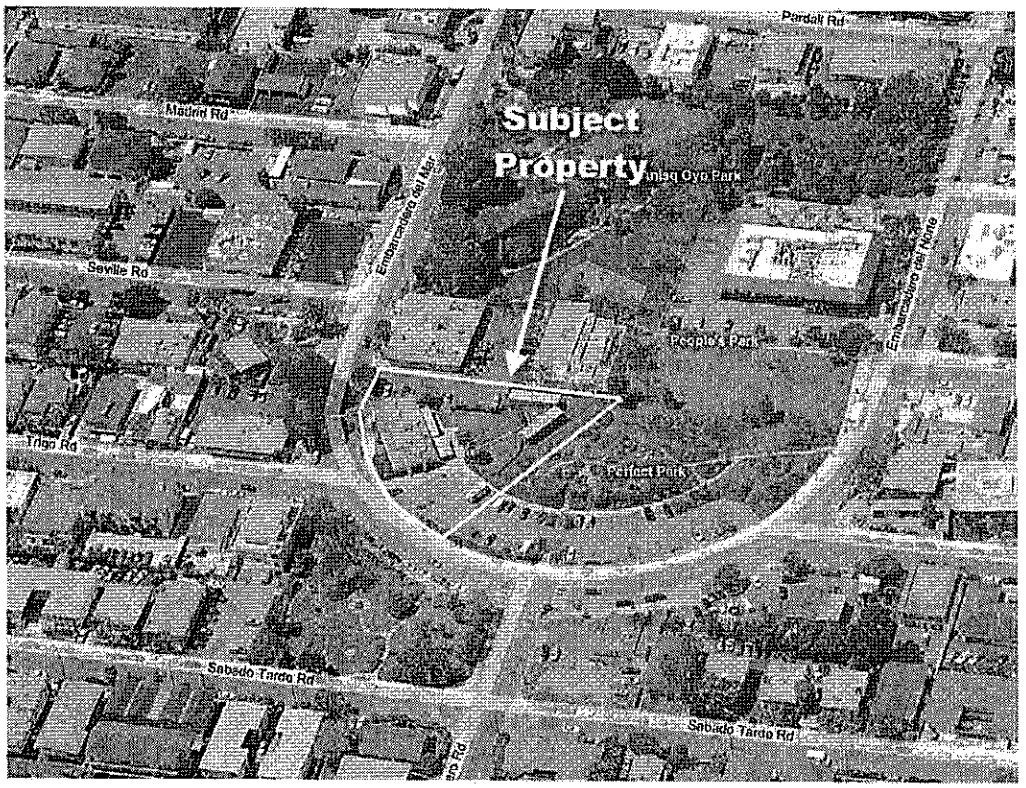
In 2012 and 2013 the South Coast has experienced robust real estate market conditions with both investors and owner-users active in the marketplace. Currently, values appear to be increasing.

Apartment rents decreased during the recession slightly and have increased slightly in the past year. This trend is expected to continue in 2013. The vacancy rate for apartments in Isla Vista in 2012 was 3.4% which is an increase from the previous year but is still a healthy level. The vacancy rate for apartments in Goleta, the nearest competing area to Isla Vista, was 1.1% in 2012.

The subject property consists of a commercially zoned parcel of land improved with a single story, single tenant church structure and associated parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property.



The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

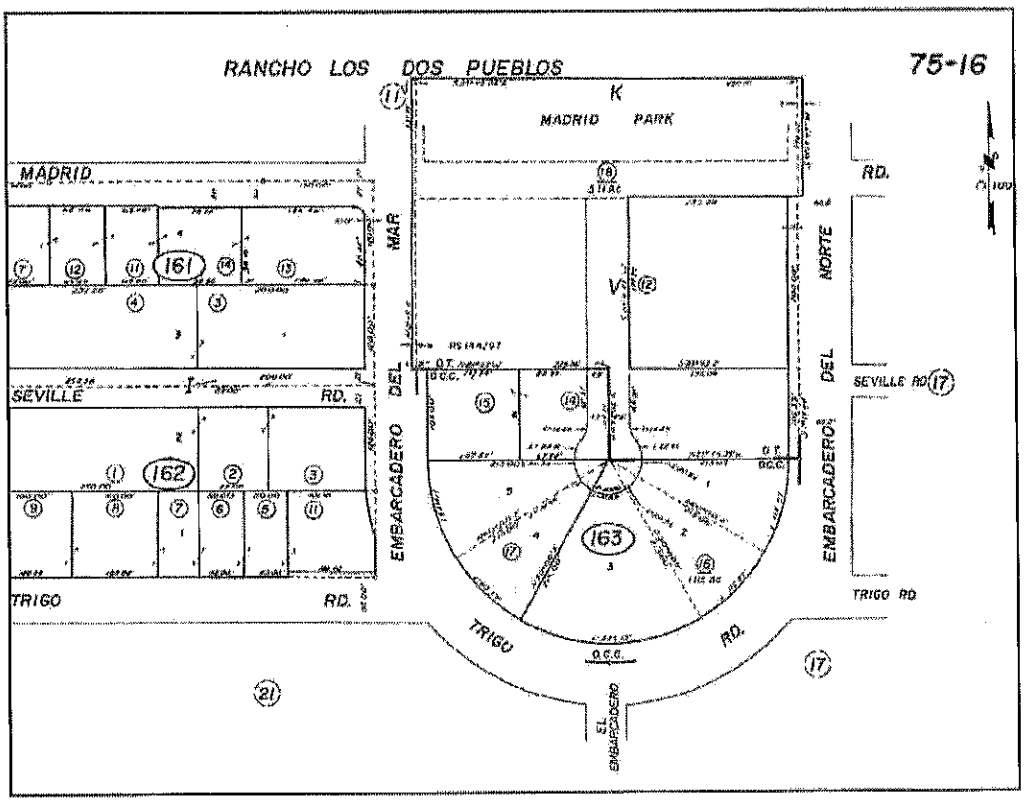
The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The

majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are four significant private redevelopment projects that were recently constructed in the subject neighborhood. These three and four story mixed-use developments have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as three mixed use projects in the downtown area are under construction and another recently received entitlements.

Site Description

The subject parcel is located on the easterly Embarcadero Del Mar. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is nearly triangular in shape and level at street grade. It has 212 feet of frontage on Embarcadero Del Mar and a uniform depth of 215 feet. Gross and net site area is approximately 24,215 square feet. It appears that the paper street shown at the northeasterly side of the subject property has been abandoned.

Access to the subject site is via Embarcadero Del Mar/Trigo Road a public road with an approximate right-of-way width of 60 to 70 feet at the subject location.

The northerly 10 feet of the subject site is encumbered with an easement that is appurtenant to the two adjacent parcels. The subject has an easement over the southerly 10 feet of those parcels that are adjacent northerly.

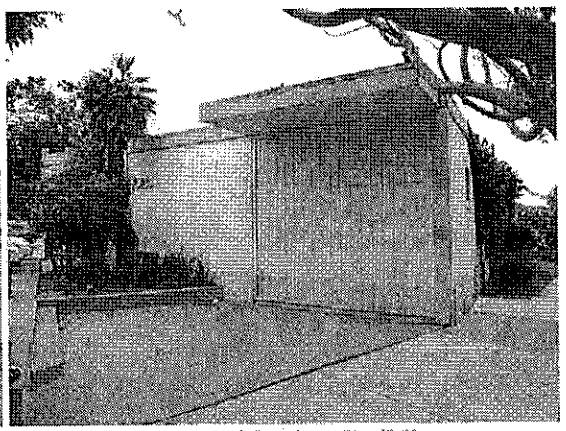
The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

Improvement Description

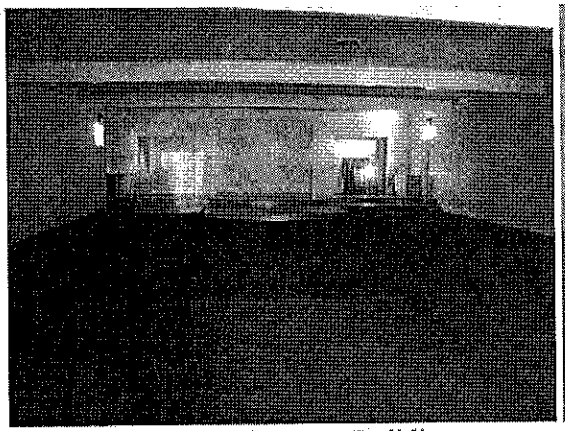
General:	Improvements to the subject consist of a one story wood frame structure with stucco siding. The building is currently vacant but was originally developed as a church.
Age:	The building is estimated to be approximately 30 years old.
Quality:	Average
Condition:	Average
Gross/Net Building Areas:	±3,620 square feet
Interior Finish:	
Floors:	Carpet/Vinyl
Walls:	Drywall
Ceilings:	Drywall

Interior Description:	The building is apportioned into a large auditorium, a kitchenette, and two restrooms.
Mechanical Equipment:	The building has two restrooms and appears to be fully heated and air-conditioned.
Site Improvements:	Site improvements consist of an asphalt paved driveway and parking area, concrete walkways, and landscaping. The subject has approximately 12 onsite parking spaces. The subject has a parking ratio of 3.26 spaces per 1,000 square feet of building area.

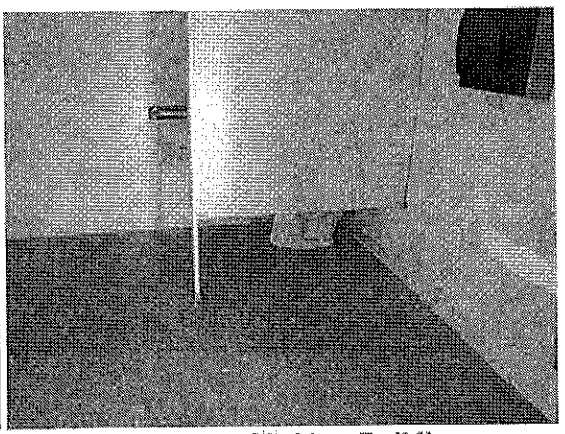
Front of Subject Building



Rear of Subject Building



Interior of Subject Building



Interior of Subject Building

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (commercial/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as a church building is an under - improvement. It is likely that an alternative use of the subject would result in a higher return. Therefore, the highest and best use, "as improved" of the subject property would be to continue the current use as an interim use followed by redevelopment with a mixed-use commercial/residential project.

Valuation

Because the highest and best use of the subject is redevelopment, the valuation of the subject property will consist only of a sales comparison approach that focuses on land value.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of land area. Set out below is a summary of the most pertinent data.

MARKET SURVEY – LAND SALES					
No.	Location/APN/Zoning	Land Sq. Ft.	Sale Date	Sale Price	Price/ Sq. Ft.
1.	5955 Calle Real Goleta 069-110-018 C-2	86,957	3/2012	$5,700,000	$66
2.	909 Embarcadero Del Mar Isla Vista 075-112-016 C-2	9,300	8/2004	$927,000	$100
3.	6584 Madrid Road Isla Vista 075-112-013 C-2	5,400	Listing	$590,000	$109
4.	6522 & 6530 Seville Rd. Isla Vista 075-171-013 & 014 C-2	16,408	6/2005	$2,000,000	$122
5.	6533 Trigo Road Isla Vista 075-173-003 & 026 C-2	16,500	12/2010	$2,175,000	$132
6.	6522 - 6530 Seville Rd. 075-171-013 & 014 C-2	15,500	7/2012	$2,250,000	$144
7.	6547 Trigo Road Isla Vista 075-173-023 & 024 C-2/SR-H-20	11,400	8/2008	$1,725,000	$151
	Subject Property 075-163-017 C-2	24,215	7/2008	$1,877,000	$78

Data No. 1 (5955 Calle Real; $66/Sq. Ft.) is the 2012 sale of a larger rectangularly shaped parcel of commercially zoned land located in Goleta. The property is improved with a 10,123 square foot retail building. The buyer, a supermarket chain, intends to raze the existing building and construct a new supermarket.

Data No. 2 (909 Embarcadero Del Mar; $100/Sq. Ft.) is the older sale of the property situated on the southwesterly corner of the intersection of Embarcadero Del Mar and Pardall Road. This parcel is level at street grade and rectangular in shape. At the time of sale, the property was improved with a single story restaurant building of 1,972 square feet. This property was purchased by a developer who subsequently acquired approvals for a three story, 27,850 square foot mixed-use commercial/residential development with 24 residential units. The project is currently under construction.

Data No. 3 (6584 Madrid Rd., $109/Sq. Ft.) is the current listing of a small rectangularly shaped, commercially zoned parcel of land located on a side street in Isla Vista. This property is currently improved with a coin operated car wash facility

but its highest and best use is redevelopment with a mixed use development. This property is inferior to the subject in terms of location and its small size results in redevelopment challenges. Further, this is a listing, not a sale.

Data No. 4 (6522 & 6530 Seville Rd.; $122/Sq. Ft.) is the older sale of two adjacent rectangularly shaped parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, recently received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project. This property has a peripheral location within the central business district of Isla Vista.

Data No. 5 (6533 Trigo Road; $132/Sq. Ft.) is the late 2010 sale of an unusually shaped parcel of level land located at southern end of the central business district in Isla Vista. This property had been used as a service station. However, prior to the sale, the buyer acquired approvals to construct a four story mixed-use 44,994 square foot development on the site. This development is currently under construction.

Data No. 6 (6522 - 6530 Seville Rd.; $144/Sq. Ft.) is the mid-2012 cash sale of two adjacent rectangularly shaped level parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project (currently finishing construction). The project consists of 22,420 square feet of commercial space and 22,415 square feet of residential condominium units (24 units, 4 of which are affordable). The project will have six hotel guest rooms (in addition to the 24 condominiums), a ground floor gym with pool and spa, a roof top deck with small café. The building will have 43 parking spaces (stacked with mechanical lifts). However, despite the appearances of a development of a condominium and hotel, this property will be operated as a student housing rental project. This property will have a floor area ratio of 2.89. This property has a slightly more peripheral location within the central business district of Isla Vista than the subject and the other discussed herein. This development is currently under construction.

Data No. 7 (6547 Trigo Road; $151/Sq. Ft.) is the mid 2008 sale of a slightly irregularly shaped parcel of land that is situated on two corners at the southern end of the central business district in Isla Vista. The parcel is level at street grade and partially zoned C-2 and partially zoned high density student residential. The property was improved with a small restaurant and retail store at the time it sold. The buyer of this parcel pursued and received approvals subsequent to the sale for a four story 20,697 square feet mixed-use structure on the site. This development is currently under construction.

The subject property was purchased by the redevelopment agency in 2008 through negotiations, though the property was not openly marketed. The land value of the subject property today is judged to be more than $78 per square foot.

The data indicate a range of price per square foot of land from $66 to $151. The subject benefits from the fact that it is situated in Downtown Isla Vista, an area currently undergoing a transformation to a densely developed urban style neighborhood. Alternatively, the subject is triangularly shaped which reduces its utility versus a rectangularly shaped parcel (all of the comparable data are rectangularly shaped). Further, the northerly 10 feet of the property (approximately 9% of the total site) is encumbered by an easement which reduces the utility of the site as a whole. Therefore, based on current market conditions, the comparable sales discussed above, and the appeal of the subject, the value of the subject property is estimated to be below the midpoint of the range found among the comparable data. Base on the data and discussion above, the value of the subject is estimated to be between $90 and $110, say $100 per square foot, of site area.

Value of Subject (per Sq. Ft. of Site Area):	$100
Usable Site Area (Sq. Ft.):	x 24,215
Value of Subject:	$2,421,500
Value of Subject, Rounded:	$2,400,000

Value Conclusion

The Sales Comparison Approach resulted in value indication of $2,400,000. Therefore, the opinion has been formed that the market value of the Fee Simple Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value, was the sum of $2,400,000

TWO MILLION FOUR HUNDRED THOUSAND DOLLARS

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,

Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information
The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number
Book 75, Page 163, Parcel 017

Pertinent Conditions of Title
A title report for the subject has not been reviewed. Aside from those discussed herein, it is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal
This appraisal sets forth my opinion as to the *market value* of the fee simple estate in the real property described herein. Opinions and other matters expressed in this report are stated as of July 10, 2013.

Function of Appraisal
The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User
The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal
Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time
The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been eighteen months (including escrow), assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) Buyer and seller are typically motivated;

(b) Both parties are well informed or well advised, and acting in what they consider their best interest;

(c) A reasonable time is allowed for exposure in the open market;

(d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

> A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

> An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee a to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.

18) Neither all not any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

STEPHEN G. SCHOTT, MAI
CA#AG024150

Successor Agency to the former Santa Barbara County Redevelopment Agency

Draft Long-Range Property Management Plan

970 Embarcadero Del Mar - aka "The Medical Clinic"

This portion of the Long-Range Property Management Plan (LRPMP) for the Medical Clinic Property located at 970 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on May 15, 2008. The purchase price paid for the property, which represented its value at the time of purchase, was $2,600,000. The estimated current value of the property is $1,650,000, as further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision for the site identified in the Isla Vista Master Plan which was to provide parking in the downtown area and/or for the existing building to be demolished and the site to be unified with the surrounding Anisq 'Oyo' Park.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property is 11,288 square feet in size, designated as Assessor's Parcel No. 075-163-014 and is addressed as 970 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is zoned C-2 (Retail Commercial).

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is $1,650,000. This valuation is based on an appraisal commissioned by the Successor Agency on July 10, 2013 and prepared by Steve Schott of Schott & Company. A copy of the current appraisal is attached as Attachment B.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

The property generates $3,100 per month in revenues derived from leasing a 3,110 square foot portion of the existing 9,000 square foot building to the Santa Barbara Neighborhood Clinic. There is no contractual requirement related to disposition of the revenues collected. These revenues are currently collected and distributed to the taxing entities.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

There is no known history of contamination at the subject site.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. The Isla Vista Master Plan specifies that the site be converted to park space and unified with the surrounding Anisq 'Oyo' Park.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The clinic building was constructed prior to 1979 as a "Services Center". Several permit records subsequent to 1979 show additions to the original building and the establishment of a dental office and lab on the property. The site has been used for medical purposes since it was originally developed.

At the time the property was acquired by the former Redevelopment Agency on May 15, 2008, the medical clinic building was occupied by the Santa Barbara Neighborhood Clinics (SBNC). Upon purchase of the property, the former RDA entered into a lease agreement with SBNC for a portion of the existing building. The terms of the lease were amended twice prior to the RDA's dissolution. SBNC continues to lease approximately 3,110 square feet of the building at a cost of $1 per square foot per month or a total of $3,110 per month.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Use and Disposition of the Property

1. Government Use [§34181(a)]

Agreement to Provide Medical Services to the Indigent with Santa Barbara Neighborhood Clinics

The County contracts with Santa Barbara Neighborhood Clinics (SBNC) to provide medical care to homeless people at the Medical Clinic at 970 Embarcadero Del Mar. The County is required to provide medical services to the indigent pursuant to California Welfare & Institutions Code 17000. In furtherance of this responsibility, the Santa Barbara County Public Health Department (SBCPHD) operates five public health care centers and three satellite health care centers based in homeless shelters and partners with five contracted community clinics in areas where the PHD does not operate centers. Combined, the system of care conducts more than 130,000 patient visits annually – regardless of patients' ability to pay In the Isla Vista area, the County PHD contracts with a local Federally Qualified Health Center (FQHC), SBNC (also referred to as the Isla Vista Neighborhood Clinic), through the Public Health Department's Health Care for the Homeless Grant program to provide care for the area's homeless at the Santa Barbara Neighborhood Clinic located at 970 Embarcadero Del Mar, i.e., the "Medical Clinic" property. Since the inception of the Health Care for the Homeless Grant with the PHD in 1989, County PHD has continuously contracted with SBNC or its predecessor Isla Vista Health Projects, Inc. at the Isla Vista location for primary care services for the homeless by providing funds to cover the costs of such services. This relationship was deemed even more essential when in 2010 the Isla Vista homeless population was formally designated a Medically Underserved Population (MSSA 181a). The "Scope of Work and Purchasing Detail for Cooperative Agreement between the County of Santa Barbara and the Santa Barbara Neighborhood Clinics" provides clear documentation of this contractual relationship between the County and SBNC and is included with this Long-Range Property Management Plan as Attachment C. This agreement shows that the Medical Clinic property is used for a governmental purpose as defined by Health & Safety Code Section 34181(a).

Use of the Building for Isla Vista Project Area Committee Meetings

The Isla Vista Project Area Committee (IVPAC) was formed by the County of Santa Barbara Board of Supervisors in January 15, 2002 to serve as a citizen's advisory committee in preparation of the Isla Vista Master Plan (IVMP). The IVMP is an approved redevelopment plan and a community planning document adopted by the County Board of Supervisors in August of 2007 that articulates the future vision for the community and provides a policy framework under which future development projects in the Isla Vista area are evaluated. The IVPAC was a governmental body comprised of local constituents who met on a regular and ongoing basis to provide feedback directly from the Isla Vista community to the County Planning & Development Department on various planning related issues. IVPAC meetings were staffed, supported and funded by the former Redevelopment Agency. Over the course of their governmental service, the IVPAC formally convened their meetings in office space located within the Medical Clinic building at 970 Embarcadero Del Mar from September 2009 to February 2012. IVPAC meeting minutes documenting the IVPAC's use of the 970 Embarcadero Del Mar location, and which demonstrate

the building was used for a governmental purpose, are included as Attachment D of this Long-Range Property Management Plan.

2. Project Identified in an Approved Redevelopment Plan [§34191.5(c)(2)(A)] and Governmental Use [§34181(a)]

Health & Safety Code Section 34191.5(c)(2)(A) provides for the retention of property for a project identified in an approved redevelopment plan. The following projects are included in the former Redevelopment Agency's approved redevelopment plans and also serve a potential future governmental purpose as defined in 34181(a).

a. Community Center and Non-Profit Uses

The approved 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies the development of a community center as a possible project for the former Agency (Section V.G.1) as well as the establishment of "non-profit uses" such as the Santa Barbara Neighborhood Clinic. Section VI.C.2 states:

> *The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.*

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Parking Facilities and a Community Center. Page 12 of the former Redevelopment Agency's Five-Year Implementation Plan for the period 2007 – 2011 describes the community center project as a "General Improvement Project".

b. Parking Facilities

The Isla Vista area has been historically plagued by insufficient on-street parking dating back to the 1970's. Numerous planning studies have identified a severe lack in available on-street parking spaces during UCSB's class schedule, particularly in the eastern portion of Isla Vista near the UCSB campus. In addition to Isla Vista residents, both student and staff commuters park in the community during school hours and students who reside in on-campus dorms store their cars in Isla Vista rather than parking on campus because the University charges a substantial fee to park on campus while parking in Isla Vista is free. Numerous planning documents and approved redevelopment plans for the Isla Vista area identify the ongoing parking issue and include policies or projects intended to help alleviate existing conditions. For example, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parking facilities as a possible project for the former Agency (Section V.G.1). Section V.G.2 states:

> *The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause,*

provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.

Additionally, Section VI.C.2 states:

The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Isla Vista Master Plan (IVMP), adopted by the Board of Supervisors in August of 2007, established a goal of providing centralized parking in the downtown area of Isla Vista in order to help facilitate the development of private mixed-use projects and provide additional off-street parking for the downtown commercial core. The "Parking & Transit" Section of the IVMP beginning on page 2-28 includes numerous goals, actions and policies which encouraged the former Redevelopment Agency (RDA) to actively provide additional parking in the downtown area of Isla Vista. The IVMP anticipated the use of redevelopment powers and tax increment financing to implement the goals related to the development of public parking. In essence, the former RDA, acting as a governmental body, was envisioned to carry out this function:

Parking and Transit Action 2.3: *The RDA shall seek funding sources for the design, construction, and maintenance of potential public parking facilities within Isla Vista. (page 2-29)*

Additionally, the former Redevelopment Agency's Bond Projects document dated December, 2007, which detailed preliminary descriptions of projects to be carried out with future bond proceeds, included a "Proposed Bond Expenditures" table which lists "Parking Lot Acquisition" and "Parking Lot Improvements" on page 2, describing a potential future project as "Acquire and develop site for a downtown surface parking lot." It also describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps" Further, the Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

c. Park Facilities

The Medical Clinic property is located in the southern portion of the Embarcadero Loop and bounded by Anisq 'Oyo' Park directly to the north and People's Park and Perfect Park to the east. The Isla Vista Master Plan envisioned expansion of the existing park space and unification of these three parks which are currently fragmented by the existing medical clinic building. In several sections, the IVMP discusses proposed improvements to Anisq'Oyo' Park including:

Open Space and Parks Action 2.1: *The RDA should work with IVRPD to expand the function of Anisq'Oyo' Park to create a visually prominent core for the community and downtown and to provide a venue for community events. (p. 3-2)*

Properties inside the Embarcadero Loop should be encouraged to form new strategic partnerships that would allow them to relocate – potentially to new, mixed-use buildings facing the park – in order to free up additional land for park expansion. (p. 3-8)

More specifically, the IVMP contains several illustrations on pages 3-8, 3-9 and 4-24 detailing the progressive conversion of the Medical Clinic property from its existing, commercial nature to recreational open space. The illustrations show the existing building being removed and then eventually the underlying parcel developed with various configurations of recreational improvements. The accompanying text discusses how the existing entities located within the park area should explore strategic partnerships to allow them to relocate outside the park in order to free up the underlying land for park expansion. The enhancement of Anisq 'Oyo' Park is one of the five "Guiding Principles for Downtown Planning" identified in the IVMP (p. 4-10 & 4-11)

Additionally, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parks as possible projects for the Agency (Section V.G.1). Section V.G.2 states:

The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause, provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.

Exhibit C of the 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Agency's 2007 Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

Further, the Agency's Proposed Bond Expenditures table describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps." (p.2)

3. Bond Restrictions

There are restrictions on the use of the property because it was purchased with tax-exempt bond proceeds (from the County's 2008 Certificates of Participation (COPs)). These restrictions are contained in federal law and the Tax Certificate tied to the 2008 COPs. The 2008 Repayment Agreement between the Successor Agency and the County tied to the 2008 COPs is an approved enforceable obligation of the Successor Agency. Government and 501(c)(3) non-profit uses are permissible and consistent with this enforceable obligation.

Conclusion

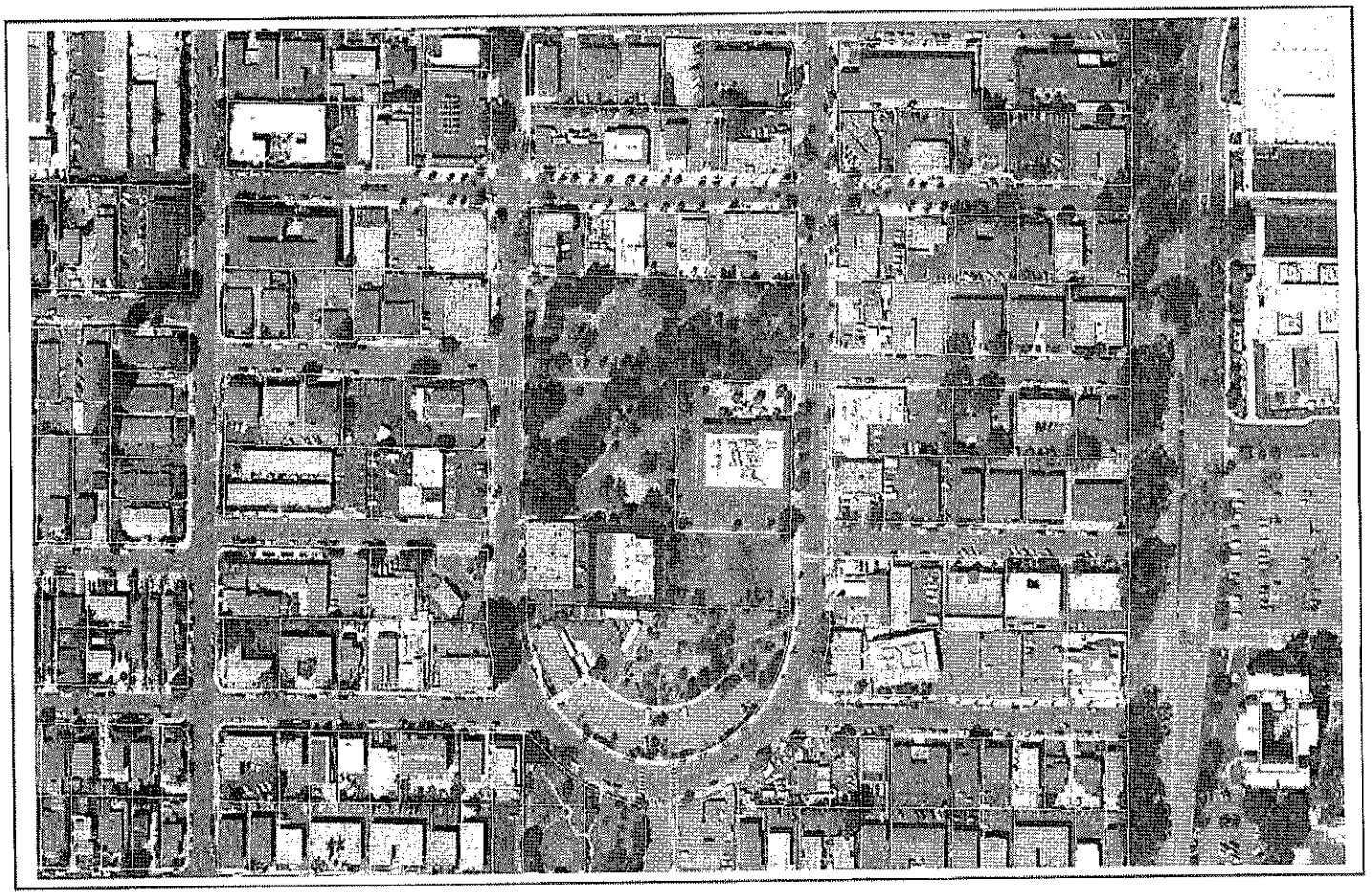
The Successor Agency directs that the Medical Clinic property be retained by the County of Santa Barbara for government use pursuant to Section 34181(a) at no cost to the County for the governmental purpose of providing medical services and/or other governmental purposes, as authorized pursuant to Health and Safety Code Sections 34181(a) and 34191.5(c)(2).

As an independent and alternative basis for a no-cost transfer of the Medical Clinic property to the County, the Successor Agency directs that the property be used for a potential project identified in an approved Redevelopment Plan, i.e. as a community center and/or park facilities and/or parking lots and/or nonprofit uses, as authorized pursuant to Health and Safety Code Section 34191.5(c)(2)(A).

Attachments:

A. Site Map
B. Appraisal of Property dated July 10, 2013
C. Scope of Work and Purchasing Detail for Cooperative Agreement between the County of Santa Barbara and the Santa Barbara Neighborhood Clinic
D. Isla Vista Project Area Committee Minutes 2009 – 2012
E. Isla Vista Master Plan hyperlink http://www.countyofsb.org/ceo/rda.aspx?id=1656
F. 1990 Isla Vista Redevelopment Plan hyperlink http://www.countyofsb.org/ceo/RDA/docs/FinalRedevelopmentPlan2007.pdf
G. 2007 – 2011 5-year Implementation Plan hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/ivrda5yrplan2007_2011.pdf
H. 2012 – 2016 5-year Implementation Plan hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/RDA%205-Year%20Implementation%20Plan.pdf
I. 2007 Agency Bond Document hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/2007%20RDA%20Bond%20Projects%20Document.pdf

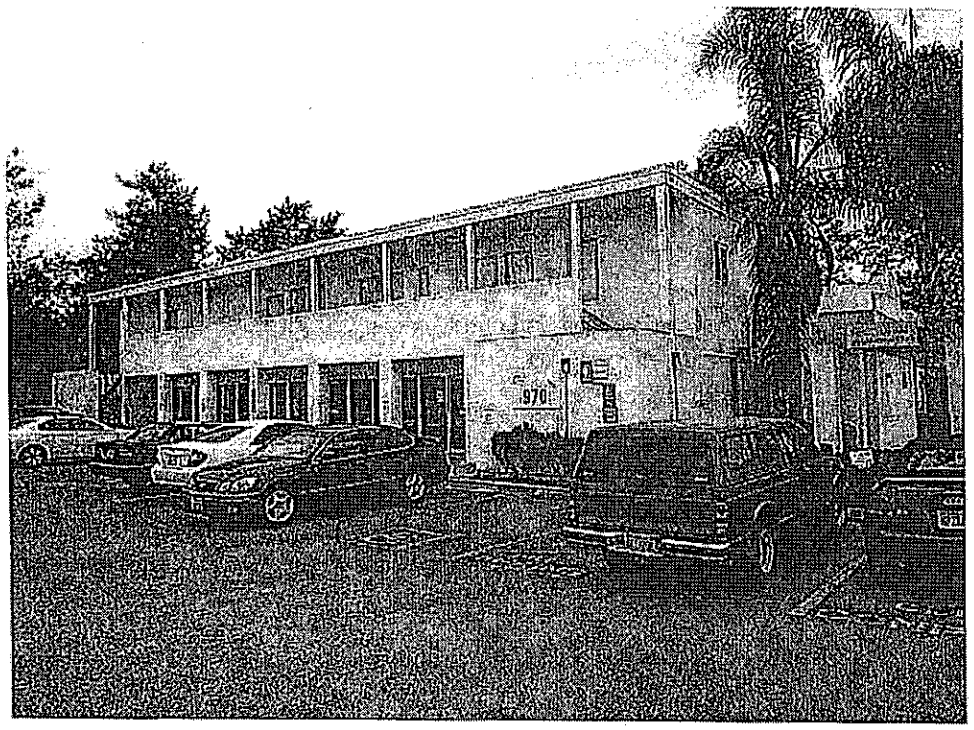
Attachment A – Site Map



ATTACHMENT B

APPRAISAL REPORT:

MULTI-TENANT PROFESSIONAL AND MEDICAL OFFICE BUILDING



970 EMBARCADERO DEL MAR

ISLA VISTA, CALIFORNIA

Date of Value:
July 10, 2013

Prepared For:
Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Date of Report:
July 26, 2013

SCHOTT & COMPANY
Real Estate Appraisal & Consulting

SCHOTT & COMPANY
REAL ESTATE APPRAISAL & CONSULTING

July 26, 2013

Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Multi Tenant Professional and Medical Office Building
970 Embarcadero Del Mar
Isla Vista, California

Dear Mr. Grady:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of July 10, 2013, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

Introduction

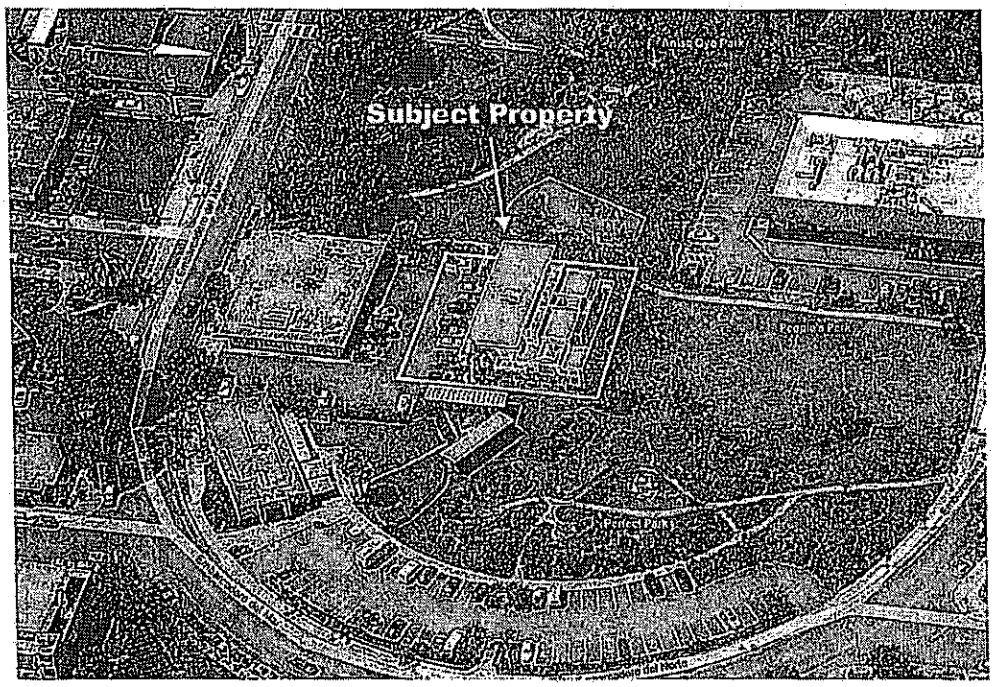
In 2012 and 2013 the South Coast has experienced robust real estate market conditions with both investors and owner-users active in the marketplace. Currently, values appear to be increasing.

Office vacancies in Goleta (the subject would be considered as part of the Goleta submarket) jumped to 12.4% in the first quarter of 2013 compared with 9.7% at the end of 2012. During the past 10 years, the vacancy rate has averaged approximately 9%. Currently, rental rates are falling slightly, likely as a result of reduced demand. The average asking rent for office space in Goleta is $1.61 per square foot, gross.

The subject property consists of a commercially zoned parcel of land improved with a two story multi-tenant office building and parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property.



The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

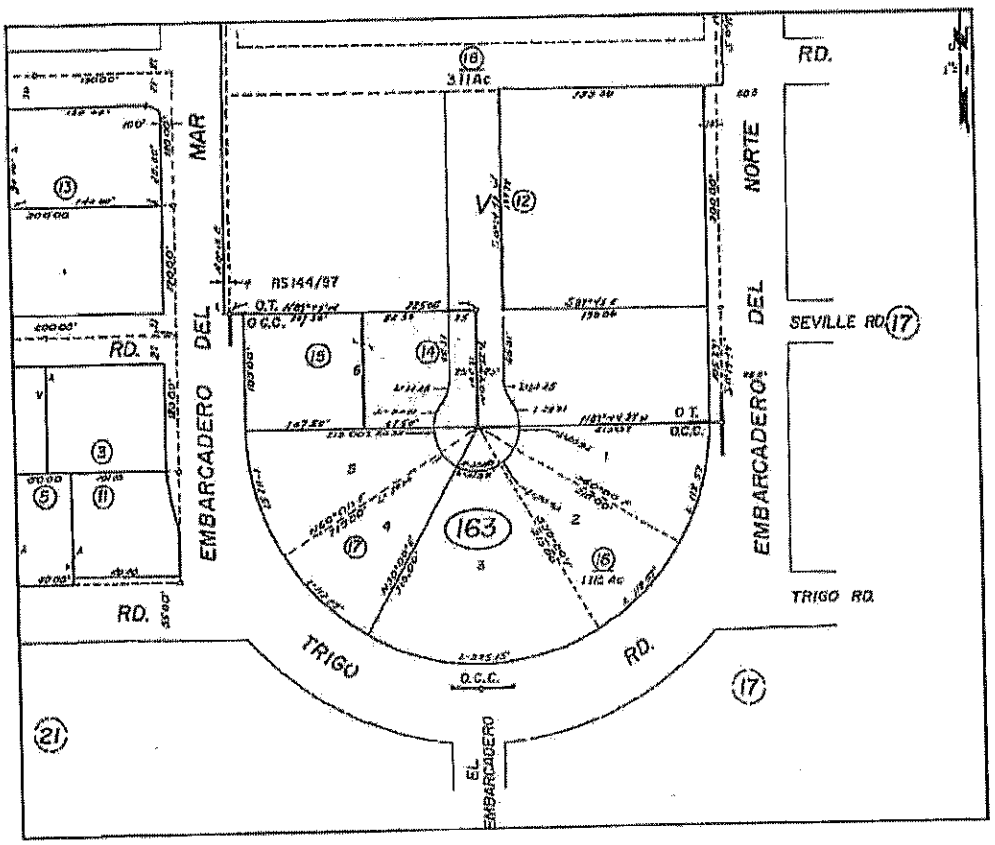
The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in

the area closest to the University. The subject is located within this area. There are four significant private redevelopment projects that were recently constructed in the subject neighborhood. These three and four story mixed-use developments have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as four mixed use projects in the downtown area were recently constructed.

Site Description

The subject parcel is located on the easterly Embarcadero Del Mar behind another property. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is rectangular in shape and level at street grade. It has no frontage on Embarcadero Del Mar and is accessed via an easement that encumbers the adjacent

parcel. Gross and net site area is 11,288 square feet. It appears that the paper street shown on the easterly side of the subject property has been abandoned.

Access to the subject site is via easements encumbering the southerly 10 feet and easterly 15 feet of the parcel adjacent westerly of the subject (APN: 75-163-015) and the northerly 10 feet of parcel that is adjacent southerly of the subject (APN: 75-163-017) . By the same token, the westerly 15 feet and southerly 10 feet of the subject parcel are encumbered with access easements that are appurtenant to the adjacent parcels.

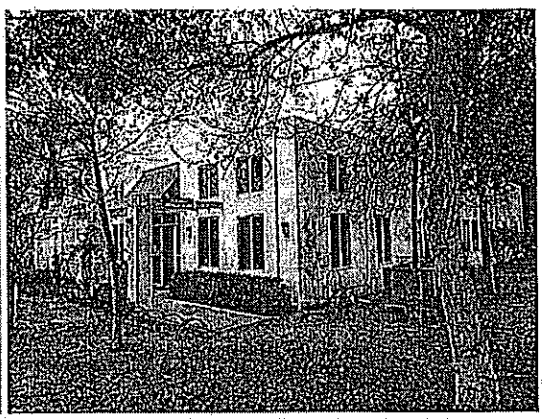
The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

Improvement Description

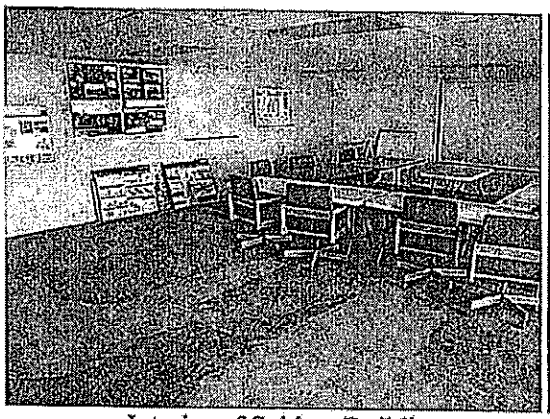
General:	Improvements to the subject consist of a two story wood frame and concrete block structure with stucco siding. The building is used as professional and medical office space with associated site improvements.
Age:	The building appears to have been constructed in phases. The building is estimated to be approximately 30 years old.
Quality:	Average
Condition:	Average. It is estimated that the subject needs approximately $10 per square (say $100,000) in remodeling costs to attract tenants. This amount has been subtracted from the conclusion of the Income Approach to account for lease up costs.
Gross Building Areas:	
Ground Floor:	5,325 Square Feet
Second Floor:	3,897 Square Feet
Total:	9,222 Square Feet

	(Per Building Plans)
Interior Finish:	
Floors:	Carpet/Tile/Vinyl/Concrete
Walls:	Drywall
Ceilings:	Acoustic Panel
Interior Description:	The building is effectively apportioned into four potential tenancies (with further division easily achievable). Each tenancy has at least one restroom and multiple individual offices. The east half of the ground floor is used as a medical office space. This suite is apportioned into six exam rooms, four offices, a reception and waiter room and two restrooms.
Mechanical Equipment:	The building has seven restrooms, a two-stop 2,500 lb hydroelectric elevator, and is fully heated and at least partially air-conditioned.
Site Improvements:	Site improvements consist of an asphalt paved driveway and parking area, concrete walkways, stairways and decking, a trash enclosure, and landscaping. The subject has approximately 9 onsite parking spaces. The subject has a parking ratio of 1 space per 1,000 square feet of building area, a parking ratio that is inferior to many competing office buildings in the wider area.

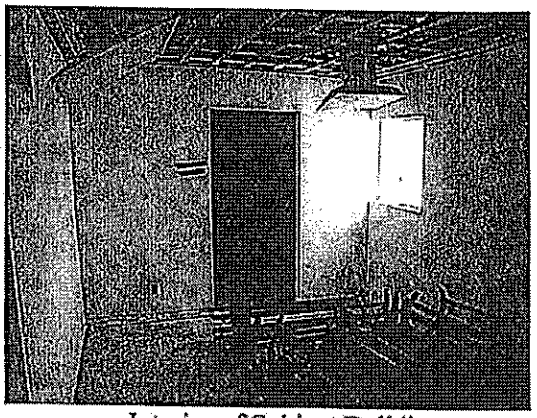
Front of Subject Building



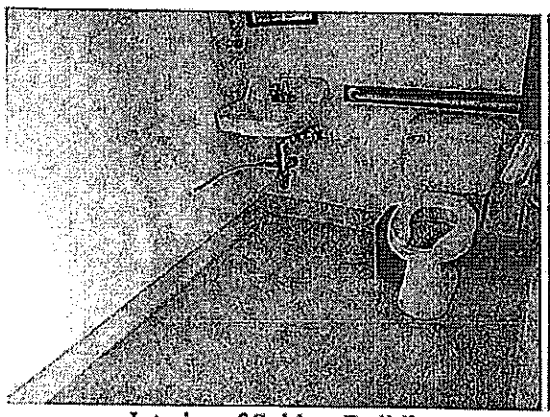
Side and Rear of Subject Building



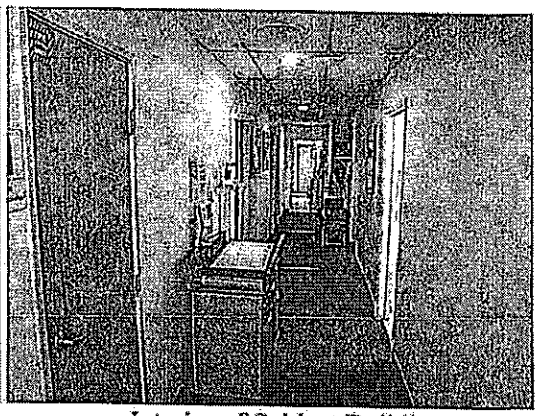
Interior of Subject Building



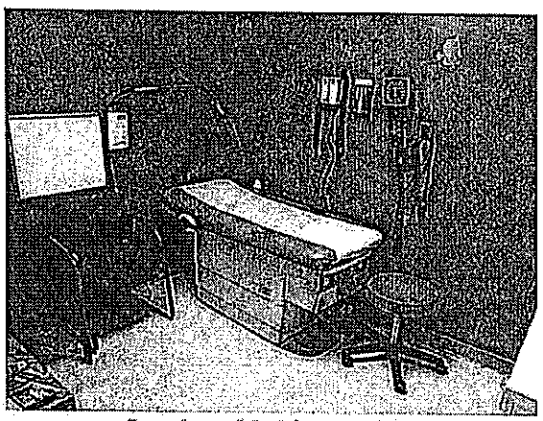
Interior of Subject Building



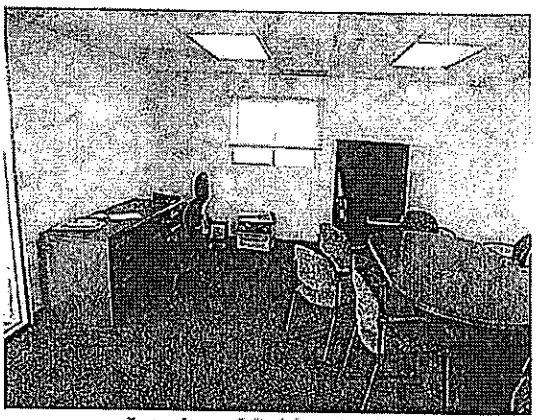
Interior of Subject Building



Interior of Subject Building

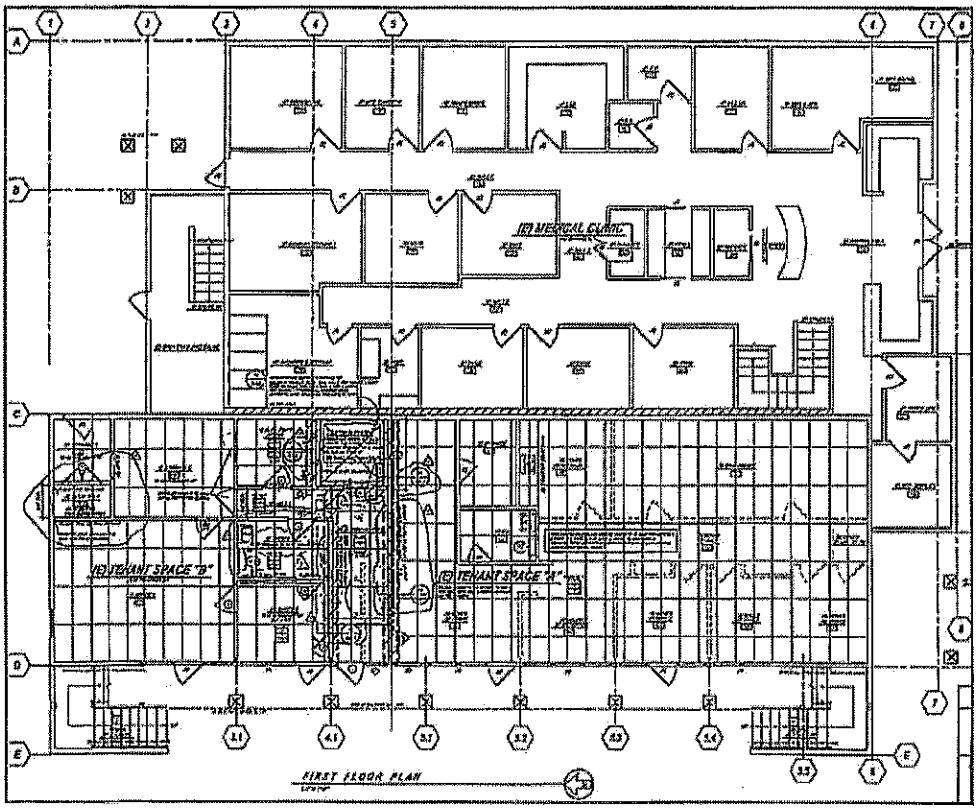


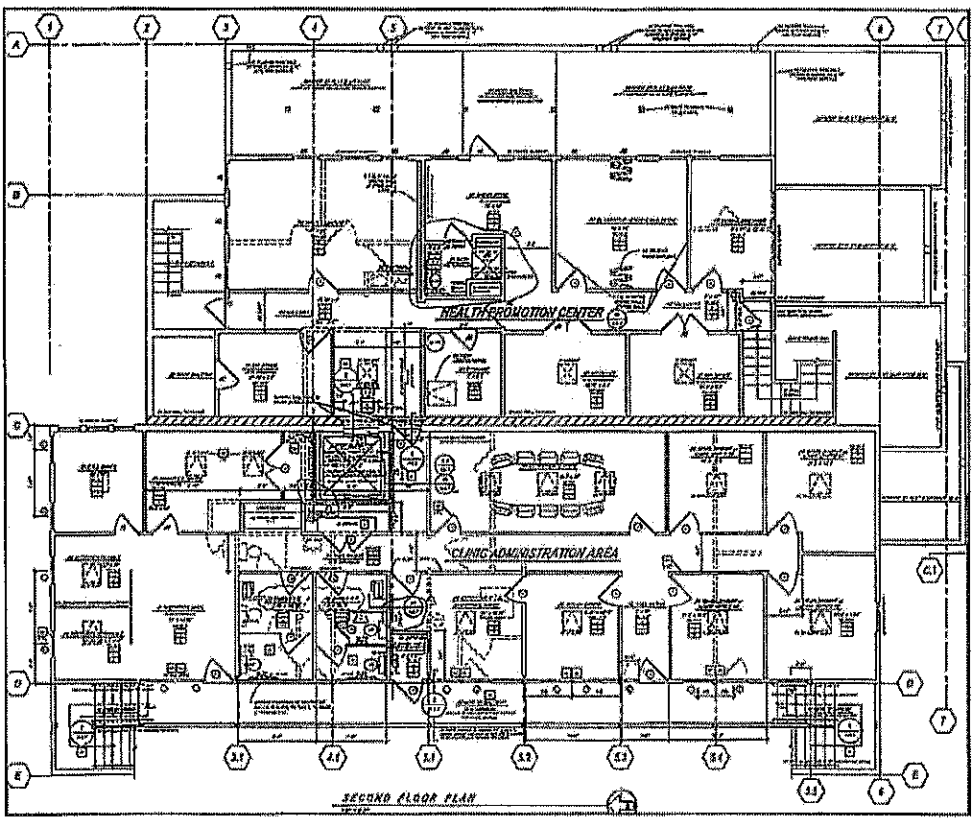
Interior of Subject Building



Interior of Subject Building

Set out below are copies of the subject floorplans:


(E) MEDICAL CLINIC
(E) TENANT SPACE "B"
(E) TENANT SPACE "A"
FIRST FLOOR PLAN


HEALTH PROMOTION CENTER
CLINIC ADMINISTRATION AREA
SECOND FLOOR PLAN

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (commercial/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as an office building is a reasonable use. It is unlikely that an alternative use of the subject would result in a higher return. Therefore, the highest and best use, "as improved" of the subject property would be to continue the current office/medical office use.

Valuation

The valuation of the subject property will include an Income Approach and a Sales Comparison Approach. A Replacement Cost Analysis has not been performed due to the fact that this approach does not reflect the decision making process of the market participants and due to the difficulty of accurately estimating depreciation.

Income Approach

The Income Approach is an analysis of the present worth of anticipated future benefits. In a property such as the subject, the benefits are generally measured in terms of net operating income. This analysis is based on the assumption that income bears a fixed mathematical relationship to value.

As of the date of value, the subject was approximately 66% vacant with the remainder of the building occupied on a month to month basis. Santa Barbara Neighborhood Clinics occupies 3,110 square feet of the ground floor (on the east side of the building) on a month to month basis at a rate of $1.00 per square foot, gross (with the tenant paying utility costs and the lessor paying all other fees).

For comparison purposes, if it were reassessed at the concluded value herein, the subject would have triple net expenses of approximately $0.30 per square foot per month. In order to estimate market rent for the subject, a rental survey has been completed. Set out below is a summary of recent comparable commercial leases.

MARKET SURVEY – COMPARABLE RENTALS

No.	Location	Area in Sq. Ft.	Date	Monthly Rent/SF	Terms
1.	5901 Encina Rd, A-1, Goleta	3,515	2/2013	$1.20	NNN (84¢)
2.	26 Castilian Dr., Goleta	5,487	4/2013	$1.20	NNN (31¢)
4.	900 Emb Del Mar, Isla Vista	588	Current	$1.27	NNN Equiv.
4.	6489 Calle Real #C, Goleta	1,345	1/2013	$1.30	NNN (35¢)

The comparable rental data listed above narrowly range in price from $1.20 to $1.30 per square foot on a triple net basis. Based on current market conditions, the data above, and considering the appeal of the subject, market rent is estimated to be $1.25 per square foot, triple net.

Calculations to determine potential gross annual income at the subject based on market rent are as follows:

Subject Building Area (Sq. Ft.):	9,222
Market Rent/Mo./SF:	x $1.25
Potential Gross Monthly Income:	$11,528
Multiplied by Twelve Months:	x 12
Potential Gross Annual Income:	$138,336

In order to estimate net operating income, property expenses must be subtracted from potential gross income. Lessor property expenses include vacancy and collection loss, management, and reserves for replacement of short lived building components. In this projection (where a triple net lease rate has been projected), property taxes, insurance, maintenance and repairs are paid for by the tenant.

Current vacancy for office in Goleta is approximately 12%. Considering historic vacancy levels (which have averaged approximately 9% over the past 10 years) for Goleta, a figure of 9% of potential gross income has been selected as the appropriate stabilized vacancy and collection loss rate for the subject. Management of properties like the subject generally falls within the range of 4% to 6% of effective gross income. A figure of 5% has been selected for the subject. Reserves for replacement are estimated at 1% of effective gross income. Set out below is a summary of historic and projected stabilized operations at the subject.

Potential Gross Annual Income (PGI):	$138,336
Less Vacancy & Collection Loss (9% of PGI):	($12,450)
Effective Gross Income:	$125,886
Less Management (5% of EGI):	($6,294)
Less Reserves (1% of EGI):	($1,259)
Net Operating Income:	$118,333

At its simplest, the overall capitalization rate is a reflection of the perceived balance between exposure to risk and potential for gain. A survey of recent transactions in the wider local area involving the sale of income producing properties is summarized below.

OVERALL CAPITALIZATION RATE SURVEY

No.	Location	Property Type	Sale Price	Net Income	Sale Date	Overall Rate
1.	29 E. Victoria St. Santa Barbara	Retail	$2,600,000	$114,725	5/2013	4.41%
2.	1111 Coast Village Road Santa Barbara	Retail/Office	$3,190,000	$158,363	4/2013	4.96%
3.	25 W. Anapamu St. Santa Barbara	Office/Retail	$3,475,000	$172,302	12/2012	4.96%
4.	18 E. Ortega Street Santa Barbara	Restaurant	$2,900,000	$153,700	11/2012	5.30%
5.	102-104 W. Mission St. Santa Barbara	Commercial/ Apartment	$990,000	$52,880	4/2013	5.34%
6.	1046 Coast Village Rd. Santa Barbara	Multi-Tenant Retail	$10,200,000	$553,237	12/2012	5.42%
7.	427 E. Carrillo St. Santa Barbara	Office	$3,175,000	$172,349	3/2013	5.43%
8.	3759 State St. Santa Barbara	Single Tenant Retail	$35,000,000	$1,907,500	12/2012	5.45%
9.	3204 State St. Santa Barbara	Retail/ Apartment	$806,000 + Costs	$47,266	Escrow	5.53%
10.	518 E. Haley St. Santa Barbara	Warehouse/ Retail	$2,275,000	$126,187	5/2013	5.55%
11.	740 State St. Santa Barbara	Office/Retail	$11,245,148	$624,525	12/2012	5.56%
12.	210 E. Ortega St. Santa Barbara	Commercial	$1,107,000	$62,252	3/2013	5.62%
13.	5392 Hollister Ave. Goleta	Mixed-Use Retail/Apt	$1,350,000	$75,849	6/2012	5.62%
14.	1515 State #2 Santa Barbara	Dental Condominium	$445,000	$25,989	12/2012	5.84%
15.	24 E. Cota St. Santa Barbara	Office/Retail	$2,740,000	$161,137	12/2012	5.88%
16.	1001 Mark Ave. Carpinteria	Office	$4,400,000	$258,986	5/2013	5.89%
17.	52 N. Fairview Ave. Goleta	Retail	$2,190,500 + Leasing Costs	$139,738	2/2012	6.01%
18.	310-316 N. Milpas St. Santa Barbara	Retail	$2,600,000	$156,677	1/2012	6.03%
19.	99 Aero Camino Goleta	Lt. Industrial	$3,415,000	$213,178	11/2012	6.24%
20.	2720 De La Vina St. Santa Barbara	Retail	$1,300,000	$81,586	10/2012	6.28%
21.	212 Cottage Grove Santa Barbara	Office/ Apartment	$1,500,000	$95,149	4/2012	6.34%
22.	3609-3617 State St. Santa Barbara	Multi-Tenant Retail	$3,900,000	$249,037	12/2012	6.38%
23.	433 E. Canon Perdido Santa Barbara	Office	$4,200,000 +Leasing Costs	$287,916	3/2012	6.62%

The overall rates of the commercial data summarized above range from approximately 4.4% to 6.6%. Variations among the overall rates demonstrated by the sales indicate not only differences in the quality, quantity, and durability, of the properties' income streams, but also the specific needs and desires of the buyers and sellers in each transaction. All of the data were either cash sales or cash equivalent. The subject income stream is based on market rent and, therefore, has average risk characteristics. However, given the fact that the rent is projected and that there will be costs associated with locating a tenant, the appropriate overall capitalization rate for the subject is estimated to be near the high end of the range indicated above. Considering the data and discussion above, the appropriate overall capitalization rate for the subject is estimated to be 6.5%.

Using the estimates arrived at above, an indication of value can be derived as follows. Lease up costs include tenant improvement allowances, leasing commissions, and rent loss during lease up. I estimate that three to nine months of vacancy will be required to reach stabilized occupancy. A rent loss of $69,165 has been projected for the subject. This is based on six months' loss for 9,222 square feet at $1.25 per square foot per month ($1.25 x 9,222 SF x 6 months). Lease commissions are based on an estimated three year lease term and a 5% leasing commission on the 9,222 square feet of vacant space or $20,750 ($1.25 x 9,222 SF x 36 months x 5%):

Net Operating Income:	$118,333
Overall Rate:	÷ 0.065
Subtotal:	$1,820,508
Less Remodeling Costs/Tenant Improvements:	($100,000)
Less Rent Loss During Lease Up:	($69,165)
Less Leasing Commissions:	($20,750)
Value Conclusion:	$1,630,593
VALUE INDICATED BY INCOME APPROACH, Rounded:	$1,630,000

Sales Comparison Approach

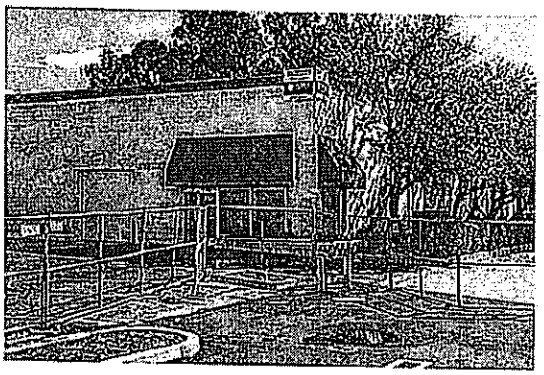
In the Sales Comparison Approach to value, sales of comparable properties are analyzed for the purpose of indicating what a typical well-informed buyer and/or seller would consider in forming an opinion of the worth of the subject property as of the date of value. This valuation concept is based on the theory of substitution in which a basic premise is that a typical buyer would not pay more for a particular property than the cost to acquire an alternative property that similarly satisfies his wants and needs.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of gross building area. Set out below is a summary of the most pertinent data.

MARKET SURVEY – IMPROVED SALES						
No.	Location	Bldg. Sq. Ft.	Land Sq. Ft.	Sale Date	Sale Price	Price/ Sq. Ft.
1.	439-449 Kellogg Way, Goleta	5,622	23,087	8/2012	$600,000	$107
2.	510 S. Fairview Ave, Goleta	10,191	20,038	6/2012	$1,600,000	$157
3.	1001 Mark Ave. Carpinteria	19,131	43,560	5/2013	$4,400,000	$230
	Subject	±9,222	11,288	6/2008	$2,601,229	$282

Discussion of Market Data

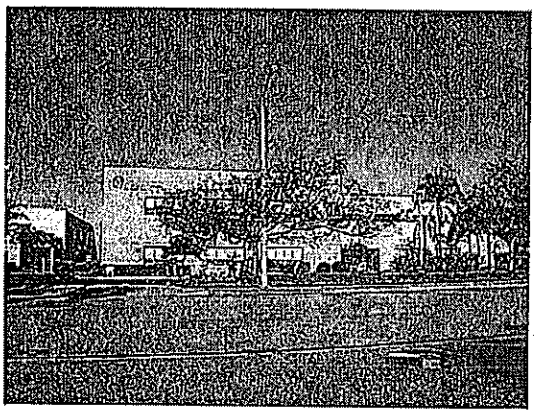
Data No. 1 (439-449 Kellogg Way:; $107/Sq. Ft.) is the mid-2012 sale of a vacant below average quality office building located in a peripheral location in Goleta. Improvements to this property are estimated to be 50 years old and were in fair condition at the time of sale. This property sold to an adjacent property owner who paid cash. This data is inferior to the subject in terms of quality and condition as well as market conditions. It is judged to indicate a value of more than $107 per square foot for the subject.



Data No. 1 (510 S. Fairview; $157/Sq. Ft.) is the mid-2012 sale of a single tenant light industrial building located in Goleta. This property has no street frontage and is behind other buildings which reduced its visibility and hampered its marketing. Improvements consist of a one and two story concrete block structure that is 44% office space. This building was constructed in 1970 and is of average quality construction and condition. It has a clear height of 18 feet and one grade level roll up door. This property has a parking ratio of 2.75 spaces per 1,000 square feet of building area. This property is zoned M-RP. This data sold with conventional financing from US Bank and Trust.

This data is inferior to the subject in terms of quality of construction and market conditions. It is judged to indicate a value of more than $157 per square foot for

the subject.



Data No. 3 (1001 Mark Ave., $230/Sq. Ft.) is the mid-2013 sale of a newly remodeled office building in an R & D park in Carpinteria. This building was constructed in 1989 but completely remodeled in 2012. This building has a parking ratio of 3.0 spaces per 1,000 square feet of building area. The property was fully leased and sold to an investor who paid cash. This property is superior to the subject in terms of quality and condition. On balance, despite being twice the size of the subject, this data is judged to indicate a value of less than $230 per square foot for the subject.

Conclusion

The data range in price per square foot from $107 to $230. Data Nos. 1 ($107/Sq. Ft.) and 2 ($157/Sq. Ft.) indicated higher values for the subject. Alternatively, Data No. 3 ($230/Sq. Ft.) was judged to indicate a lower value for the subject. Therefore, considering the market data and discussion above, market conditions as of the date of value, and the appeal of the subject, a value of between $170 and $190, say $180 per square foot, is judged to be indicated for the subject. Value calculations are as follows:

Subject Building Area (Sq. Ft.):	9,222
Value Factor:	x $180
Indicated Value:	$1,659,960
VALUE INDICATED BY SALES COMPARISON APPROACH:	$1,660,000

Value Conclusion

The Income Approach resulted in an estimate of value of $1,630,000. The Sales Comparison Approach resulted in a slightly higher value of $1,660,000. The Income Approach best reflects the decision making process of an investor type buyer. Alternatively, the Sales Comparison Approach best reflects the decision making process of an owner-user type buyer. The subject would appeal to either an investor or an owner-user. Thus, the approaches are judged to have equal applicability. The quality of the data used in each approach was judged to be equal. Therefore, equal weight has been placed on the conclusions of the two approaches and a value from near the midpoint of the range has been selected as the final opinion of value for the subject.

Therefore, the opinion has been formed that the market value of the Leased Fee Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value, was the sum of $1,650,000

ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,

Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information
The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number
Book 75, Page 163, Parcel 014

Pertinent Conditions of Title
A title report for the subject issued by Chicago Title and dated June 20, 2008 has been reviewed. Aside from those discussed herein, it is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal
This appraisal sets forth my opinion as to the *market value* of the leased fee estate in the real property described herein. Opinions and other matters expressed in this report are stated as of July 10, 2013.

Function of Appraisal
The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User
The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal
Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time
The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been six months, assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) Buyer and seller are typically motivated;

(b) Both parties are well informed or well advised, and acting in what they consider their best interest;

(c) A reasonable time is allowed for exposure in the open market;

(d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

> A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

> An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee a to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.

18) Neither all not any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

STEPHEN G. SCHOTT, MAI
CA#AG024150

ATTACHMENT C

EXHIBIT A-SCOPE OF WORK

Effective Date: July 1, 2013 – June 30, 2014

PURPOSE: The Public Health Department (PHD) (COUNTY) has a contract with the federal government; HRSA (Health Resource Service Administration) HRSA Health Care for the Homeless Resources (http://bphc.hrsa.gov) to provide comprehensive, culturally competent, quality primary health care services to medically underserved communities and vulnerable populations. The specific grant, Healthcare for the Homeless Program reaches out to homeless individuals and families and provides primary care and substance abuse services.

Therefore, the COUNTY develops contracts with community partners to comply with the extensive grant requirements. Compliance with the tenets of the grant is imperative; therefore data to support this contract is required.

CONTRACTOR has an obligation, under the terms of this agreement to see all patients regardless of their ability to pay whether or not they are insured by a third party.

1. Name of Agency:	Santa Barbara Neighborhood Clinics (SBNC)
2. Name of Program:	Healthcare for the Homeless (HCH)
3. Type of Service:	Primary Care Outpatient Services
4. Target Population:	Individuals who are homeless and living in Santa Barbara County.
5. Program Description/ Services to be provided:	A. **Identification and Definition of a Homeless Patient** B. CONTRACTOR shall develop a process to screen all patients and identify eligible homeless individuals. C. Homeless Definition: CONTRACTOR is required: 1. To utilize the federally defined definition for "homeless" (Reference: PAL 99-12 - Principles of Practice - A Clinical Resource Guide for the Health Care for the Homeless Programs, Page 5 (ftp://ftp.hrsa.gov/bphc/docs/1999PALS/PAL99-12.PDF) and http://bphc.hrsa.gov/technicalassistance/taresources/hchfaqupdated.pdf) 2. Identify patients as homeless regardless of financial class 3. Registration and Identification. CONTRACTOR shall: 4. Provide registration staff in-service training on what constitutes a homeless individual and how to document that fact. 5. Provide training and/or feedback to leadership on a regular basis on identification of patients or clients. 6. Evaluate results of identification of homeless by comparing data from different time periods. D. **Increase awareness of services to homeless patients by printed and oral communication:** (1) CONTRACTOR shall make printed materials pertaining to Homeless patients available for COUNTY's review.(2) CONTRACTOR shall communicate health care services available for homeless individuals and continue to have available for wide-distribution, the existing "homeless resource" pocket card that identifies locations of medical services, hours of operation, and phone numbers. E. **Medical record documentation:** CONTRACTOR shall ensure communication of homeless status to the treatment team so that the homeless

	p nt's special health care needs are inc ded in the evaluation and treatment plan. F. CONTRACTOR shall ensure a patient's homeless status is reflected in the providers' notes or plan. G. CONTRACTOR shall ensure that provider notes reflect interventions and/or referrals for case management and other enabling services. H. Consumer input focus groups: CONTRACTOR shall collect, and share with CONTRACTOR, feedback from patients at each of CONTRACTOR's service locations to obtain homeless patient input on service delivery needs, identification of barriers to care, and assessment of service acceptability and problems with care delivery. Results will be shared at least annually in aggregate form and indicate health center board review and approval. I. CONTRACTOR will participate in the HCH advisory meetings.
6. **Dates/Times services to be provided:**	J. Services shall be accessible at minimum Monday-Friday 8:00-5:00 pm. Additional service hours that take into consideration the special needs of people who experience homelessness are strongly encouraged.
7. **Number of unduplicated clients to be served:**	K. Approximately 800
8. **Location(s) where services will be provided:**	Eastside Neighborhood Clinic 915 N. Milpas St, Santa Barbara, CA 93103 Isla Vista Medical Clinic 970 Embarcadero del Mar, Isla Vista, CA 93117 Westside Neighborhood Clinic L. 628 W. Micheltorena St., Santa Barbara, CA 93101.
9. **Contractor's Qualifications:**	A. CONTRACTOR is a sub grantee outpatient client and, B. CONTRACTOR has experience working with people who experience homelessness in a variety of living situations; i.e. shelters, streets, camps, cars and, C. CONTRACTOR employs or contracts with CA licensed medical professionals who are properly insured to provide the services.
10. **Reporting Requirements and Performance Measures:**	CONTRACTOR shall capture data relative to the homeless patient population and be able to identify and report on homeless patients across payment sources. CONTRACTOR shall comply with reporting requirements as specified in the Health Resources & Services Administration, Bureau of Primary Health Care Uniform Data System (UDS) manual. Reporting shall be across CONTRACTOR's agency and may include breakdowns by service location. (http://bphc.hrsa.gov/uds/) CONTRACTOR shall submit to COUNTY, no later than February 1, calendar year reports. Each year, no later than January 5, CONTRACTOR will submit a list of patients served for the previous calendar year to the COUNTY with identifying demographics to create a unique patient list: first, middle and last name, date of birth, social security number, and address will be provided in a spreadsheet. The COUNTY will compare the list with the patients established at COUNTY Health Care Centers (HCCs) to create a unique patient list. The unique patient list will be provided to the CONTRACTOR in order to report unique patient counts according to UDS guidelines. Duplicate patient information will be provided where indicated in the UDS guidelines based on all patients treated at the CONTRACTOR facilities.

	CONTRACTOR is responsible to follow all UDS requirements and to familiarize staff where necessary for reporting requirements. CONTRACTOR is encouraged to attend annual conferences sponsored by HRSA, UDS, and BPHC to stay abreast of changes on the federal program. The Calendar Year-To-Date reporting requirements include, but are not limited to: 1. **Zip Codes of patients served.** The BPHC requires identification of residence by zip code for all patients served, but it is understood that residence information may not be available for all patients. This is particularly true for centers that serve transient groups: Homeless Patients: While many homeless patients live in shelters, transitional housing, and other locations for which a zip code can be obtained, others – especially those living on the street -- do not know or will not share an exact location. Where a zip code location cannot be obtained or the location offered is questionable, grantees should use the zip code of the location where the patient is being served as a proxy. 2. **Services Offered** 3. **User Demographics** o Users by Age and Gender o Users by Race/Ethnicity/Language 4. **User Socioeconomic Characteristics** o Income as Percent of Poverty Level. o Principal Third Party Insurance Source 5. **Selected Diagnoses and Services Rendered** o Number of Visits o Number of Patients *UDS data collection requirements are provided each year and the CONTRACTOR is expected to be in compliance with the data collection/reporting requirements. Failure to follow stated guidelines may jeopardize future funding/contracts.
11. Compensation and Invoicing:	CONTRACTOR should properly assess each Homeless patient's financial status, enroll patients in applicable programs, and bill all third party payment sources. The COUNTY will reimburse for services to homeless patients only when all of the following conditions are met: 1) The patient has been adequately screened for homelessness, meets the federal definition of homeless, and a homeless certification form is on file; and 2) the patient does not qualify for other programs or principal third party insurance sources after making application, 3) the organization has exhausted their EAPC funds. Federal homeless funds paid through the County must be the payer of last resort for homeless patients. COUNTY shall pay CONTRACTOR the rate of $71.50 per visit for Primary Care services. Visit, as defined by HRSA-UDS Reporting Manual 2012. *"Visits are defined as documented, face-to-face contacts between a patient and a provider who exercises independent professional judgment in the provision of services to the patient. To be included as a visit, services rendered must be documented in a chart in the possession of the grantee."* Source: http://bphc.hrsa.gov/healthcenterdatastatistics/reporting/2012udsmanual.pdf (Page 7, 17 May 2013) For reimbursement on qualifying patients, CONTRACTOR shall submit an electronic file of each service performed for all qualifying patients. Data that is normally submitted on form HCFA 1500 (patient name, birth date, date of visit,

	servi ode, financial class, etc) for each en inter performed the previous month. Data shall be emailed to the HCH Program Administrator with an invoice by the 15th of the month following provision of services. Invoice must be on agency letterhead and must include your contract number that will be found on the purchase order contract and will begin with the letters "CN". The following language must also be included on the invoice: I,_____ certify under penalty of perjury that I am an official of and am duly authorized to sign the certification and that to the best of my knowledge and information, I believe each statement and amount in the accompanying invoice to be true, correct, and in compliance with applicable state and federal laws. Failure to provide such information, in this form, on visits rendered under this Agreement shall constitute an incomplete claim which cannot, therefore, be processed by COUNTY for payment. The Program Administrator shall evaluate the appropriateness of the information/ billing codes and if found to be satisfactory shall initiate payment processing. Invoices will not be paid without the required reports/data. For clean claims that are more than 90 days old, reimbursement will be reduced to 75% of the reimbursement rate or $53.62. For claims more than 120 old, reimbursement will be reduced to 50% or $35.75.
12. Site Visits	COUNTY will conduct regular site visits to assist CONTRACTOR with administrative compliance, Quality Improvement and medical chart reviews to ensure quality and compliance with the Health Center standards in accordance with HRSA's Health Center Site Visit Guide (http://bphc.hrsa.gov/policiesregulations/centerguide.html) CONTRACTOR will provide compliance materials to the COUNTY as requested in order to document compliance with HRSA guidelines. CONTRACTOR is responsible to be in compliance with all HRSA Health Center Program Requirements, Policy Information Notices (PIN) and Program Assistance Letters (http://bphc.hrsa.gov/index.html) The COUNTY is available to consult with the CONTRACTOR and may have access to additional resources for Technical Assistance.
13. County Designated Representative:	Elizabeth Snyder, Deputy Director Primary Care and Family Health Division, Public Health Department 300 N. San Antonio Rd Bldg 1, Santa Barbara, California 93110 Phone: (805) 681-5252 Fax: (805) 681 5200 Email: Elizabeth.Snyder@sbcphd.org
14. County Contract Contact:	Jennifer Paulson, Contracts Unit, Public Health Department 300 N. San Antonio Rd, Bldg 8, Santa Barbara, California 93110 Phone : (805) 681-5119 Fax: (805) 681-5191 Email: phdcu@sbcphd.org
15. Indemnification and Insurance:	COUNTY Standard Terms and Conditions for Independent Contractors apply to this Agreement. CONTRACTOR, by entering into this agreement, is attesting that neither the CONTRACTOR, CONTRACTOR staff or CONTRACTOR subcontractors is currently not excluded or debarred from any federal or state program participation as described above.

	CON ACTOR shall immediately notify CO Y if any CONTRACTOR, its staff, or subcontractors become excluded from federal and state program participation as described above.
16. Compliance with HIPAA:	CONTRACTOR is expected to adhere to Health Insurance Portability and Accountability Act (HIPAA) regulations and to develop and maintain comprehensive patient confidentiality policies and procedures, provide annual training of all staff regarding those policies and procedures, and demonstrate reasonable effort to secure written and/or electronic data. The parties should anticipate that this Agreement will be modified as necessary for full compliance with HIPAA

– SBNC Purchasing Detail

Purchasing Detail for Record #: CN15658

Order #: CN15658 Replacement# OR Req#: 094

Vendor: SB NEIGHBORHOOD CLINICS
1500 STATE ST., STE E
SANTA BARBARA, CA
93101
Ph: (805)-517-7550
FAX: (805)-966-2002
Contact: EXECUTIVE DIRECTOR

TaxID: Not Viewable

Order Date: 5/27/2013

Contract Term: 6/30/2014

Purchasing Contact: GLORIA (805-555-2691)

--BILLING-- Fund: 0042 Dept: 041 LIAcct: 7490 Prog: 1351 Org: 0000 Proj: 0000

SIGNED

Bill To
300 N SAN ANTONIO RD
SANTA BARBARA, CA
93110

Ship To
HCH PROGRAM ADMINISTRATOR
HOMELESS PROGRAM
300 N SAN ANTONIO RD
SANTA BARBARA, CA
93110

Detail Line 1

Description: SB Neighborhood Clinics - Vendor #10556 - Medical Services

Renewal of SERVICE CONTRACT

SPECIAL NOTICE TO SUPPLIER : THIS CONTRACT REPLACES YOUR PREVIOUS YEAR CONTRACT #CN15648 WHICH EXPIRES ON JUNE 30TH, 2013. YOU MUST SIGN & RETURN THIS REPLACEMENT CONTRACT, AND YOU MUST REFERENCE THE NEW NUMBER ON ALL INVOICES & CORRESPONDENCE RELATED TO THE DESCRIBED WORK EFFECTIVE JULY 1, 2013.

GENERAL: To provide primary care in Santa Barbara Neighborhood Clinics (Eastside, Westside and Isla Vista) to people who are homeless as outlined in Exhibit A dated July 1, 2013.

CONTRACT PERIOD: July 1, 2013 through June 30, 2014.

LIMITATIONS: Total expenditures for shall not exceed $30,000.00.

STANDARD TERMS & CONDITIONS FOR INDEPENDENT CONTRACTORS (ver. 06/24/04) as previously submitted.

Insurance documents are on file with Purchasing Division.

NOTE TO CONTRACTOR: Prior to performance it is mandatory that you SIGN (see X below) AND IMMEDIATELY MAIL OR FAX THIS DOCUMENT TO COUNTY PURCHASING (FAX #805-568-2705).

Accepted By: (X)_____

Print Name/Title:_____ Date:_____

Applicable License # (Medical/Contractor/Etc):_____

Value: $30,000.00
Tax: $0.00
Sub-Total: $30,000.00

Grand Total: $30,000.00

Signed Purchasing Agreement

JUL-15-2013(MON) 13:03 SBNC 'min (FAX)805 .898 2002 P. 001/008
JUL-01-2013(MON) 09:20 SBNC Admin (FAX)805 .8 2002 P. 001

Transaction Report
Send
Transaction(s) completed

To: JENNIFER 681-5191

No.	TX Date/Time	Destination	Duration	P. §	Result	Mode
119	JUL-01 09:19	G/S/ PURCHASING	0°01'00"	007	OK	N ECM

COUNTY OF SANTA BARBARA

PURCHASING AGENT
105 EAST ANAPAMU ST. RM. 304
SANTA BARBARA, CA 93101

ORDER
CN15658

Page No.	PO Date
1 of 2	JUN/27/2013

REFER INQUIRIES TO BUYER:
GLORIA NESS
Phone: 805-568-2691
Fax: 805-568-2705

SHIP-TO: PUB HLTH, HOMELESS PGM
HCH PROGRAM ADMINISTRATOR
HOMELESS PROGRAM
300 N SAN ANTONIO RD
SANTA BARBARA, CA 93110
Phone: 805/681-5417

SUPPLIER: Attn: EXECUTIVE DIRECTOR
SB NEIGHBORHOOD CLINICS
1900 STATE ST., STE G
SANTA BARBARA, CA 93101

Phone: (805)-617-7850
Fax: (805)-898-2002

BILL TO: PUB HLTH, GEN ACCTG
ACCTG TECH SUPERVISOR
300 N SAN ANTONIO RD
SANTA BARBARA, CA 93110
Phone: 805/681-4620

TERMS	FOB	SUPPLIER CODE	DELIVERY DATE	REQUESTED BY	REQ NO.
NET 30		10556	JUN/30/2014	PHD CONTRACTS	094

LIN	QUANTITY	UNIT	ACCOUNT	DESCRIPTION	UNIT PRICE	EXTENSION
1	1	LOT	0042+041+7460+1361+0000+0000		30,000.00 /LOT	30,000.00

SB Neighborhood Clinics - Vendor #10556 - Medical Services

Renewal of SERVICE CONTRACT

SPECIAL NOTICE TO SUPPLIER: THIS CONTRACT REPLACES YOUR PREVIOUS YEAR CONTRACT #CN13949 WHICH EXPIRES ON JUNE 30TH, 2013. YOU MUST SIGN & RETURN THIS REPLACEMENT CONTRACT, AND YOU MUST REFERENCE THE NEW NUMBER ON ALL INVOICES & CORRESPONDENCE RELATED TO THE DESCRIBED WORK EFFECTIVE JULY 1, 2013.

GENERAL: To provide primary care in Santa Barbara Neighborhood Clinics (Eastside, Westside and Isla Vista) to people who are homeless as outlined in Exhibit A dated July 1, 2013.

CONTRACT PERIOD: July 1, 2013 through June 30, 2014.

LIMITATIONS: Total expenditures for shall not exceed $30,000.00.

STANDARD TERMS & CONDITIONS FOR INDEPENDENT CONTRACTORS (ver. 08/26/04) as previously submitted.

Insurance documents are on file with Purchasing Division.

NOTE TO CONTRACTOR: Prior to performance it is mandatory that you SIGN (see X below) AND IMMEDIATELY MAIL OR FAX THIS DOCUMENT TO COUNTY PURCHASING (FAX 805-568-2705).

Accepted By: (X) Emma Mayer

Print Name/Title: EMMA MAYER, CFO *Date:* 7/1/13

Applicable License # (Medical/Contractor/Etc): 050000173, 050000089, 050000091

Continued on next page...

Signed Purchasing Agreement

COUNTY OF SANTA BARBARA

PURCHASING AGENT
105 EAST ANAPAMU ST. RM. 304
SANTA BARBARA, CA 93101

ORDER
CN15658

Page No.	PO Date
1 of 2	JUN/27/2013

REFER INQUIRIES TO BUYER:
GLORIA NESS
Phone: 805-568-2691
Fax: 805-568-2705

SUPPLIER: Attn: EXECUTIVE DIRECTOR
SB NEIGHBORHOOD CLINICS
1900 STATE ST., STE G
SANTA BARBARA, CA 93101

Phone: (805)-617-7850
Fax: (805)-898-2002

SHIP-TO: PUB HLTH, HOMELESS PGM
HCH PROGRAM ADMINISTRATOR
HOMELESS PROGRAM
300 N SAN ANTONIO RD
SANTA BARBARA, CA 93110
Phone: 805/681-5417

BILL TO: PUB HLTH, GEN ACCTG
ACCTG TECH SUPERVISOR
300 N SAN ANTONIO RD
SANTA BARBARA, CA 93110
Phone: 805/681-4628

TERMS	F.O.B.	SUPPLIER CODE	DELIVERY DATE	REQUESTED BY	REQ. NO.
NET 30		10556	JUN/30/2014	PHD CONTRACTS	094

LIN	QUANTITY	G/L ACCOUNT DESCRIPTION	PRICE/UNIT	EXTENSION
1	1 LOT	0042+041+7460+1381+0000+0000	30,000.00 /LOT	30,000.00

SB Neighborhood Clinics - Vendor #10556 - Medical Services

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NOTE TO CONTRACTOR: Prior to performance it is mandatory that you SIGN (see X below) AND IMMEDIATELY MAIL OR FAX THIS DOCUMENT TO COUNTY PURCHASING (FAX #805-568-2705).

Accepted By: (X) Emma Drader

Print Name/Title: EMMA MAYER CFO *Date:* 7/1/13

Applicable License # (Medical/Contractor/Etc): 050000113, 050000089, 050000091

Continued on next page...

(1) The order number and Bill to dept. name shown above must appear on all invoices, shipping papers, packages and correspondence.
(2). Mail invoices to the "bill to" address.
(3) All duty and/or taxes must be shown separately on invoice where applicable.
(4) This order is subject to the terms and conditions stated, including non-discrimination in employment, hazardous chemicals and equipment safety standards, that are available for viewing at www.countyofsb.org

Mark Warner
COUNTY OF SANTA BARBARA

Supplier

This order is being tracked by:
SpendMap

ATTACHMENT D

ISLA VISTA
REDEVELOPMENT AND MASTER PLAN

Project Area Committee (PAC) &
General Plan Advisory Committee (GPAC)

MEETING AGENDA

Wednesday, September 30th, 2009, 6:30 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

1. **Welcome and Introductions (5 minutes)**

2. **Public Comment (15 minutes)**

3. **Administrative Items (30 minutes)**
   - Adoption of minutes from the April 29th PAC/GPAC meeting
   - Project Updates
     - El Colegio Phase I – Campus West Gate to Los Carneros (Complete)
     - El Colegio Phase II – Los Carneros west to Camino Corto
     - Pardall Road Enhancements (Complete)
     - Downtown Parking Lot
     - Façade Program
     - Outdoor Dining Program
     - MTD Shuttle Route
     - Car Share Program

DISCUSSION ITEMS

4. **Potential Relocation of Skatepark (30 Minutes)**
   - Agency staff presentation
   - Questions and comments

5. **UCSB San Clemente Conditions (15 Minutes)**
   - Agency staff presentation
   - Questions and comments

6. **Future Agenda Items**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

ISLA VISTA
REDEVELOPMENT AND MASTER PLAN

Project Area Committee (PAC)

MEETING AGENDA

Wednesday, January 27th, 2010, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

1. **Welcome and Introductions (5 minutes)**

2. **Public Comment (15 minutes)**

3. **Administrative Items (20 minutes)**
   - Adoption of minutes from the September 30th PAC/GPAC meeting
   - Project Updates
     - Outdoor Dining Program
     - MTD Shuttle Route Ridership – Line 27
     - Car Share Program
     - 6700 Block - Mid-Block passages
     - Alcohol CUP
     - Sergeant Erik Raney, Isla Vista Foot Patrol

DISCUSSION ITEMS

4. **UCSB Urban Design Fellow Presentation (10 Minutes)**
   - Seetha Raghupathy presentation
   - Questions and comments

5. **Concept for El Embarcadero Improvements "Gateway to the Sea" (20 Minutes)**
   - Agency staff presentation
   - Questions and comments

6. **Sidewalk Improvement Plan (15 Minutes)**
   - Agency staff presentation
   - Questions and comments

ACTION ITEM

7. **Del Playa Opportunities (10 Minutes)**
   - Agency staff presentation
   - Questions and comments

8. **Future Agenda Items**

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ISLA VISTA
REDEVELOPMENT AND MASTER PLAN

Project Area Committee (PAC)

SPECIAL MEETING AGENDA

Wednesday, April 7th, 2010, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

1. **Welcome and Introductions (5 minutes)**

2. **Public Comment (15 minutes)**

3. **Administrative Items (20 minutes)**
   - Adoption of minutes from the January 27th PAC/GPAC meeting
   - Project Updates
     - Car Share Program
     - El Colegio Road Improvement Project, Phase II
     - Outdoor Dining Program
     - Solar Car Park
     - El Embarcadero Improvements

ACTION ITEM

4. **PAC Vacancy (20 Minutes)**
   - Agency staff presentation
   - Presentation of Candidates
   - PAC Action

5. **PAC Appointments (20 Minutes)**
   - Agency staff presentation
   - Nominations for Chair and Vice Chair
   - PAC Action

DISCUSSION ITEMS

6. **Santa Barbara Student Housing Co-op URC Presentation (10 Minutes)**
   - Santa Barbara Student Housing Co-op presentation
   - Questions and Comments

7. **Pardall Road Banner Program (15 Minutes)**
   - Agency staff presentation
   - Questions and comments

8. **People's Park Kiosk (10 Minutes)**
   - Isla Vista Community Relations Committee presentation
   - Questions and comments

9. **Future Agenda Items**

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ISLA VISTA
REDEVELOPMENT AGENCY

Project Area Committee (PAC)

SPECIAL MEETING AGENDA

Wednesday, July 28th, 2010, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

1. **Welcome and Introductions (10 minutes)**

2. **Public Comment (15 minutes)**

3. **Administrative Items (30 minutes)**
   - Adoption of minutes from the April 7th PAC/GPAC meeting
   - Update on RDA transition to Planning and Development
   - Background on New RDA Management
   - Project Updates
     - El Colegio Road Improvement Project, Phase II
     - El Embarcadero Improvements
     - Madrid & Picasso Sidewalk Infill Project
     - Solar Car Park
     - RDA Redevelopment Plan 1-year extension

ACTION ITEMS

4. Election of New Business Owner PAC Representative (20 minutes)
   - Introduction of candidates for Business Owner Representative
   - Candidate Presentations
   - PAC vote to elect new Business Owner Representative

5. Storke Ranch PAC Representative Vacancy (5 minutes)
   - Introduction of new Storke Ranch Representative
   - PAC recognition of new PAC Member

DISCUSSION ITEMS

6. Goleta Community Plan Update (10 Minutes)
   - P&D staff presentation
   - Questions and comments

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7. Homeless Shelter (10 Minutes)
    - Presentation by Arthur Kennedy
    - Open Discussion

8. Future Meeting, Schedule, and Topics (20 minutes)
    - Select next meeting date
    - Topics:
        - Selection of new PAC Officers
        - Other Items (TBD)

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

SBCO | RDA

Notice of Public Meeting

SANTA BARBARA COUNTY REDEVELOPMENT AGENCY

Isla Vista Project Area Committee (PAC)
Wednesday, November 10th, 2010, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introductions**

2. **Public Comment**

3. **Administrative Items**
   Adoption of Minutes from the July 28th PAC/GPAC Meeting
   Announcements
   Public Works and Redevelopment Agency Project Updates

4. **Pardall Road Special Events Procedures**
   Discuss draft procedures, receive public input

5. **Election of New PAC Representatives**
   Elect Business Owner PAC Representative
   Recognition of new PAC appointments

6. **Homelessness Briefing**
   Staff presentation of Redevelopment Agency role in homelessness

7. **Future Meeting Schedule and Topics**

8. **Adjourn**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

County of Santa Barbara Redevelopment Agency
123 East Anapamu Street
Santa Barbara, CA 93101-6065
V: 805.568.3380 FAX: 805.568.2030 www.ivrda.org

SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Notice of Public Meeting

Isla Vista Project Area Committee (PAC)
Wednesday, February 16th, 2011, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introductions**

2. **Public Comment**

3. **Administrative Items**
   Adoption of Minutes from the November 10th PAC/GPAC Meeting
   Announcements
   Redevelopment Agency Project Updates

4. **Election of New PAC Representatives**
   Elect Business Owner PAC Representative
   Elect Residential Tenant PAC Representative
   Recognition of new PAC appointments

5. **Election of Chair & Vice-Chair PAC Representatives**
   Elect Chair & Vice-Chair PAC Representative

6. **Park Improvements**
   Isla Vista Recreation & Park Staff presentation

7. **5-Year Implementation Plan**
   Discuss draft Plan, receive public input

8. **Future Meeting Schedule and Topics**

9. **Adjourn**

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Santa Barbara County Redevelopment Agency
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SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Notice of Public Meeting

Isla Vista Project Area Committee (PAC)
Wednesday, March 30th, 2011, 6:00 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introductions**

2. **Public Comment**

3. **Administrative Items**
   Adoption of Minutes from the February 16th PAC/GPAC Meeting
   Announcements
   Redevelopment Agency Updates

4. **Election of New PAC Representative**
   Elect Business Owner PAC Representative

5. **5-Year Implementation Plan**
   Discuss draft Plan, Receive Public Input

6. **Future Meeting Schedule and Topics**

7. **Adjourn**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

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SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Notice of Public Meeting

Isla Vista Project Area Commi ee (PAC)
Wednesday, April 20th, 2011, 6:30 PM
Redevelopment Agency Field O ce
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introduc ons**

2. **Public Comment**

3. **Administra ve Items**
   Adop on of Minutes from the March 30th PAC/GPAC Mee ng
   Announcements

4. **Elec on of New PAC Representa ve**
   Elect Business Owner PAC Representa ve

5. **Brown Act Training**
   Agency Sta Presenta on

6. **Icon Gardens Project**
   Presenta on on Project Concept Design

7. **Housing Authority of Santa Barbara County Project**
   Agency Sta Presenta on on Project Concept Design

8. **Fiscal Year 2011-12 Budget Discussion**
   Discuss Dra Budget, Receive Public Input

9. **5-Year Implementa on Plan**
   Discuss Dra Plan, Receive Public Input

10. **Future Mee ng Schedule and Topics**

11. **Adjourn**

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SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Notice of Public Meeting

Isla Vista Project Area Commi ee (PAC)
Wednesday, November 2nd, 2011, 6:30 PM
Redevelopment Agency Field O ce
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introduc ons**
2. **Public Comment**
3. **Administra ve Items**
   Adop on of Minutes from the April 20th PAC/GPAC Mee ng
   RDA Status Update
   Announcements
4. **Elec on & Recogni on of New PAC Representa ves**
   Elect Business Owner PAC Representa ves
   Recognize of new PAC appointments
5. **Brown Act Refresher**
   Agency Sta Presenta on
6. **Project Updates – ICON Gardens, Pescadero Lo s, El Embarcadero II**
   Agency Sta Presenta on
7. **Dra Parking Program**
   Agency Sta Presenta on
8. **Future Mee ng Schedule and Topics**
9. **Adjourn**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

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SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Notice of Public Meeting

Isla Vista Project Area Committee (PAC)
Wednesday, February 22, 2012, 6:30 PM
Redevelopment Agency Field Office
970 Embarcadero Del Mar, Isla Vista (1st Floor of IV Medical Clinic Building)

AGENDA

1. **Welcome and Introductions**
2. **Public Comment**
3. **Administrative Items**
   Adoption of Minutes from the November 2nd PAC/GPAC Meeting
   Announcements
4. **Redevelopment Agency Dissolution**
5. **Adjourn**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Hearing Support Staff (805) 568-2000. Notification at least 48 hours prior to the meeting will enable the Hearing Support Staff to make reasonable arrangements.

The Successor Agency intends to transfer the properties to the City of Temecula. The City will retain the properties for future development per H&SC 34180(f). The Agency will work to enter into a compensation agreement with the taxing entities.

Successor Agency to the former Santa Barbara County Redevelopment Agency

Draft Long-Range Property Management Plan

881 Embarcadero Del Mar - aka "The Solar Car Park"

This portion of the Long-Range Property Management Plan (LRPMP) for the Solar Car Park located at 881 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on October 21, 2008. The purchase price paid for the property, which represented its value at the time of purchase and took into account the contaminated nature of the soils underlying the site, was $1,405,495. The estimated current value of the property is $2,500,000 unencumbered, or $1,600,000 as encumbered by the requirement to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use under a 2009 agreement to provide parking. Valuation is further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision of the site identified in the Isla Vista Master Plan and discussed as a potential project in the approved 1990 Redevelopment Plan for the Isla Vista Redevelopment Project which was for use as a surface parking lot. Subsequent to its purchase, the former Redevelopment Agency developed the site as a surface parking lot. Developing the site as a parking lot allowed the County to: 1) Provide parking to the general public on a first-come, first-served basis; and 2) Facilitate the redevelopment of undersized commercially zoned properties in downtown Isla Vista through the In-Lieu Fee Parking Program. The In-Lieu Fee Parking Program allows developers to pay a fee to the County in lieu of providing actual physical parking spaces on their individual project sites. This, in turn, allows developers to utilize more space for building floor area rather than for parking spaces.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property consists of a 22,000 square foot parcel located at the intersection of Embarcadero Del Mar and Pardall Road in the Isla Vista area. The property is designated as Assessor's Parcel Nos. 075-111-006 & 075-111-014, and is addressed as 881 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is split-zoned C-2 (Retail Commercial) & SR-H (Student Residential High Density) and would be rezoned to CM (Community Mixed Use) under the Isla Vista Master Plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is $2,500,000 unencumbered, or $1,600,000 as encumbered by the requirement to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use under a 2009 "Agency Parking Lot Agreement". The agreement was recorded with the Santa Barbara County Recorder's office on July 17, 2009 under document number 2009-0043264. The valuation listed herein is based on an appraisal commissioned by the Successor Agency on July 10, 2013 and prepared by Steve Schott of Schott & Company. A copy of the current appraisal is included herein as Attachment B.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

The property currently generates approximately $1,400 per month in revenues of which $800 per month is derived from leasing 15 residential parking spaces to the Paradise Ivy Mixed Use Project and an additional $600 per month in meter revenues paid by the general public. Meter revenues are somewhat variable on a month to month basis and depend upon the University of California Santa Barbara school schedule. Revenues are typically higher during months in which school is in session and generally lower in the summer months. There is no contractual requirement related to disposition of the revenues collected. These revenues are currently collected and distributed to the taxing entities.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

The site was previously used as a gas station which utilized Underground Storage Tanks (UST). Prior to discontinuation of the gas station use, the tanks leaked hydrocarbons which contaminated the onsite soils. The soils were adequately remediated for the parking lot use and an impermeable membrane was placed over the native soil and below the parking lot surface to prevent any surface contamination from underground contaminants. The site was cleared by the Santa Barbara County Fire Department for its current use as a parking lot per their November 22, 2011 Remedial Action Completion Certification. However, there is residual contamination present at the site and any potential future owner of the property would become, by virtue of purchasing the property, a "responsible party" and required to demonstrate site clearance prior to any potential future change in use of the property (i.e., commercial, residential, etc.). Demonstrating site clearance for uses other than that of a parking lot would likely require additional subsurface exploration(s) and testing.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. However, the property serves to advance the planning objectives of the Successor Agency by providing parking to the general public on a first-come, first-served basis and by facilitating redevelopment of commercially zoned parcels in the downtown area through the County's In-Lieu Fee Parking

Program. The In-Lieu Fee Parking Program is essential to facilitating past, current and future projects in the downtown area of Isla Vista because it allows developers to pay a fee to the County in lieu of providing actual physical parking spaces on their individual project sites. This, in turn, allows developers to utilize more space for building floor area rather than for parking spaces, making their projects more economically feasible.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

Entitlements for development of the parking lot were granted by the County of Santa Barbara on December 3, 2008 under Case No. 08CDP-00000-00076. The parking lot was subsequently constructed in 2009 and opened for public use in late 2009. The parking lot is currently encumbered by a "Lease Agreement for Agency Parking Lot" dated August 21, 2012 with the developer of the Paradise Ivy Mixed Use Project to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use, recorded in the Santa Barbara County Recorder's Office as Instrument Number 2012-0068402.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

<u>Use and Disposition of the Property</u>

The Isla Vista Master Plan (IVMP), adopted by the Board of Supervisors in August of 2007, established a goal of providing centralized parking in the downtown area of Isla Vista in order to help facilitate development of private mixed-use projects and provide additional off-street parking for the downtown commercial core. The "Parking & Transit" Section of the IVMP beginning on page 2-28 includes numerous goals, actions and policies which encourage the former Redevelopment Agency (RDA) to actively provide additional parking in the downtown

area of Isla Vista. The IVMP anticipated the use of redevelopment powers and tax increment financing to implement the goals related to the development of public parking. In essence, the former RDA, acting as a governmental body, was envisioned to carry out this function:

> ***Parking and Transit Action 2.3:*** *The RDA shall seek funding sources for the design, construction, and maintenance of potential public parking facilities within Isla Vista. (page 2-29)*

Additionally, the former Redevelopment Agency's Bond Projects document dated December, 2007, which detailed preliminary descriptions of projects to be carried out with future bond proceeds, included a "Proposed Bond Expenditures" table which lists "Parking Lot Acquisition" and "Parking Lot Improvements" on page 2, describing a potential future project as "Acquire and develop site for a downtown surface parking lot." It also describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps." The Agency's Bond Projects document also included a full page describing the Downtown Parking Lot project on page 4. The approved 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parking facilities as potential projects for the RDA. Lastly, the former RDA's Five-Year Implementation Plan Update for the Period 2007-2011 included a detailed project description and identified the specific site of the Solar Car Park property consistent with that shown in the Agency's Bond Project document and the IVMP.

Realizing that the small size of the privately held properties in downtown Isla Vista was an impediment to redevelopment, on August 28, 2007, the Board adopted the County's In-Lieu Fee Parking Program for the Isla Vista area. The In-Lieu Fee Parking Program is administered by the County and provides a framework wherein private developers can pay a fee to the County in-lieu of developing physical parking spaces on their own individual properties.

On October 21, 2008, the former RDA purchased real property located at 881 Embarcadero Del Mar for the purpose of developing a surface parking lot to provide off-street parking for the general public and to provide physical parking spaces in the downtown core to facilitate the In-Lieu Fee Parking Program. The former RDA subsequently developed the property with 45 parking spaces and opened the Solar Car Park facility to the public on November 12, 2010. Between 2011 and 2013, four private, mixed-use projects were constructed in the downtown area. Each of the project developers utilized the In-Lieu Fee Program to fee out of over 100 total commercial and residential parking spaces.

On July 17, 2009, the former Redevelopment Agency and the developer of the Paradise Ivy Mixed Use Project entered into an "Agency Parking Lot Agreement", recorded in the Santa Barbara County Recorder's Office, as Instrument Number 2009-0043264. The Agency Parking Lot Agreement specified that the former Agency shall enter into a lease agreement with the developer to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use. The 2009 "Agency Parking Lot Agreement" was recorded prior to the effectiveness of ABX1 26 and therefore, can be considered an enforceable obligation. Pursuant to that obligation, the Successor Agency subsequently entered into a "Lease Agreement for Agency Parking Lot" with the developer of the Paradise Ivy Mixed Use Project on August 21, 2012 to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use, recorded in the Santa Barbara County Recorder's Office as Instrument Number 2012-0068402.

The site was previously used as a gas station which utilized Underground Storage Tanks (UST). Prior to discontinuation of the gas station use, the tanks leaked hydrocarbons which contaminated the onsite soils. The soils were adequately remediated for the parking lot use and an impermeable membrane was placed over the native soil and below the parking lot surface to prevent any surface contamination from underground contaminants. The site was cleared by the Santa Barbara County Fire Department for its current use as a parking lot per their November 22, 2011 Remedial Action Completion Certification. However, County Fire reports there is residual contamination present at the site and any potential future owner of the property would become, by virtue of purchasing the property, a "responsible party" and required to demonstrate site clearance prior to any potential future change in use of the property (i.e., commercial, residential, etc.). Demonstrating site clearance for uses other than that of a parking lot would likely require additional subsurface exploration(s) and testing.

At the time of its dissolution, the former Redevelopment Agency owned and operated the subject parking lot with the intention of developing additional parking in the downtown area as needed. The parking lot is needed to serve to serve a governmental purpose including providing parking for completed private development projects, as well as to provide parking for members of the public utilizing nearby businesses in the commercial core. As an example providing support for considering the provision of parking to the public a governmental purpose, Cal. Streets & Highways Code Section 32501 states that "The supplying of additional parking facilities and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for which public money may be spent and private property acquired, and are governmental functions."

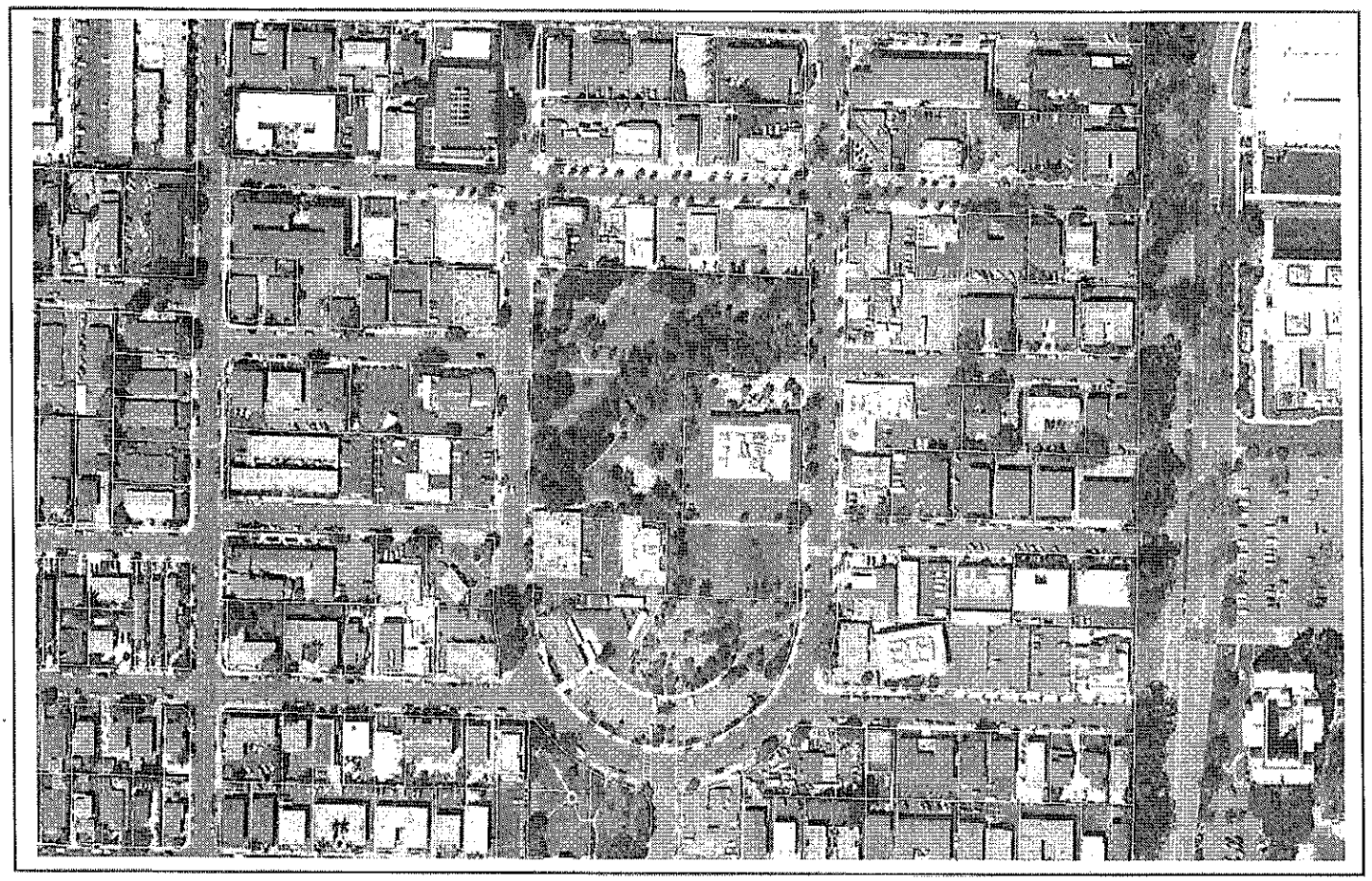
The parking lot was constructed and used for a governmental purpose, is needed for projects identified in the Isla Vista Master Plan, and is needed to fulfill the enforceable obligation related to the recorded 2009 Agency Parking Lot Agreement and subsequent 2012 Lease Agreement for Agency Parking Lot with the Paradise Ivy Mixed Use Project. It should also be noted that sale of the parking lot property would be detrimental to local taxing entities because it would negatively impact the property values of existing developed properties in the immediate area including the Paradise Ivy Mixed Use Project, which would then have little or no remaining available parking to support their commercial customers and occupants, thereby causing a decline in property tax revenues in the area.

The Successor Agency directs that the Solar Car Park property be transferred at no cost to the County of Santa Barbara for continued use for the governmental purpose of providing public parking facilities, as authorized pursuant to Health and Safety Code Sections 34181(a) and 34191.5(c)(2). As an independent and alternative basis for a no-cost transfer of the Solar Car Park property to the County, the Successor Agency directs that the property be transferred to be used for a project identified in the approved Redevelopment Plan, i.e. surface parking lots and/or a future structured parking facility, as authorized pursuant to Health and Safety Code Section 34191.5(c)(2)(a). As an independent and alternative basis for a no-cost transfer of the Solar Car Park property to the County, the Successor Agency directs that the property be used to fulfill an enforceable obligation pursuant to Health and Safety Code Section 34191.5(c)(2) to provide a total of 32 parking spaces: 15 parking spaces for residential purposes to the privately owned Paradise Ivy Project; and another 17 parking spaces for public commercial use as required in the recorded 2009 "Agency Parking Lot Agreement" and the 2012 "Lease Agreement for Agency Parking Lot".

Attachments:

A. Site Map
B. Appraisal of Property dated July 10, 2013
C. Remedial Action Completion Certification dated November 22, 2011
D. Agency Parking Lot Agreement dated July 17, 2009, Instrument No. 2009-0043264
E. Lease Agreement for Agency Parking Lot dated August 21, 2012, Instrument Number 2012-0068402
F. Isla Vista Master Plan hyperlink http://www.countyofsb.org/ceo/rda.aspx?id=1656
G. 1990 Isla Vista Redevelopment Plan hyperlink http://www.countyofsb.org/ceo/RDA/docs/FinalRedevelopmentPlan2007.pdf
H. 2007 – 2011 5-year Implementation Plan hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/ivrda5yrplan2007_2011.pdf
I. 2007 Bond Document hyperlink http://www.countyofsb.org/uploadedFiles/ceo/RDA/2007%20RDA%20Bond%20Projects%20Document.pdf

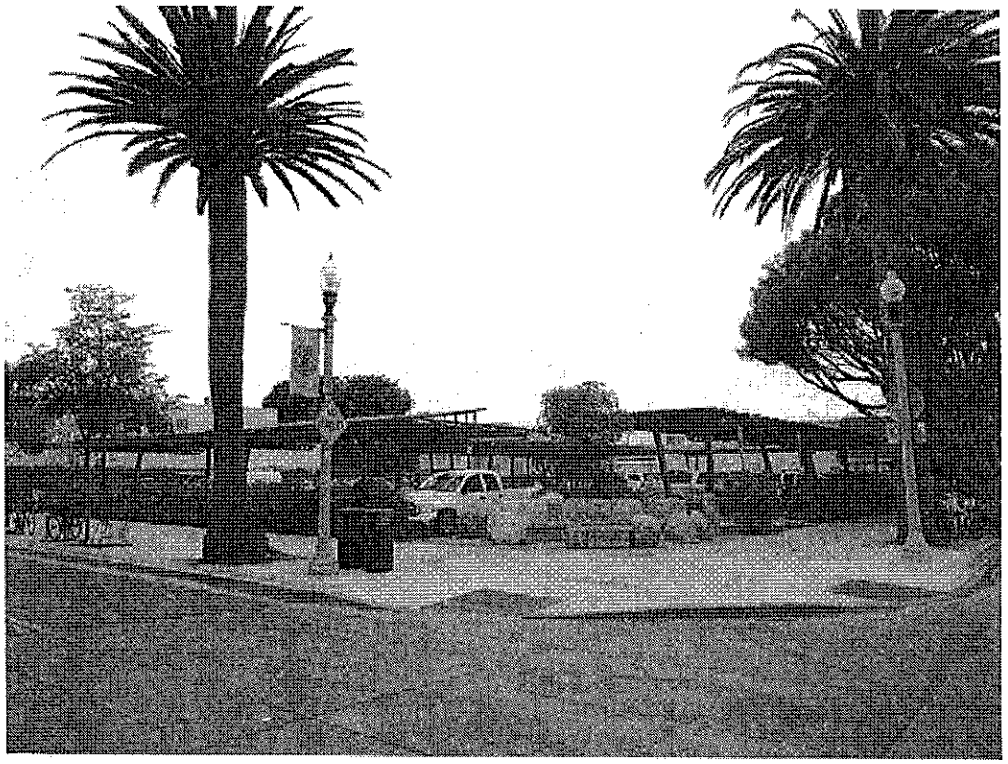
Attachment A – Site Map



ATTACHMENT B

APPRAISAL REPORT:

COMMERCIALLY ZONED LAND USED AS A PARKING LOT



NORTHWEST CORNER OF EMBARCADERO DEL MAR AND PARDALL RD

ISLA VISTA, CALIFORNIA

Date of Value:
July 10, 2013

Date of Report:
July 26, 2013

Prepared For:
Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

SCHOTT & COMPANY
Real Estate Appraisal & Consulting

July 26, 2013

Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Commercially Zoned Land Used as a
Parking Lot Located at the Northwest Corner of
Embarcadero Del Mar and Pardall Road
Isla Vista, California

Dear Mr. Grady:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of July 10, 2013, the date that I inspected the property. **The subject property has been appraised "as is" - with consideration of the recorded agreement that requires 32 of the subject parking spaces be available for use by the property located across the street. It has also been appraised under the hypothetical condition that recorded agreement that requires 32 of the subject parking spaces be available for use by the property located across the street was not in place.**

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

Introduction

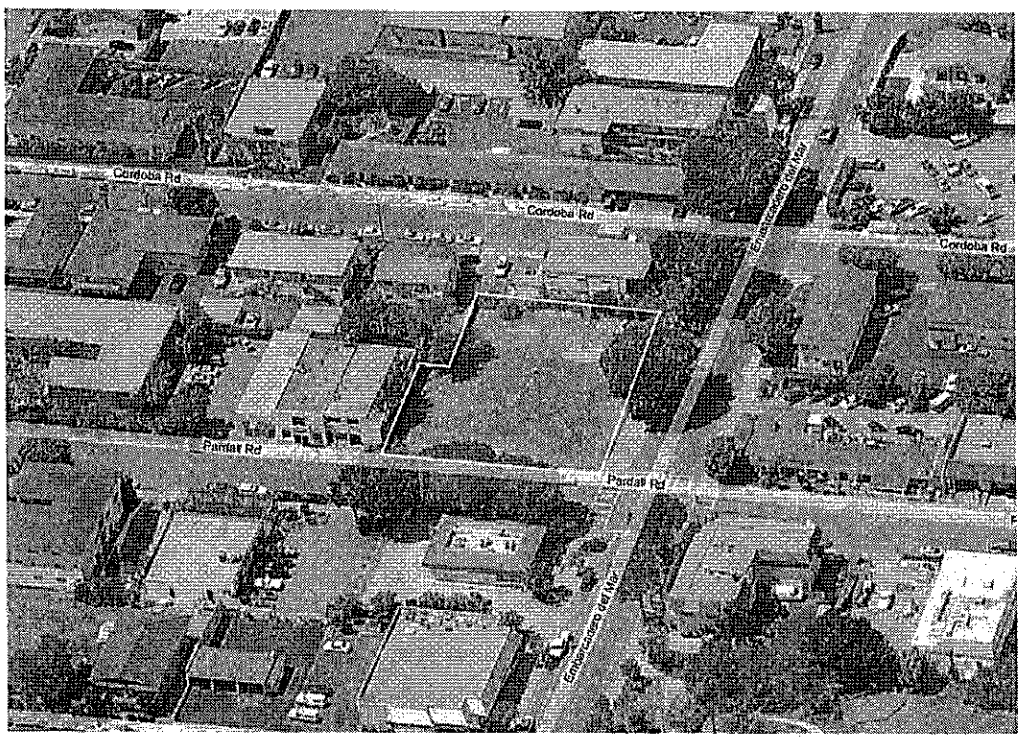
In 2012 and 2013 the South Coast has experienced robust real estate market conditions with both investors and owner-users active in the marketplace. Currently, values appear to be increasing.

Apartment rents decreased during the recession slightly and have increased slightly in the past year. This trend is expected to continue in 2013. The vacancy rate for apartments in Isla Vista in 2012 was 3.4% which is an increase from the previous year but is still a healthy level. The vacancy rate for apartments in Goleta, the nearest competing area to Isla Vista, was 1.1% in 2012.

The subject property consists of a commercially zoned parcel of land improved as a parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property (taken prior to the development of the subject as a parking lot).



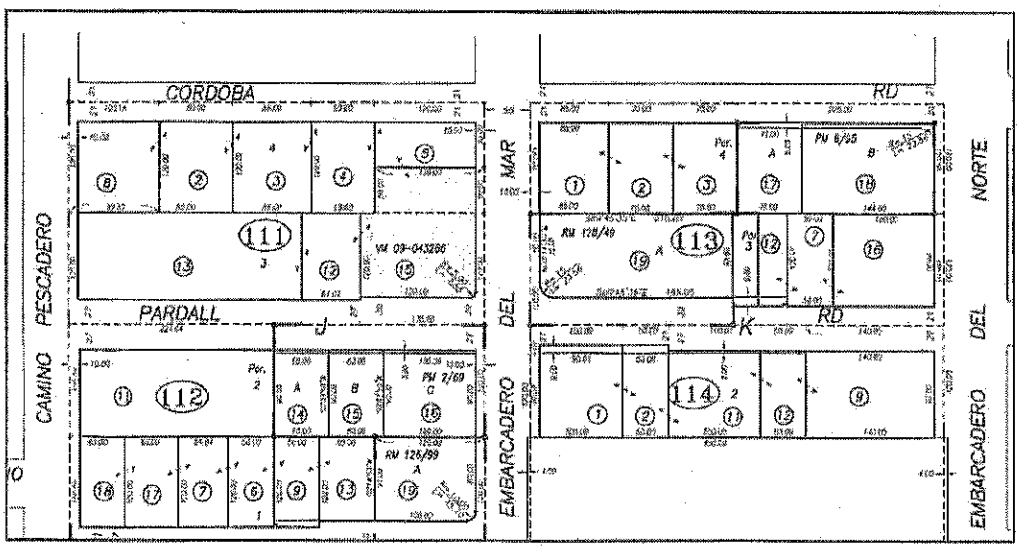
The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are four significant private redevelopment projects that were recently constructed in the subject neighborhood. These three and four story mixed-use developments have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as four mixed-use projects in the downtown area (including one across the street from the subject) were recently constructed.

Site Description

The subject parcel is located at northwesterly corner of the intersection of Pardall Road and Embarcadero Del Mar. The subject parcel is highlighted in yellow in the parcel map set out below.



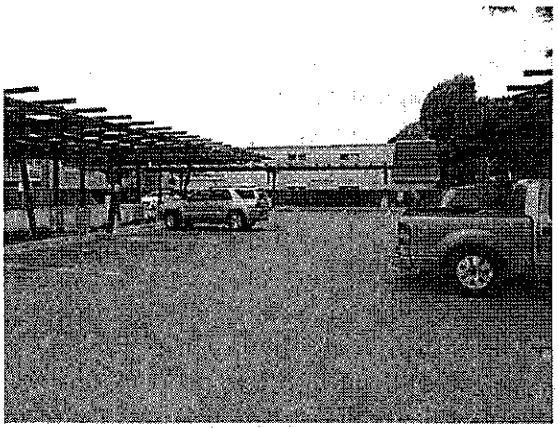
The site is slightly irregular in shape and level at street grade. It has 125 feet of frontage on Pardall Road and 140 feet of frontage on Embarcadero Del Mar. Gross site area is 22,200 square feet, including areas within the street. Net usable site area (net of the street) is estimated at approximately 16,750 square feet.

The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

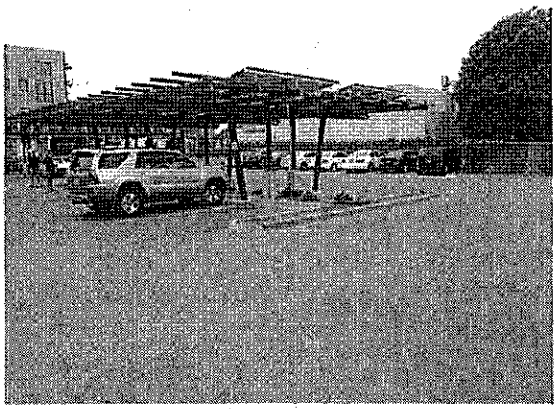
A significant change to the zoning to most of Isla Vista has been approved by the County of Santa Barbara and awaits approval by the California Coastal Commission. If approved as proposed, the subject will be rezoned "Community Mixed-Use 45" This zoning designation allows for higher density residential and mixed use development with less stringent parking requirements. Maximum building height would be increased to 40 feet. Further, the zone eliminates the front yard setback and requires that buildings have at least 75% with no setback.

Improvement Description

General: Improvements to the subject consist of an asphalt paved parking lot with concrete curbing, drainage, landscaping, hardscaping, irrigation, fencing, and lighting.. Additionally, there are a series of steel support structures/shade structures over the parking spaces that are covered with photovoltaic panels. There are a total of 45 parking spaces and 97 photovoltaic panels. The panels generate a net excess amount of electricity equal to a value of approximately $23 per month. The subject parking lot was developed in 2010.



Subject Property



Subject Property

Recorded Parking Agreement

As a condition of approval for a development across the street from the subject (located at 909 Embarcadero Del Mar), the owner of the property entered into a 50 year agreement (which can be extended by an additional 25 years) in 2009 with the Isla Vista Redevelop Agency (which has since been dissolved and replaced by the County of Santa Barbara) for parking on the subject site. In lieu of onsite parking for the development, the Agency agreed to lease 15 parking spaces to the owners of the development at a parking lot that the agency owns. The agreement also states that the agency shall make available 17 metered parking spaces to the commercial tenants of the subject property. However, these spaces will also be available to the general public and no preference shall be given to the tenants of the subject over the general public.

Currently, the County provides the parking described above in the subject parking lot. The County has the right relocate the required parking to another location within Isla Vista. **For the purposes of this appraisal, it has been assumed that the 32 parking space obligation will remain on the subject property.**

With respect to the 15 residential parking spaces, the County is required to lease these to the owners of the subject property at the then prevailing rate charged for annual parking passes in Isla Vista issued by the County of Santa Barbara or UCSB, whichever is less. These spaces are currently leased to the owners of the subject at a rate of $53.50 per month or a total of $9,630 per year ($53.50 x 15 spaces x 12 months). Additionally hourly rentals of spaces in the parking lot generated an additional $12,941 in parking revenue over the past year for a grand total revenue of $22,571. Excluding the estimated revenue for the spaces in excess of 32 spaces that are required to be maintained under the parking agreement, the estimated revenue to the 32 spaces is $18,832 (($12,941 x 32/45) + $9,630).

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (retail/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as a parking lot is a reasonable interim use. The highest and best use of the property would be to develop a multi-story mixed-use retail/residential project.

Highest & Best Use (As Improved & Encumbered by the Parking Agreement)

The subject parking agreement requires that 32 of the subject's 45 parking spaces be maintained on the property for the foreseeable future. This represents 71% of the subject parking spaces and, effectively, 71% of the site area. Any redevelopment of the subject would require these parking spaces to be maintained. Given this requirement, redevelop the subject property with a new mixed-use structure and a subterranean parking garage that would supply the required parking spaced for the new development as well as the 32 spaces required under the parking obligation represents the highest and best use of the subject.

Valuation

The valuation of the subject property under the hypothetical condition that it was unencumbered with the above described parking agreement will consist of the Sales Comparison Approach. The valuation of the subject property with consideration of the parking agreement will consist of subtracting an estimate of value diminution caused by the parking agreement from the conclusion reached via the Sales Comparison Approach.

Valuation – Under the Hypothetical Condition that the Property was Unencumbered by the Recorded Parking Agreement

Sales Comparison Approach

In the Sales Comparison Approach to value, sales of comparable properties are analyzed for the purpose of indicating what a typical well-informed buyer and/or seller would consider in forming an opinion of the worth of the subject property as of the date of value. This valuation concept is based on the theory of substitution in which a basic premise is that a typical buyer would not pay more for a particular property than the cost to acquire an alternative property that similarly satisfies his wants and needs.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of land area. Set out below is a summary of the most pertinent data.

MARKET SURVEY – LAND SALES					
No.	Location/APN/Zoning	Land Sq. Ft.	Sale Date	Sale Price	Price/ Sq. Ft.
1.	909 Embarcadero Del Mar 075-112-016 C-2	9,300	8/2004	$927,000	$100
2.	6522 & 6530 Seville Rd. 075-171-013 & 014 C-2	16,408	6/2005	$2,000,000	$122
3.	6533 Trigo Road 075-173-003 & 026 C-2	16,500	12/2010	$2,175,000	$132
4.	6522 - 6530 Seville Rd. 075-171-013 & 014 C-2	15,500	7/2012	$2,250,000	$144
5.	6547 Trigo Road 075-173-023 & 024 C-2/SR-H-20	11,400	8/2008	$1,725,000	$151
	Subject Property 075-111-015 C-2	16,750	7/2008	$1,405,495	$84

Data No. 1 (909 Embarcadero Del Mar; $100/Sq. Ft.) is the older sale of the property located across the street from the subject. This parcel is level at street grade and rectangular in shape. At the time of sale, the property was improved with a single story restaurant building of 1,972 square feet. This property was purchased by a developer who subsequently acquired approvals for a three story, 27,850 square foot mixed-use commercial/residential development with 24 residential units. The project is currently under construction.

Data No. 2 (6522 & 6530 Seville Rd.; $122/Sq. Ft.) is the older sale of two adjacent rectangularly shaped parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, recently received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project. This property has a peripheral location within the central business district of Isla Vista.

Data No. 3 (6533 Trigo Road; $132/Sq. Ft.) is the late 2010 sale of an unusually shaped parcel of level land located at southern end of the central business district in Isla Vista. This property had been used as a service station. However, prior to the sale, the buyer acquired approvals to construct a four story mixed-use 44,994 square foot development on the site. This development is currently under construction.

Data No. 4 (6522 - 6530 Seville Rd.; $144/Sq. Ft.) is the mid-2012 cash sale of two adjacent rectangularly shaped level parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project (currently finishing construction). The project consists of 22,420 square feet of commercial space and 22,415 square feet of residential condominium units (24 units, 4 of which are affordable). The project will have six hotel guest rooms (in addition to the 24 condominiums), a ground floor gym with pool and spa, a roof top deck with small café. The building will have 43 parking spaces (stacked with mechanical lifts). However, despite the appearances of a development of a condominium and hotel, this property will be operated as a student housing rental project. This property will have a floor area ratio of 2.89. This property has a slightly more peripheral location within the central business district of Isla Vista than the subject and the other discussed herein. This development is currently under construction.

Data No. 5 (6547 Trigo Road; $151/Sq. Ft.) is the mid 2008 sale of a slightly irregularly shaped parcel of land that is situated on two corners at the southern end of the central business district in Isla Vista. The parcel is level at street grade and partially zoned C-2 and partially zoned high density student residential. The property was improved with a small restaurant and retail store at the time it sold. The buyer of this parcel pursued and received approvals subsequent to the sale for a four story 20,697 square feet mixed-use structure on the site. This development is currently under construction.

The subject property was purchased by the redevelopment agency in 2008 through negotiations, though the property was not openly marketed. At the time of purchase, the property suffered soil contamination which negatively impacted the value of the property. The contamination has since been remediated. The land value of the subject property today is judged to be more than $84 per square foot.

The data indicate a range of price per square foot of land from $100 to $151. The subject benefits from the fact that it is situated on a prominent corner in Downtown Isla Vista. Further, it is improved with a parking lot that can provide an interim income stream while redevelopment approvals are being sought. Finally, market conditions are robust. Based on current market conditions and the comparable sales discussed above, the value of the subject property is estimated to be above the midpoint of the range, say $150 per square foot of site area.

Value of Subject (per Sq. Ft. of Site Area):	$150
Usable Site Area (Sq. Ft.):	x 16,750
Value of Subject - Unencumbered:	$2,512,500
Value of Subject - Unencumbered, Rounded:	$2,500,000

Valuation – As Is (Encumbered by the Recorded Parking Agreement)

The value of the subject "as is" (with consideration of the impact on value created by the recorded parking agreement) has been measured by subtracting a figure to account for the estimated cost associated with providing an additional 32 parking spaces in an underground garage when the subject is redeveloped to its highest and best use.

The approximate area required to accommodate a 32 space subterranean parking garage is 12,000 square feet. This figure is based on an average area of 375 square feet per parking space (this figure includes the area of the parking space, vehicle backup and circulation areas, and pedestrian stairwells/elevator).

The estimated cost to construct a subterranean parking garage is approximately $75 per square foot. This figure is based on Marshall & Swift's *Marshall Valuation Service* and interviews with local architects that are familiar with the cost of subterranean parking garages. In addition, a 10% contingency amount has been added to account for risks associated with the projection. Estimated construction costs are as follows:

Estimated Area of Subterranean Parking Garage (Sq. Ft.):	12,000
Estimated Construction Cost per Sq. Ft.:	x $75
Subtotal:	$900,000
Add 10% Contingency:	$90,000
Total:	$990,000

As discussed on page 6, the 32 parking spaces earn an estimated parking revenue of $18,832 per year. In order to estimate the net income that the spaces will generate, expenses associated with operating the parking lot need to be subtracted from this gross revenue. Expenses include cleaning and maintenance, management, and electricity (lighting in the subterranean garage). If the property were privately owned, there would be a property tax expense as well. These costs and the net income attributable to the parking have been estimated for the 34 spaces below:

Gross Revenue:	$18,832
Less Utilities (Estimate $50/Mo.):	($600)
Less Management (Estimate 5% of Gross Revenue):	($942)
Less Cleaning/Maintenance (Estimate $50/Mo.):	($600)
Less Property Taxes Attributable to Garage*:	($10,890)
Net Income from Parking:	$5,800

*Taxes estimated at 1.1% of cost of garage ($990,000)

Revenue that the parking generates has been capitalized to estimate its contributory value to the property. Value calculations based on an average capitalization rate of 5.5% are as follows:

Net Income From Parking:	$5,800
Divided by Capitalization Rate:	÷ 0.055
Value of Parking Revenue:	$105,455

Thus, the value of the subject as is (encumbered by the parking agreement) has been calculated as follows:

Value of Property Unencumbered:	$2,500,000
Add Value of Parking Revenue:	$105,455
Less Cost of Subterranean Parking Garage:	($990,000)
Indicated Value of Subject (with Parking Obligation):	$1,615,455
Indicated Value of Subject (with Parking Obligation), Rounded:	$1,600,000

Value Conclusions

Therefore, I estimate that the "as is" market value and the market value of the subject under the hypothetical condition that it were unencumbered with the parking agreement of the Fee Simple Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value were as follows:

VALUE: UNENCUMBERED BY PARKING AGREEMENT:	$2,500,000
VALUE: AS IS (ENCUMBERED BY PARLING OBLIGATION):	$1,600,000

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,

Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information
The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number
Book 75, Page 163, Parcel 017

Pertinent Conditions of Title
A title report for the subject has not been reviewed. It is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal
This appraisal sets forth my opinion as to the *market value* of the fee simple estate in the real property described herein. Opinions and other matters expressed in this report are stated as of July 10, 2013.

Function of Appraisal
The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User
The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal
Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time
The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been eighteen months (including escrow), assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) Buyer and seller are typically motivated;

(b) Both parties are well informed or well advised, and acting in what they consider their best interest;

(c) A reasonable time is allowed for exposure in the open market;

(d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

> A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

> An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following **extraordinary assumption**:

1) **It has been assumed that in the "As Is" valuation scenario, the parking obligation will encumber the subject property and not be transferred to another property.**

This appraisal report has been made with the following **hypothetical condition**:

1) **One of the value conclusions in this appraisal is made under the hypothetical condition that recorded agreement that requires 32 of the subject parking spaces be available for use by the property located across the street was not in place.**

This appraisal report has been made with the following general assumptions and limiting conditions:

1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee a to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous

materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.

18) Neither all not any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

STEPHEN G. SCHOTT, MAI
CA#AG024150

ATTACHMENT C

Fire Department

"Serving the community since 1926"

HEADQUARTERS

4410 Cathedral Oaks Road
Santa Barbara, CA 93110-1042
(805) 681-5500 FAX: (805) 681-5553

Michael W. Dyer
Fire Chief
County Fire Warden

Christian J. Hahn
Deputy Fire Chief

REMEDIAL ACTION COMPLETION CERTIFICATION

November 22, 2011

Mr. Ben F. Terry
Chevron EMC
6101 Bollinger Canyon Road
San Ramon, CA 94583

Mr. Grady Williams
Santa Barbara County, General Services Department
1105 Santa Barbara Street, 4th Floor
Santa Barbara, CA 93101

SUBJECT: **LUFT Site #51655**
Chevron Facility No. 30-6624 (Former Unocal 76 Station 5209)
881 Embarcadero Del Mar, Isla Vista, California

Dear Mr. Terry and Mr. Williams:

This letter confirms the completion of a site investigation and corrective action for the underground storage tank formerly located at the above-described location. Thank you for your cooperation throughout this investigation. Your willingness and promptness in responding to our inquiries concerning the former underground storage tank are greatly appreciated.

Based on information in the above-referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, this agency finds that the site investigation and corrective action carried out at your underground storage tank site is in compliance with the requirements of subdivisions (a) and (b) of Section 25296.10 of the Health and Safety Code and with corrective action regulations adopted pursuant to Section 25299.3 of the Health and Safety Code and that no further action related to the petroleum release(s) at the site is required.

This notice is issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code.

Please contact our office if you have any questions regarding this matter.

Sincerely,

/FOR

Michael W. Dyer
Fire Chief

Completion Certification 51655

pc: Mr. Allan Patton, UST Cleanup Fund Manager
Mr. Mark Fahan, Holguin, Fahan, & Associates

ATTACHMENT D

COPY of Document Recorded
17-Jul-2009 2009-0043264
Has not been compared with
original
SANTA BARBARA COUNTY RECORDER

Recording requested by Redevelopment Agency of the County of Santa Barbara and when recorded, mail to:

County of Santa Barbara
Redevelopment Agency
1105 Santa Barbara Street
4th Floor County Courthouse
Santa Barbara, CA 93101
Attn: Jeff Lindgren

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 6103

AGENCY PARKING LOT AGREEMENT

THIS AGENCY PARKING LOT AGREEMENT (hereinafter "Agreement") is entered into and effective on this 14 day of JULY 2009, by and between Ivy Paradise, LLC, a California limited liability company ("Developer") and the Redevelopment Agency of the County of Santa Barbara, a public body corporate and politic ("Agency") regarding the following legal properties:

Agency Parking Lot
Assessor Parcel numbers 075-111-014 & 075-111-006
Legal Description - Exhibit A

Project
Assessor Parcel number 075-112-016
Legal Description – Exhibit B

RECITALS

WHEREAS, the Agency is the owner of the real property known as Assessor Parcel numbers 075-111-014 & 075-111-006 located at 881 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit A (the "Agency Parking Lot"); and

WHEREAS, the Developer is the owner of the real property known as Assessor Parcel # 075-112-016, located at 909 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit B (the "Project"); and

WHEREAS, the difficulty of providing on-site parking has impeded the redevelopment of many under utilized properties in Isla Vista and has led to blight in the Isla Vista Redevelopment Project Area; and

WHEREAS, the conditions of approval for the Project require that: "The proposed project would not provide on-site parking for residents or commercial visitors. Rather, parking would be provided within nearby surface parking lot(s) to be acquired by the Isla Vista Redevelopment Agency. Fifteen parking spaces would be reserved for residents of the project site and seventeen commercial spaces allotted within one of the surface lots to be acquired by the RDA. The RDA is currently in negotiations to acquire several properties to be developed into surface parking lots for use by project residents and downtown Isla Vista commercial users."; and

WHEREAS, development of the Agency Parking Lot has already been analyzed under the California Environmental Quality Act ("CEQA") and there are no changes to the Agency Parking Lot, its use, circumstances under which it will be developed and utilized, or new information that would necessitate further environmental review under CEQA Guideline 15162.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, Developer, and Agency agree as follows:

1. TERM. The Term of this Agreement shall commence at the time that a certificate of occupancy is issued for the Project and shall continue for a period of FIFTY (50) YEARS thereafter, subject to the termination provisions contained herein. Upon expiration of the initial Term, this Agreement may be extended for an additional TWENTY-FIVE (25) YEARS, upon mutual agreement of Agency and Developer.

2. RESIDENTIAL PARKING SPACES. Developer agrees to negotiate and enter into a lease agreement ("Lease Agreement") with the Agency pursuant to which the Agency will make available for lease to the Developer on an annual basis, fifteen (15) parking spaces ("Residential Parking Spaces") in the Agency Parking Lot to be used exclusively for residents of the Project. The annual leasing cost to Developer for the Residential Parking Spaces shall be based on the then-prevailing cost of annual parking passes in the Isla Vista area issued by the University of California at Santa Barbara (UCSB), or by the County, whichever is less. At least thirty days prior to the expiration of the term of each Lease Agreement that may be successively entered into, the Developer shall renew the lease for an additional period of at least one year. The original Lease Agreement shall be executed prior to or within 30 days of occupancy clearance for the surface parking lot owned by the Agency.

The Executive Director of the Agency shall have sole and absolute discretion in the selection of the location of the Residential Parking Spaces within the Agency Parking Lot. The Agency may in its sole and absolute discretion relocate the Residential Parking Spaces to other parking lots owned or controlled by the Agency within the Isla Vista Redevelopment Project Area consistent with County Coastal Zoning Code requirements. All Parking Spaces shall conform to current County of Santa Barbara standards and requirements for parking spaces, including size and handicap accessibility.

3. WRITTEN AGREEMENT WITH USERS REQUIRED FOR RESIDENTIAL PARKING SPACES. Only existing residential tenants of the Project who have entered into a parking agreement with the Developer requiring them to abide by Agency rules and regulations

shall be allowed to use the Residential Parking Spaces. Such rules shall include but not be limited to rules authorizing the Agency to ticket and/or tow Project resident's vehicles parked in Residential Parking Spaces that are in violation of the Agency rules. In addition, Developer shall ensure that all such parking agreements with tenants of the Project include a requirement that each tenant maintain automobile insurance coverage sufficient to meet standard California State requirements, as those requirements may be amended from time to time. Developer shall provide to Agency or Agency's designee, copies of all executed parking agreements within 15 days of their execution. In no event shall Developer charge any tenant more that their proportionate share of Developer's leasing cost for any Residential Parking Space.

4. MAINTENANCE AND REPAIR. Agency shall, at its sole cost and expense, maintain the Agency Parking Lot in a usable and orderly condition. throughout the term of this Agreement.

5. COMMERCIAL PARKING SPACES. In addition to the 15 Residential Parking Spaces reserved by this Agreement, at least seventeen metered parking spaces in the Agency Parking Lot will be generally available to the public, including customers, guests, and employees of commercial tenants of the Project ("Commercial Parking Spaces"). Commercial Parking Spaces will be available for use by the general public, and will not be differentiated from other metered spaces in the Agency Parking Lot in any way. Commercial tenants and their customers, guests, and employees will not be given priority for Commercial Parking Spaces over members of the general public. The Agency may in its sole and absolute discretion relocate the Commercial Parking Spaces to other parking lots owned or controlled by the Agency within the Isla Vista Redevelopment Project Area consistent with County Coastal Zoning Code requirements.

6. PROPERTY SUITABILITY. Developer acknowledges that, except as stated herein, Agency has made no representations or warranties about the condition of the Agency Parking Lot, or the suitability of same for the intended use by Developer.

7. AGREEMENT SUBORDINATE TO AGENCY FINANCING. This Agreement, and all rights conveyed hereunder shall be subordinate to any deed of trust, mortgage or other security agreement recorded against the Agency Parking Lot for the purpose of securing financing for the Agency.

8. NONDISCRIMINATION. Developer shall not discriminate or segregate in the development, construction, use, enjoyment, or occupancy, of any part of the Project or the Residential or Commercial Parking Spaces on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Developer shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing. Additionally, Developer shall comply with the County's antidiscrimination Ordinance as set forth in County Code Section 2-94 et seq.

9. NONINTERFERENCE. Developer agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, agents to use any portion of

the Agency Parking Lot in any way which interferes with other Agency operations on the Agency Parking Lot or which causes unreasonable damage to the Agency Parking Lot. Such interference shall be deemed a material breach, and Developer shall terminate said interference immediately upon notice from Agency.

10. INDEMNIFICATION. Developer shall defend, indemnify, and save harmless Agency, 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 Developer or its tenants, agents, employees, or other independent contractors directly responsible to Developer; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the Agency.

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

Agency shall defend, indemnify, and save harmless Developer, 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 Agency or its tenants, agents, employees, or other independent contractors directly responsible to Agency; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the Developer.

11. INSURANCE. Without limiting Developer's indemnification of the Agency, Developer 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 Agency. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place Developer in default. Upon request by the Agency, Developer shall provide a certified copy of any insurance policy to the Agency within ten (10) working days.

A. Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all Developer'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 the Agency. In the event Deveoper 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 Developer has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and Developer submits a written statement to the Agency 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 Developer and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by Developer in the indemnity and hold harmless provisions of the Indemnification

Section of this Agreement between Agency and Developer. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of Developer pursuant to Developer's activities hereunder. Developer 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. Agency, 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 Agency.

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 Agency 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, Developer 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 Agency shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

The above insurance requirements are subject to periodic review by the Agency. 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 Agency 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. Developer agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

C. Personal Property Insurance: Developer shall maintain full replacement cost property insurance for its personal property, including but not limited to equipment, supplies and tenant improvements in the Agency Parking Lot, throughout the term hereof.

12. COMPLIANCE WITH THE LAW. Developer shall comply with all applicable laws, rules, and regulations affecting the Project and Agency Parking Lot now or hereafter in effect. If any or all of the Residential or Commercial Parking Spaces are no longer available for any reason, including termination of this Agreement, the Developer will be required to find other available parking spaces or reduce or cease operation and use of the Project at an intensity approved by the County in order to bring the Project into conformance with the Coastal Zoning Ordinance parking requirements, and Agency shall cooperate with Developer in identifying alternative parking spaces that comply with the requirements of the County's Coastal Zoning Ordinance. The Developer agrees to waive any right to contest enforcement of the County's Coastal Zoning Ordinance in this manner should this circumstance arise. In no circumstance shall the Agency be obligated by this Agreement to interfere with such enforcement action. The

Parties acknowledge that the County may invoke any remedy provided for in the Coastal Zoning Ordinance to enforce such violation against the Developer.

13. ENVIRONMENTAL IMPAIRMENT. Developer shall ensure that its tenants and their guests, employees and invitees comply with all applicable laws, regulations, rules, and orders regarding use of the Agency Parking Lot 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 Agency.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Agency Parking Lot due to Developer's use, Developer shall clean all property affected to the satisfaction of Agency and any governmental body having jurisdiction therefore. Developer shall indemnify, hold harmless, and defend Agency from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by Agency as a result of Developer's breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to Developer'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 Agency.

14. TOXICS. Developer shall not manufacture or generate or store hazardous wastes on the Agency Parking Lot. Developer 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 Developer, its agents, employees, or designees on the Agency Parking Lot 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. Developer shall notify Agency 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.

15. TAXES AND ASSESSMENTS, POSSESSORY INTEREST. Developer shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to Developer's operations, may be levied upon the Agency Parking Lot during the term of this Agreement.

Developer acknowledges and agrees that this Agreement may create a possessory interest subject to property taxation and that Developer may be required to pay any tax levied on such interest.

16. 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:

Agency: Redevelopment Agency of
County of Santa Barbara
105 E. Anapamu Street Room 105
Santa Barbara, CA 93101
Attn: Executive Director

Developer: Paradise Ivy, LLC
P.O. Box 4836
Santa Barbara, CA 93140

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.

17. DEFAULT. Except as otherwise required herein, should Developer at any time be in material default hereunder with respect to any covenant contained herein, Agency shall give notice to Developer specifying the particulars of the default and Developer 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 Agency; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which case Developer shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

18. 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 nondefaulting party may waive the default or breach in accordance with Section 22, *WAIVER*, herein below.

B. The nondefaulting 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 Developer is the nondefaulting party, Developer may terminate the Agreement and surrender use of the Agency Parking Lot.

D. Where Agency is the nondefaulting party, Agency may terminate this Agreement and Developer shall vacate within thirty (30) days of written notice from Agency.

19. TERMINATION BY DEVELOPER. This Agreement can only be terminated by Developer if all of the following conditions are satisfied:

A. The Developer has obtained either ownership of or the right to use, on a permanent basis and on reasonable terms, the same number of residential and commercial parking spaces as are being provided under this Agreement ("Replacement Spaces");

B. The County's Director of Planning & Development has found that the Replacement Spaces provide adequate replacement of the Residential and Commercial Parking Spaces being provided herein;

C. Developer has either obtained a written determination from the County's Director of Planning and Development that the relocation of parking for the Project to the location of the Replacement Spaces does not require a change, revision or amendment, as applicable to the conditions of approval for the Project (Case Number 05DVP-00000-00027, 07CUP-00000-00036) or has obtained the required change, amendment or revision of the conditions of approval for the Project;

D. Any required coastal development permit has been obtained and the statute of limitations to challenge such approval has run; and

E. Developer has provided to the Agency written notice of termination of this agreement has been provided to the other party at least sixty (60) days prior to the termination date.

22. MUTUAL TERMINATION. The Agency and Developer may mutually terminate this Agreement. Such termination must be in writing and shall be recorded against those properties referenced in paragraph 1 of this Agreement.

23. 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.

24. 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.

25. CONDEMNATION. In the event the Agency Parking Lot or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Agency Parking Lot, Agency 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 Agency's absolute discretion. Developer agrees that Agency shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of DEVELOPER'S operations at the Agency Parking Lot.

Developer shall not be entitled to any portion of any judgment in eminent domain for the Agency Parking Lot.

In the event possession of the Property or partial possession of the Agency Parking Lot is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes Developer's intended use, this Agreement shall terminate as of the effective date of possession.

In the event of a partial taking, this Agreement may continue at Agency's option.

26. 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.

27. 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.

28. 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.

29. CONSTRUCTION. The parties have negotiated the terms of this Agreement. They 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.

30. SUCCESSORS AND ASSIGNS. This Agreement shall bind and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

31. FILE. This Agreement shall be kept on file in the Redevelopment Agency of the County of Santa Barbara in Permit File No.1 and shall be recorded with the County of Santa Barbara Clerk Recorder's Office.

32. 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 Agency and Developer to its terms and conditions or to carry out duties contemplated herein.

IN WITNESS WHEREOF, this Agency Parking Lot Agreement has been executed as of the day and year first above written.

///
///
///

A-3

AGENCY
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero del Mar

AGENCY:

COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY
a public body, corporate and politic

Dated: 7/14, 2009

By: _____
Joseph Centeno
Chairman of Board of Directors

ATTEST:
Michael F. Brown

By: _____
Agency Secretary

APPROVED AS TO LEGAL FORM:
DENNIS A. MARSHALL
AGENCY COUNSEL

By: _____
Deputy Agency Counsel

APPROVED AS TO FORM:
RAY AROMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

By: _____

APPROVED AS TO FORM:
BOB GEIS
AGENCY TREASURER

By: _____
Mark Paul
Senior Financial Analyst

Expenditure Accounting Information
Fund: Dept:
Line Item Program

DEVELOPER
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar

DEVELOPER:

PARADISE IVY, LLC
a California limited liability company

Dated: 6-26-09

By:
Its: Tim Werner

and

Dated: 6.30.2009

By:
Its: Richard Gilman

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Santa Barbara }
On 6/26/09 (Date) before me, L. F. Carlson, Notary Public (Here Insert Name and Title of the Officer)
personally appeared Tim Werner + Richard J. Gilman (Name(s) of Signer(s))

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.

L. F. CARLSON
Commission # 1806439
Notary Public - California
Santa Barbara County
My Comm. Expires Aug 4, 2012

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 _____ (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

©2007 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.NationalNotary.org Item #5907 Reorder: Call Toll-Free 1-800-876-6827

EXHIBIT A
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar

Legal Description of the Agency Parking Lot

PARCEL ONE

The Easterly 135.00 feet, between parallel lines, of Lot 3 in Block "J" of Ocean Terrace Tract, in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101, 102 and 103 of Maps, in the Office of the County Recorder of said County.

APN# 75-111-14 (ARB 9 6-K-11)

PARCEL TWO

That portion of Lot 4 in Block "J" of the Ocean Terrace Tract in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101 and 102 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at the Southeasterly corner of said Lot 4; thence Northerly along the Easterly line of said Lot and Westerly line of Embarcadero Del Mar, 50 feet; thence at right angles westerly 120 feet, thence at right angles Southerly 50 feet to the Southerly line of said Lot 4; thence Easterly along said Southerly line 120 feet to the point of beginning.

APN# 75-111-06 (ARB 4B 6-K-11)

EXHIBIT B
TO
AGENCY PARKING LOT AGREEMENT
909 Embarcadero del Mar

Legal Description of the Project

PARCEL ONE:

PARCEL"C" IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN AS DESIGNATED ON PARCEL MAP NO. 10651 FILED IN BOOK 2, PAGE 69 OF PARCEL MAPS, IN THE OFFICIAL RECORDS OF SAID COUNTY.

PARCEL TWO:

THE EASTERLY 10 FEET OF LOT 2, BLOCK "J" IN THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, RECORDS OF SAID COUNTY, AND THAT PORTION OF THE NORTHERLY 30 FEET OF SAID LOT 2 LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF PARCEL ONE ABOVE DESCRIBED.

END OF LEGAL DESCRIPTION

ATTACHMENT E

2012-0068402

Recorded
Official Records
County of
Santa Barbara
Joseph E. Holland
County Clerk Recorder

REC FEE 0.00

KK
09:38AM 11-Oct-2012 Page 1 of 22

PLEASE COMPLETE THIS INFORMATION.

RECORDING REQUESTED BY:
County of Santa Barbara

AND WHEN RECORDED MAIL TO:
County of Santa Barbara
General Services Dept.
Office of Real Estate Services
Will Call

FR
22

SPACE ABOVE FOR RECORDER'S USE ONLY

Gov. Code Section 6103 (free recordation) APN: 075-112-015

Lease Agreement for Agency Parking Lot

(Please fill in document title(s) on this line)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

SBR2005

LEASEAGREEMENT
FOR
AGENCY PARKING LOT

THIS LEASE AGREEMENT (hereinafter "Agreement") is entered into and effective on this 21st day of August 2012, by and between Paradise Ivy, LLC, a California limited liability company (hereinafter "Developer") and the Successor Agency to the Former County of Santa Barbara Redevelopment Agency, a public body, corporate and politic, (hereinafter "Agency"), regarding the following legal properties:

Agency Parking Lot
Assessor Parcel number 075-111-015
Legal Description - Exhibit A

Project
Assessor Parcel number 075-112-016
Legal Description – Exhibit B

RECITALS

WHEREAS, Agency, as the successor in interest to the Santa Barbara County Redevelopment Agency, is the owner of the real property known as Assessor Parcel Number 075-112-015, (formerly Assessor Parcel numbers 075-111-014 and 075-111-006) located at 881 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit "A" (the "Agency Parking Lot"); and

WHEREAS, Developer is the owner of the real property known as Assessor Parcel number 075-112-016, located at 901 Embarcadero Del Mar, Isla Vista, CA 93117 and identified more particularly in the legal description attached hereto as Exhibit "B" (the "Project"); and

WHEREAS, the difficulty of providing on-site parking has impeded the redevelopment of many under-utilized properties in Isla Vista and has led to blight in the Isla Vista Redevelopment Project Area; and

WHEREAS, the conditions of approval for the Project required that: "The proposed project would not provide on-site parking for residents or commercial visitors. Rather, parking would be provided within nearby surface parking lot(s) to be acquired by the Isla Vista Redevelopment Agency. Fifteen parking spaces would be reserved for residents of the project site and seventeen commercial spaces allotted within one of the surface lots to be acquired by the Agency; and

WHEREAS, the Agency Parking Lot has been constructed and is currently in use, and has already been analyzed under the California Environmental Quality Act ("CEQA"), and there are no changes to the Agency Parking Lot, its use, circumstances under which it will be utilized, or new information that would necessitate further environmental review under CEQA Guideline 15162; and

Original

WHEREAS, Agency and Developer entered into an Agency Parking Lot Agreement, recorded in the Santa Barbara County Recorder's Office on July 17, 2009, as Instrument Number 2009-0043264, which sets forth the terms and conditions to be incorporated into this Agreement.

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the parties as herein expressed, Developer and Agency agree as follows:

1. TERM. The Term of this Agreement shall commence upon the issuance of a certificate of occupancy for the Project, and shall continue for a period of FIFTY (50) YEARS, subject to the termination provisions contained herein. Upon expiration of the initial fifty-year term, this Agreement may be extended for an additional TWENTY-FIVE (25) YEARS, upon mutual agreement of Agency and Developer.

Upon final execution of this Agreement, Agency shall submit this Agreement to the California Department of Finance for approval. In the event the California Department of Finance does not approve this Agreement, Agency shall terminate this Agreement in accordance with Section 19, TERMINATION BY AGENCY, hereof.

2. RESIDENTIAL PARKING SPACES. Agency hereby grants to Developer and Developer hereby takes from Agency the right to exclusive use of the fifteen (15) parking spaces in the Agency Parking Lot, shown as the cross-hatched area of Exhibit "C", attached hereto and incorporated herein by reference ("Residential Parking Spaces"). The Residential Parking Spaces shall be used exclusively by residents of the Project. The annual leasing cost to Developer for the Residential Parking Spaces shall be equal to the then-prevailing published cost of annual parking passes in the Isla Vista area issued by the University of California at Santa Barbara (UCSB), or by the County of Santa Barbara, whichever is less. The cost of annual parking passes issued by UCSB is currently published at http://www.tps.ucsb.edu/ under "long term parking rates". The County of Santa Barbara does not currently offer annual parking passes. In the event such passes are offered by the County, Agency shall consider the cost of such passes in calculating Developer's cost of the Residential Parking Spaces.

Prior to July 1st of each year of the term, Agency shall invoice Developer for the ensuing year, stating the cost of each Residential Parking Space, and Developer shall pay Agency for the cost of fifteen (15) Residential Parking Spaces within thirty days of receipt of such invoice. Residential Parking Space passes shall be issued for each Residential Parking Space and shall be valid from August 1st through July 31st of each year of the term. Upon commencement of this Agreement, the annual leasing cost to be paid by Developer for each Residential Parking Space shall be SIX HUNDRED FORTY-TWO AND 00/100 DOLLARS ($642.00), as determined by the standard cost of annual parking passes issued by UCSB, combining the cost of a weekday pass with the cost of a night and weekend pass. The cost of annual parking passes for the Residential Parking Spaces issued for the first year of the Term shall be prorated at FIFTY-THREE AND 50/100 DOLLARS ($53.50) per month.

Agency shall have sole and absolute discretion to determine the location of the Residential Parking Spaces used by residents of the Project within the Agency Parking Lot. The Agency may in its sole and absolute discretion relocate the Residential Parking Spaces to other parking lots owned or controlled by the Agency within the former Isla Vista Redevelopment Project Area consistent with County Coastal Zoning Code requirements. All Parking Spaces

shall conform to current County of Santa Barbara standards and requirements for parking spaces, including spaces that provide accessibility for disabled persons.

3. WRITTEN AGREEMENT WITH USERS REQUIRED FOR RESIDENTIAL PARKING SPACES. Only existing residential tenants of the Project who have entered into a parking agreement with the Developer requiring them to abide by Agency rules and regulations shall be allowed to use the Residential Parking Spaces. Such rules shall include but not be limited to rules authorizing the Agency to ticket and/or tow Project resident's vehicles parked in Residential Parking Spaces that are in violation of the Agency rules. In addition, Developer shall ensure that all such parking agreements with tenants of the Project include a requirement that each tenant maintain automobile insurance coverage sufficient to meet standard California State requirements, as those requirements may be amended from time to time. Developer shall provide to Agency or Agency's designee, copies of all executed parking agreements within 15 days of their execution, and shall provide proof of valid automobile liability insurance for each tenant of the Project who will be parking in the Agency Parking Lot pursuant to this Agreement. In no event shall Developer charge any tenant more that their proportionate share of Developer's leasing cost for any Residential Parking Space.

4. MAINTENANCE AND REPAIR. Agency shall, at its sole cost and expense, maintain the Agency Parking Lot in a usable and orderly condition.

5. COMMERCIAL PARKING SPACES. In addition to the fifteen Residential Parking Spaces reserved by this Agreement, at least seventeen metered parking spaces in the Agency Parking Lot will be generally available to the public, including customers, guests, and employees of commercial tenants of the Project ("Commercial Parking Spaces"). Commercial Parking Spaces will be available for use by the general public, and will not be differentiated from other metered spaces in the Agency Parking Lot in any way. Commercial tenants and their customers, guests, and employees will not be given priority for Commercial Parking Spaces over members of the general public. The Agency may in its sole and absolute discretion relocate the Commercial Parking Spaces to other parking lots owned or controlled by the Agency within the former Isla Vista Redevelopment Project Area and consistent with the County Coastal Zoning Code requirements. Developer shall not be responsible for reimbursement for maintenance or repair of the Commercial Parking Spaces.

6. PROPERTY SUITABILITY. Developer acknowledges that, except as stated herein, Agency has made no representations or warranties about the condition of the Agency Parking Lot, or the suitability of same for the intended use by Developer.

7. AGREEMENT SUBORDINATE TO AGENCY FINANCING. This Agreement, and all rights conveyed hereunder shall be subordinate to any deed of trust, mortgage or other security agreement recorded against the Agency Parking Lot for the purpose of securing financing for the Agency.

8. NONDISCRIMINATION. Developer shall not discriminate or segregate in the development, construction, use, enjoyment, or occupancy, of any part of the Project or the Residential or Commercial Parking Spaces on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of

income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Developer shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing. Additionally, Developer shall comply with the County of Santa Barbara's Antidiscrimination Ordinance as set forth in County Code Section 2-94 et seq.

9. NONINTERFERENCE. Developer agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, agents to use any portion of the Agency Parking Lot in any way which interferes with other Agency operations on the Agency Parking Lot or which causes unreasonable damage to the Agency Parking Lot. Such interference shall be deemed a material breach, and Developer shall terminate said interference immediately upon notice from County. In the event Developer fails to stop such interference promptly, this Agreement shall terminate at the option of Agency.

10. INDEMNIFICATION AND INSURANCE: LESSEE shall comply with the indemnification and insurance provisions as set forth in Exhibit "D" attached hereto and incorporated herein by reference.

11. COMPLIANCE WITH THE LAW. Developer shall comply with all applicable laws, rules, and regulations affecting the Project and Agency Parking Lot now or hereafter in effect. If any or all of the Residential or Commercial Parking Spaces are no longer available for any reason, including termination of this Agreement, the Developer will be required to find other available parking spaces or reduce or cease operation and use of the Project at an intensity approved by the County of Santa Barbara in order to bring the Project into conformance with the Coastal Zoning Ordinance parking requirements. The Developer agrees to waive any right to contest enforcement of the County's Coastal Zoning Ordinance in this manner should this circumstance arise. In no circumstance shall the Agency be obligated by this Agreement to interfere with such enforcement action. The Parties acknowledge that the County may invoke any remedy provided for in the Coastal Zoning Ordinance to enforce such violation against the Developer.

12. ENVIRONMENTAL IMPAIRMENT. Developer shall ensure that its tenants and their guests, employees and invitees comply with all applicable laws, regulations, rules, and orders regarding use of the Agency Parking Lot 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 Agency.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Agency Parking Lot due to Developer's use, Developer shall clean all property affected to the satisfaction of Agency and any governmental body having jurisdiction therefore. Developer shall indemnify, hold harmless, and defend Agency from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by Agency as a result of Developer's breach of this Section, or as a result of any such discharge, leakage, spillage, emission or pollution due to Developer'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 Agency.

13. TOXICS. Developer shall not manufacture or generate or store hazardous wastes on the Agency Parking Lot. Developer 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 Developer, its agents, employees, or designees on the Agency Parking Lot 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. Developer shall notify Agency 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.

14. TAXES AND ASSESSMENTS. POSSESSORY INTEREST. Developer shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, which, due to Developer's operations, may be levied upon the Agency Parking Lot during the term of this Agreement.

Developer acknowledges and agrees that this Agreement may create a possessory interest subject to property taxation and that Developer may be required to pay any tax levied on such interest.

15. 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:

Agency: County of Santa Barbara
General Services Department
Support Services Division
Courthouse East Wing 2nd Floor
1105 Santa Barbara CA 93101

Developer: Paradise Ivy, LLC
P.O. Box 4836
Santa Barbara, CA 93140

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.

16. DEFAULT. Except as otherwise required herein, should Developer at any time be in material default hereunder with respect to any covenant contained herein, Agency shall give notice to Developer specifying the particulars of the default and Developer 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 Agency; unless the cure of such default shall reasonably take more than thirty (30) calendar days in which

case Developer shall proceed with all due speed to cure the default and shall have a reasonable time to effectuate its cure.

17. 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 21, *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 Developer is the non-defaulting party, Developer may terminate the Agreement and surrender use of the Agency Parking Lot.

D. Where Agency is the non-defaulting party, Agency may terminate this Agreement and Developer shall vacate within thirty (30) days of written notice from Agency.

18. TERMINATION BY DEVELOPER. This Agreement can only be terminated by Developer if all of the following conditions are satisfied:

A. The Developer has obtained either ownership of or the right to use, on a permanent basis, the same number of residential and commercial parking spaces as are being provided under this Agreement ("Replacement Spaces");

B. The County's Director of Planning & Development has found that the Replacement Spaces provide adequate replacement of the Residential and Commercial Parking Spaces being provided herein;

C. Developer has either obtained a written determination from the County's Director of Planning and Development that the relocation of parking for the Project to the location of the Replacement Spaces does not require a change, revision or amendment, as applicable to the conditions of approval for the Project (Case Number 05DVP-00000-00027, 07CUP-00000-00036) or has obtained the required change, amendment or revision of the conditions of approval for the Project;

D. Any required coastal development permit has been obtained and the statute of limitations to challenge such approval has run; and

E. Developer has provided to the Agency written notice of termination of this Agreement at least sixty (60) days prior to the termination date.

19. TERMINATION BY AGENCY. Upon final execution of this Agreement, Agency shall submit this Agreement to the California Department of Finance for approval. Upon notice from the California Department of Finance that the Department disapproves this Agreement, Agency shall terminate this Agreement immediately. In the event of such termination, all rights of Developer hereunder shall cease and Developer shall return all parking passes issued hereunder. Agency shall return all fees paid by Developer for such parking passes and relinquish the rights granted in this Agreement. This right to terminate shall be in addition to Agency's right to terminate this Agreement as set forth in Section 16, DEFAULT, hereof.

20. MUTUAL TERMINATION. The Agency and Developer may mutually terminate this Agreement. Such termination must be in writing and shall be recorded against those properties legally described in Exhibits A and B of this Agreement.

21. 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.

22. 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.

23. CONDEMNATION. In the event the Agency Parking Lot or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Agency Parking Lot, Agency 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 Agency's absolute discretion. Developer agrees that Agency shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting any of Developer's operations at the Agency Parking Lot.

Developer shall not be entitled to any portion of any judgment in eminent domain for the Agency Parking Lot.

In the event possession or partial possession of the Agency Parking Lot is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes Developer's intended use, this Agreement shall terminate as of the effective date of possession.

In the event of a partial taking, this Agreement may continue at Agency's option.

24. 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.

25. 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.

26. 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.

27. CONSTRUCTION. The parties have negotiated the terms of this Agreement. They 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.

28. SUCCESSORS AND ASSIGNS. This Agreement shall bind and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns.

29. 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 Agency and Developer to its terms and conditions or to carry out duties contemplated herein.

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AGENCY
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective upon execution by AGENCY and approval by the California Department of Finance.

AGENCY:
COUNTY OF SANTA BARBARA
AS SUCCESSOR AGENCY TO THE FORMER
COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY
A public body, corporate and politic

By: _____
DOREEN FARR
Chair, Board of Supervisors

ATTEST:
CHANDRA L. WALLAR

By: _____
Agency Secretary

APPROVED AS TO FORM: DENNIS A. MARSHALL
SUCCESSOR AGENCY COUNSEL

By: _____
Senior Deputy County Counsel

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

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

original

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AGENCY
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective upon execution by AGENCY and approval by the California Department of Finance.

AGENCY:
COUNTY OF SANTA BARBARA
AS SUCCESSOR AGENCY TO THE FORMER
COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY
A public body, corporate and politic

By: _____
DOREEN FARR
Chair, Board of Supervisors

ACKNOWLEDGEMENT

State of California

County of Santa Barbara

On August 21, 2012 before me, Russ Barker, personally appeared Doreen Farr, Chair of Board, who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose names(~~s~~) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

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

WITNESS my hand and official seal.

CHANDRA L. WALLAR
CLERK OF THE BOARD

By Russ Barker
Deputy Clerk
(Seal)

California Civil Code section 1189

DEVELOPER
SIGNATURE PAGE
TO
AGENCY PARKING LOT AGREEMENT
881 Embarcadero Del Mar

DEVELOPER:
PARADISE IVY, LLC
a California limited liability company

By: _____

OWNER - RICHARD P. GILMAN
Name and Title

Dated: 8-17-2012

By: _____

Tim Werner owner
Name and Title

Dated: 8-17-12

ACKNOWLEGMENT

State of California
County of Santa Barbara

On August 17, 2012 before me, Rosa E. Carbajal, a Deputy Clerk, personally appeared Tim Werner, who proved to me on the basis of satisfactory evidence to be the person(s) whose name~~s~~(~~s~~) is/a~~re~~ subscribed to the within instrument, and acknowledged to me that he/sh~~e~~/th~~ey~~ executed the same in his/h~~er~~/th~~eir~~ authorized capacity(ies), and that by his/h~~er~~/th~~eir~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

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

CHANDRA L. WALLAR
CLERK OF THE BOARD

By: Rosa Carbajal
Deputy Clerk
(Seal)

California Civil Code section 1189

ACKNOWLEGMENT

State of California
County of Santa Barbara

On August 17, 2012 before me, Ron E Carlentino, a Deputy Clerk, personally appeared Richard Gilman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name~~s~~(~~s~~) is/~~are~~ subscribed to the within instrument, and acknowledged to me that he/sh~~e~~/th~~ey~~ executed the same in his/h~~er~~/th~~eir~~ authorized capacity(ies), and that by his/h~~er~~/th~~eir~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

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

CHANDRA L. WALLAR
CLERK OF THE BOARD

By: Ron Carlentino
Deputy Clerk
(Seal)

California Civil Code section 1189

EXHIBIT A
881 Embarcadero Del Mar

Legal Description of the Agency Parking Lot

PARCEL ONE

The Easterly 135.00 feet, between parallel lines, of Lot 3 in Block "J" of Ocean Terrace Tract, in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101, 102 and 103 of Maps, in the Office of the County Recorder of said County.

APN# 75-111-14 (ARB 9 6-K-11)

PARCEL TWO

That portion of Lot 4 in Block "J" of the Ocean Terrace Tract in the County of Santa Barbara, State of California, according to the map thereof, recorded in Book 15, Pages 101 and 102 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at the Southeasterly corner of said Lot 4; thence Northerly along the Easterly line of said Lot and Westerly line of Embarcadero Del Mar, 50 feet; thence at right angles westerly 120 feet, thence at right angles Southerly 50 feet to the Southerly line of said Lot 4; thence Easterly along said Southerly line 120 feet to the point of beginning.

APN# 75-111-06 (ARB 4B 6-K-11)

EXHIBIT B
901 Embarcadero Del Mar

Legal Description of the Project

PARCEL ONE:

PARCEL "C" IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN AS DESIGNATED ON PARCEL MAP NO. 10851 FILED IN BOOK 2, PAGE 69 OF PARCEL MAPS, IN THE OFFICIAL RECORDS OF SAID COUNTY.

PARCEL TWO:

THE EASTERLY 10 FEET OF LOT 2, BLOCK "J" IN THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, RECORDS OF SAID COUNTY, AND THAT PORTION OF THE NORTHERLY 30 FEET OF SAID LOT 2 LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF PARCEL ONE ABOVE DESCRIBED.

END OF LEGAL DESCRIPTION

EXHIBIT C
AGENCY PARKING LOT
RESIDENTIAL PARKING SPACES

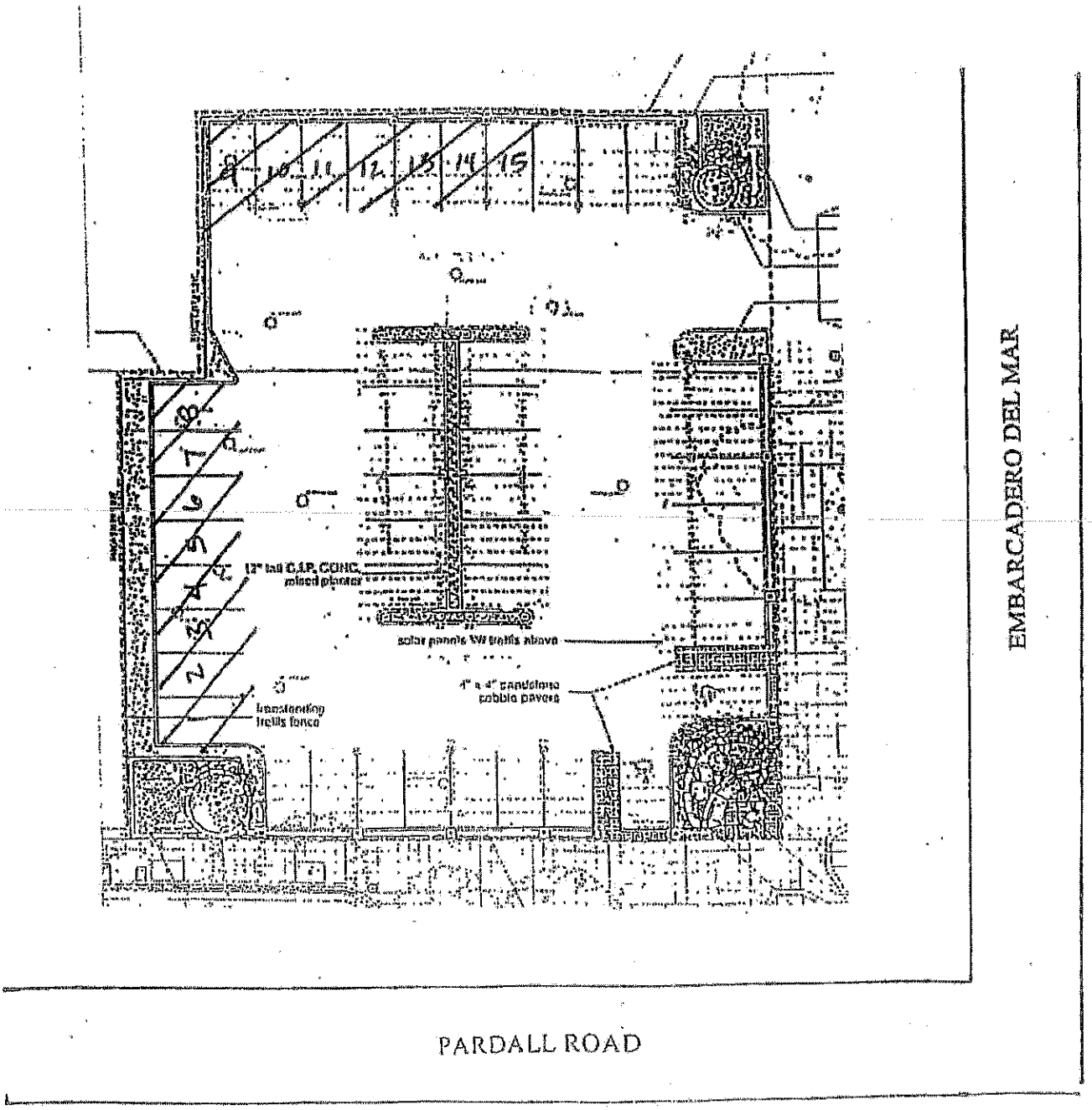

EXHIBIT D

INDEMNIFICATION AND INSURANCE REQUIREMENTS

1. Indemnification – DEVELOPER agrees to indemnify, defend (with counsel reasonably approved by AGENCY) and hold harmless AGENCY and its authorized officers, employees, agents and volunteers from and against any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses (including but not limited to attorneys' fees) incurred by AGENCY on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. DEVELOPER's indemnification obligation applies to AGENCY's "active" as well as "passive" negligence but does not apply to AGENCY's "sole negligence" or "willful misconduct" within the meaning of California Civil Code Section 2782. DEVELOPER shall notify AGENCY immediately in the event of any accident or injury arising out of or in connection with this Agreement. This Indemnification provision shall survive any expiration or termination of this Agreement.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming AGENCY and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for AGENCY to vicarious liability but shall allow coverage for AGENCY to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

3. Waiver of Subrogation Rights – DEVELOPER shall require the carriers of required coverages to waive all rights of subrogation against AGENCY, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit DEVELOPER and DEVELOPER's employees or agents from waiving the right of subrogation prior to a loss or claim. DEVELOPER hereby waives all rights of subrogation against AGENCY.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by AGENCY.

5. Severability of Interests – DEVELOPER agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between DEVELOPER and AGENCY or between AGENCY and any other insured or additional insured under the policy.

6. Proof of Coverage – DEVELOPER shall furnish Certificates of Insurance to the COUNTY Department administering the Agreement evidencing the insurance coverage, including Additional Insured Endorsements and Waiver of Subrogation Endorsements (a.k.a.: Waiver of Transfer Rights of Recovery Against Other, Waiver of Our Right to Recover from Others), as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and DEVELOPER shall maintain such insurance from the time DEVELOPER commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Agreement, DEVELOPER shall furnish a copy of the Declaration page for all applicable policies and will provide complete copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".

8. Deductibles and Self-Insured Retention – Any and all deductibles or self-insured retentions in excess of $10,000 shall be declared to and approved by Risk Management.

9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, AGENCY has the right but not the obligation or duty to cancel the Agreement or obtain insurance if it deems necessary and any premiums paid by AGENCY will be promptly reimbursed by DEVELOPER or AGENCY payments to DEVELOPER will be reduced to pay for AGENCY purchased insurance.

10. Insurance Review – Insurance requirements are subject to periodic review by AGENCY. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of AGENCY. In addition, if the Division of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against AGENCY, inflation, or any other item reasonably related to AGENCY's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. DEVELOPER agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of AGENCY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of AGENCY.

11. Insurance Specifications – DEVELOPER agrees to provide insurance set forth in accordance with the requirements herein. If DEVELOPER uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, DEVELOPER agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, DEVELOPER shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar ($1,000,000) limits covering all persons including volunteers providing services on behalf of DEVELOPER and all risks to such persons under this Agreement.

If DEVELOPER has no employees, it may certify or warrant to AGENCY that is does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Risk Manager.

With respect to DEVELOPERs that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

B. Commercial/General Liability Insurance – DEVELOPER shall carry General Liability Insurance covering all operations performed by or on behalf of DEVELOPER providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars ($1,000,000) per occurrence and two million dollars $2,000,000 in the aggregate.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars ($1,000,000) for bodily injury and property damage, per occurrence.

If the Developer is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars ($2,000,000) for bodily injury and property damage per occurrence.

If DEVELOPER owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

D. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability. An Additional Insured Endorsement shall be provided on the Umbrella policy as it relates to the primary policies requiring an Additional Insured Endorsement.