June 7, 2022

VIA U.S. MAIL

Fran Dillard

Re: Carmel Unified School District: Response to California Public Records Act Request #2122-43
Our File No.: 1885.210001

Dear Ms. Dillard:

On behalf of our client, Carmel Unified School District ("District"), this letter supplements the District’s correspondence, dated May 24, 2022, in response to your recent request for records under the California Public Records Act ("CPRA"). Please be advised that the objections raised in our May 24, 2022 correspondence also apply to this supplemental response and are fully incorporated herein.

In accordance with California Government Code section 6253.1, the District understands your May 14, 2022 request as follows:

- **CPRA Request Category 1**: “The specific records I seek to inspect and copy are listed below. As used herein, “Record” includes “Public Records” and “Writings” as those terms are defined at Government Code § 6252(e) & (g).”

- **Dates**: 2018 - Current May 2022
- **Records or documents including but not limited to:**
  - Consultants, contractors, vendors that assessed the cost or potential of the CMS 8.23 parcel adjacent to CMS.
  - Plans, details, sketches, outlines, drawings of the potential vision of the parcel of land
  - Correspondence that indicates the community was not interested in moving forward.
  - Polling public or key stakeholders around build out of the land.”

To the extent the District understands your request, the District interprets your request as seeking records from 2018 through May 14, 2022 that concern the 8.23-acre parcel immediately adjacent to and west of Carmel Middle School. The District...
understands Request Category 1 as seeking: (i) any appraisal reports prepared any consultants, contractors, or vendors regarding the cost of the 8.23-acre parcel immediately adjacent to and west of Carmel Middle School; (ii) any public records regarding potential plans regarding use of the 8.23-acre parcel; (iii) community feedback on the 2019 Facilities Master Plan; and (iv) polling results regarding use of the 8.23-acre parcel. Please notify us if we have misunderstood the scope of your request.

Without waiving its rights or any other objections that may be available to it, to the extent the District understands your request, please be advised that the District has determined it has disclosable records responsive to your request, as follows:

- Brigantino & Company Appraisal Report of 8.58 Acre Site, dated July 23, 2018
- Sandis Humber Jones Plot Map, dated August 21, 2000
- 2019 Facilities Master Plan with Community Feedback, available at the following website: https://www.carmelunified.org/Page/6080

This concludes the District’s response to your CPRA request. Should you have any questions, please do not hesitate to contact me via the email address or phone number provided above.

Very truly yours,

DANNIS WOLIVER KELLEY

Jessika K. Johnson

CJK/jm

cc: Jessica Hull, Director of Communications and Community Relations (Carmel Unified School District)
    Tricia Zarevich, Confidential Administrative Assistant to the Superintendent (Carmel Unified School District)
AN APPRAISAL REPORT OF:

The 8.58 Acre Site
Located off Carmel Valley Road
Carmel Valley, CA

REQUESTED BY:

Mr. Rick Blanckmeister, CBO
Carmel Unified School District
4380 Carmel Valley Road,
Carmel, CA 93923

DATE OF VALUE:

July 23, 2018

APPRaised BY:

R. Anthony Brigantino, MAI

BRIGANTINO & COMPANY
18921 Portola Dr., Suite F
Salinas, California 93908
Telephone: (831) 455-1070
E-Mail: tony@brigco.com
July 26, 2018

Mr. Rick Blanckmeister, CBO
Carmel Unified School District
4380 Carmel Valley Road
Carmel, CA 93923

Dear Mr. Blanckmeister:

In response to your request, I have prepared an appraisal report of the 8.58 acre site, located off Carmel Valley Road, Carmel Valley, California. The property is more specifically identified in the following report. The appraisal report that follows is made for the purpose of estimating the current market value of the fee simple interest in the subject property.

This letter is not a complete appraisal report. The complete appraisal report accompanies this letter. The report describes the approaches to value and the conclusions derived by application of the approaches.

Based on the viewing of the property, and investigations and analyses performed, it is my opinion that as of July 23, 2018, and subject to the assumptions and limiting conditions set forth in the following report, the current market value of the subject property is:

$1,600,000 “As Is”
ONE MILLION SIX HUNDRED THOUSAND DOLLARS

This appraisal is based on the extraordinary assumptions listed under Item 11 of the Assumptions and Limiting Conditions outlined in the attached appraisal report. The following appraisal report contains the identification of the property, assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the result of the investigations and analyses, and the reasoning leading to the conclusions.

Respectfully Submitted,

R. Anthony Brigantino, MAI
State Certified General License No. AG006530
Expires April 29, 2019
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## SUMMARY OF IMPORTANT FACTS

<table>
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<tr>
<th><strong>DATE OF VALUE:</strong></th>
<th>July 23, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DATE OF VIEWING:</strong></td>
<td>July 23, 2018</td>
</tr>
<tr>
<td><strong>DATE OF REPORT:</strong></td>
<td>July 26, 2018</td>
</tr>
<tr>
<td><strong>PROPERTY LOCATION:</strong></td>
<td>Carmel Valley Road, Carmel Valley, California</td>
</tr>
<tr>
<td><strong>ASSESSOR'S PARCEL NUMBER:</strong></td>
<td>015-021-035 and 015-021-018</td>
</tr>
<tr>
<td><strong>GROSS LAND AREA:</strong></td>
<td>Approximately 8.58 acres, according to the plot map prepared by Sandis Humber Jones, dated August 21, 2000.</td>
</tr>
<tr>
<td><strong>USABLE LAND AREA:</strong></td>
<td>Approximately 8.58 acres</td>
</tr>
<tr>
<td><strong>BUILDING IMPROVEMENTS:</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>ACCESS:</strong></td>
<td>60 foot wide private right of way (Val Verde Drive) off Rio Road.</td>
</tr>
<tr>
<td><strong>PROPERTY RIGHTS APPRAISED:</strong></td>
<td>Fee Simple</td>
</tr>
<tr>
<td><strong>OWNERSHIP:</strong></td>
<td>Dow Family 1992 Revocable Trust</td>
</tr>
<tr>
<td><strong>LAND USE CONTROLS:</strong></td>
<td>LDR/B-6-D-S-RAZ – LOW DENSITY RESIDENTIAL/BUILDING SITE – DESIGN CONTROL – SITE PLAN – RESIDENTIAL ALLOCATION ZONING</td>
</tr>
<tr>
<td><strong>ESTIMATED MARKET VALUE:</strong></td>
<td>$1,600,000 “As Is”</td>
</tr>
<tr>
<td><strong>EXTRAORDINARY ASSUMPTIONS</strong> and <strong>HYPOTHETICAL CONDITIONS:</strong></td>
<td>See item 11 of assumptions and limiting conditions.</td>
</tr>
</tbody>
</table>
PROPERTY IDENTIFICATION AND LOCATION

The subject property contains a gross land area of approximately 8.58 acres, according to the plot map prepared by Sandis Humber Jones, dated August 21, 2000, and is located off Rio Road, Carmel Valley, California. It is further identified as Monterey County assessor's parcel number 015-021-018 and 015-021-035.

LEGAL DESCRIPTION

The legal description for the subject property is complicated and goes beyond the capabilities of the appraiser. The plot map prepared by Sandis Humber Jones, dated August 21, 2000 is a professional plotting of the legal description and was relied upon for identification of the subject property.

PROPERTY RIGHTS APPRAISED

This appraisal considers the property to include all rights lawfully held under fee simple estate exclusive of any encumbrances, liens, or additional restrictions on ownership. The valuation includes the real estate and real estate improvements. The valuation excludes any interest in subsurface rights, mobile homes, inventory, tradename, goodwill, vehicles, equipment, and other non-itemized personal property.

PURPOSE AND FUNCTION

Client: Carmel Unified School District

Intended User: Carmel Unified School District

Intended Use: To assist with the possible purchase of the property

This appraisal is made at the request of Mr. Rick Blankmeister, Carmel Unified School District. The purpose of the appraisal is to estimate the current market value of the fee simple interest in the subject property. This report is intended for the sole and exclusive use of the client, to assist with the possible purchase of the property.

No other parties are authorized to rely upon this report without the express written consent of the appraiser. This report should not be relied upon to disclose any conditions present in the subject property. This appraisal report does not guarantee that the property is free of defects. Use of this report by others, or for other uses not identified above, is not intended by the appraiser.
DATE OF VALUATION

The date of valuation is July 23, 2018, the date of observation of the subject property.

OWNERSHIP HISTORY

According to the 2016 Preliminary Title Report, title to the subject property is currently held in the name of William Bradford Dow and Hallie Mitchell Dow, Trustees of the Dow Family 1992 Revocable Trust. Title to the property has remained relatively unchanged during the past three years. The property has been listed for sale since November 2015 at an asking price of $2,500,000. According to the listing broker, there were two offers received for prices over $2,000,000; however, these offers were contingent upon obtaining approvals for development of the property. Both offers were eventually cancelled. The property is currently in escrow with adjoining property owner, Carmel Unified School District, at an undisclosed price.

SCOPE OF THE APPRAISAL

This is an appraisal report prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Ethics of the Appraisal Institute. This appraisal assignment is within the appraiser’s area of professional expertise and competency.

Property Identification: The plot map prepared by Sandis Humber Jones, dated August 21, 2000, is relied upon for identification of the subject property, and this appraisal assumes the map accurately describes the subject property. The appraised value of the property could be significantly different, if the boundary lines of the property are significantly different than indicated by this map.

Property Observation: An on-site observation of the subject property was performed by the appraiser on July 23, 2018.

Type and Extent of Data Researched: A number of investigations and analyses were made during the process of performing this appraisal. The market area description is based on an independent inspection, and survey of the city, county, and immediate neighborhood of the subject property. The statistical and demographic data included is based on the Monterey County General Plan and the United States Census.

Comparable market data was obtained through local Multiple Listing Services, County Assessor’s Office records, and interviews with local real estate brokers,
developers, property managers, and general contractors. Unless otherwise noted, all of the market data was confirmed with buyer, seller, and/or listing broker.

Applied Analyses: The Cost, Sales Comparison, and Income approaches were considered by the appraiser. All approaches necessary to produce a credible appraisal have been performed by the appraiser.
ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal was completed with the following assumptions and limiting conditions:

1. The information provided by others is assumed to be accurate and reliable. Maps, plats and exhibits are to assist the reader in visualizing the property and are not for legal reference, or represented as an engineer's work product.

2. It is assumed all applicable zoning, use regulations, and restrictions have been met unless a nonconformity is stated, defined, and considered in the report.

3. Title to the subject is assumed to be marketable and free and clear of all liens, encumbrances or defects of title. The property is assumed to be under responsible ownership and competent management, and available for its highest and best use.

4. This report is prepared for use by the client/agent for the purpose and function specified in the report, in accordance with the appraisal service agreement. It is the intent of the appraiser that this report meets the standards of, and complies with the Uniform Standards of Professional Appraisal Practice. This report is subject to review by duly appointed authorities of professional appraisal organizations, which the appraiser is a member of.

5. The appraiser is not required to give testimony or to appear in court as a result of appraising the subject property, unless arrangements have been made previously. Any additional time requested of the appraiser, or Brigantino & Company, will be billed at a market rate to be determined at the time those services are provided.

6. The value, if any, in growing crops and other non-itemized personal property, not specifically addressed, is not included in the final value estimate.

7. A Phase I environmental study was not available for review. The appraiser is not qualified to detect hazardous substances whether by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value estimate is based on the subject property being free of hazardous waste contamination, and the final estimate is subject to any cost of clean up and/or stigma resulting from possible contamination.

8. The appraiser assumes no responsibility for legal matters, specialized investigation or knowledge beyond that typically used by real estate appraisers.

9. The appraiser reserves the right to change or alter the appraisal report and stated value, if new facts are received that, in his opinion, warrant a change.
10. The boundary lines, acreage, and square footage estimates provided in this report are approximate. No guarantee is given regarding the accuracy of these estimates. A qualified surveyor or engineer should be enlisted for more accurate estimates.

11. Summary of Extraordinary Assumptions and Hypothetical Conditions:

Extraordinary Assumption: An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. (USPAP, 2018-2019 ed.)

1) This appraisal is subject to a full analysis of the development potential of the subject property by a qualified land use planner or consultant. The appraiser is not qualified to estimate the development potential of the subject property. The stated value of the subject could be significantly different if the development potential of the property is different than indicated in this report.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP, 2018-2019 ed.)

None.
SUBJECT LOCATION MAP
MARKET AREA DESCRIPTION AND ANALYSIS

Carmel Valley is located approximately 125 miles south of San Francisco, and 340 miles north of Los Angeles, in Monterey County, California. Carmel Valley follows the Carmel River from State Highway 1, approximately 20 miles to its intersection with Cachagua Road, where it becomes Tularcitos Road, then continues on an additional 25 miles to its intersection with Arroyo Seco Road, near Greenfield. Carmel Valley starts at the Highway 1 boundary of Carmel, which itself is situated on the Monterey Bay. Pebble Beach, Pacific Grove, and Monterey are located to the immediate north, with Del Rey Oaks, Seaside, and Marina further north, and Salinas inland approximately 15 miles. Carmel, Pebble Beach, Pacific Grove, and Monterey are generally considered the Monterey Peninsula area. The entire area, with the exception of Salinas, is considered the Monterey Bay area.

There are many attractions in this area for visitors as well as residents: the incomparable Big Sur coast, the pristine waters of Monterey Bay – which is a marine sanctuary – the unspoiled beauty of the Ventana Wilderness and Los Padres National Forest, the vineyards of the Salinas and Carmel Valleys, the wildlife at the Elkhorn Slough Sanctuary, and many fine dining establishments. Events bring many visitors to the Monterey Bay area, such as the Monterey Jazz Festival, auto and motorcycle races at Laguna Seca Raceway, the AT&T Pro-Am Golf Tournament, and the Concours d’Elegance at Pebble Beach. The abundance of temperate weather, golf, resorts, and dining establishments are a key element in the area’s identity.

Carmel Valley:

Carmel Valley is not a municipality, but is an unincorporated area of Monterey County. It has three main areas of development: the mouth of the valley, Mid-Valley, and Carmel Valley Village. With the exception of a few upscale resorts and golf courses, much of the valley remains a rustic rural area, which still reflects its early ranching and agricultural roots. Organic farms and vineyards are found from the Cachagua area to the mouth of the valley. The founders of Mission San Carlos de Borromeo – Carmel Mission – originally used large areas for livestock grazing and for growing crops. Most of the valley hillsides still retain the oak and chaparral habitat, with occasional canyons of redwoods and ferns, and distinct riparian habitat corridors along the Carmel River and its tributary streams. There are thousands of acres of public-access areas for day use, with a vast trail system. Wineries have come to the area, creating an additional tourist draw. The weather from about Rancho San Carlos Road eastward is some of the best in the area, with less fog and more sunshine than the coastal area.
There is one public elementary school and one public middle school; high school students attend nearby Carmel High School. There is also a private parochial school serving students from preschool through eighth grade.

The mouth of the valley contains several large shopping areas, including The Barnyard and The Crossroads. These shopping areas contain a mix of tourist-oriented retail and services, as well as resident-oriented retail and services. There are no major resorts in this immediate area. Rancho Cañada Golf Course is near this area.

Mid-Valley has a small resident-oriented shopping center, and also contains Quail Lodge Resort and Golf Course and Carmel Valley Ranch Resort and Golf Course. Between Mid-Valley and Carmel Valley Village is the Bernardus Lodge, an upscale resort.

Carmel Valley Village has several small hostelries, but is primarily a developed residential area, with limited retail and personal services available.

There is no major medical facility in Carmel Valley; the nearest is Community Hospital of the Monterey Peninsula, which is located in Monterey, off the Holman Highway. As a result, most of the physicians and medical-oriented businesses are not located in Carmel Valley, but are scattered throughout the Monterey Peninsula towns.

Economy:

The economy of Monterey Peninsula is based mainly on tourism, retail sales, and local services. It has a growing number of industrial enterprises, but concentrates mainly on retail, commercial, hostelry, restaurant, professional, and service industries.

The Monterey Peninsula remains one of the top tourist destinations in the country, and attracts approximately four million visitors to the area annually. The population of Monterey increases to nearly 70,000 during the tourist season. Monterey County ranks 11th out of the 58 counties in tourism expenditure.

The military presence has also been regarded as a key element to the Monterey Peninsula economy. There are a variety of military-related educational institutions, which support the local economy. Such institutions include: the Defense Language Institute, which provides language instruction for the FBI and Border Patrol, the Naval Postgraduate School, which provides training for Naval officers, and the Fleet Numerical Meteorology and Oceanography Center. These institutions contribute approximately $1 billion to the local economy.

The closure of the Fort Ord military base in the early 1990’s significantly impacted the local economy. The closure resulted in the loss of approximately 14,000 military
jobs, 3,000 civilian jobs, and around $750 million per year. However, it did provide the infrastructure and land resources to accommodate a significant amount of economic growth. The development of the two golf courses on the base, the headquartering of a regional GAO office, the opening of the California State University Monterey Bay campus, the establishment of a University of California Santa Cruz technology facility, and the expansions of the Defense Language Institute and Presidio of Monterey onto the base have exceeded initial expectations for the base conversion. The continuing expansion of the California State University Monterey Bay, on the site of the former Fort Ord, will bring in over $120 million annually to the local economy, and this amount is expected to increase in coming years. Development of former Fort Ord lands into large-scale housing and commercial projects began with the City of Seaside’s Seaside Highlands subdivision, and the City of Marina broke ground in December of 2006 on its huge University Villages residential-commercial development. Marina estimates more than 3,000 people will reside in University Villages, and retail and commercial establishments could employ up to 4,000 people.

Housing:

The local real estate market declined significantly beginning in 2008 and continuing through 2011. 2007 marked the recent peak for home values in the area. The average sale price of a single family residence in the Carmel Valley, Carmel, and Monterey area was $1,579,216 for 2007. This figure steadily declined each year, and was $994,988 for 2011. This indicated a 37% decrease from the 2007 peak. However, since 2011, home values have been on an increasing trend. The average sale price increased to $1,465,750 for 2017. This represents a 47% increase from the 2011 figure. It is also fairly close to the 2007 peak figure. The following chart depicts these statistics:
New Development:

Carmel Valley has issues regarding construction due to a lack of available water. According to the Monterey County Water Resources Agency, parcels that are already improved are assigned water credits. Parcel use is divided into two types: single-family residential and commercial, which would also include multi-residential. Single-family credits are assigned based on a “fixture count” having to do with the number of existing plumbing fixtures. Commercial credits are assigned based on existing square footage.

Vacant parcels, however, currently have no water credits allocated to them. According to Mr. Mike Logsdon of the Water Resources Agency, exceptions and variances have been made however, based on a case-by-case review. Mr. Logsdon stated that there are no absolutes regarding rulings on vacant parcel water credits right now.

The critical issue of water availability severely impacts the potential for new development in Carmel Valley. In addition, growth and development are hotly contested issues by the residents of this area. There has been a move afoot for some time now to incorporate a portion of the valley, which would give residents more control over growth questions. Various plans for development - such as a mini-storage complex in Mid-Valley, a medium-density senior community near the mouth of the valley, and the addition of a luxury hotel to Rancho Cañada - have met with determined
resistance by a number of factions. Some proposals, such as the proposed September Ranch development, have met with lawsuits. While the Monterey County Planning Commission appears poised to allow the expansion of existing retail facilities at the mouth of the Valley, it is unknown whether the Commission or the residents would approve of such expansion further up the valley.

Summary:

The Monterey Peninsula, as a popular tourist destination, will continue to experience prosperity and growth. The peninsula cities have made a concerted effort to “roll out the red carpet” for its visitors and have found many new ways to encourage longer stays and increased spending. Their tie-in to the wineries of Carmel Valley and the Salinas Valley, with amenities such as tasting rooms and guided tours, have added a new dimension to their approach over the past few years.
AERIAL PHOTOGRAPH
ASSESSOR’S PARCEL MAP
SUBJECT PROPERTY DESCRIPTION

The subject property is a nearly rectangular shaped vacant site that contains a gross land area of approximately 8.58 acres. The entire site is considered to be usable. The overall topography of the subject is flat to gently sloping.

**Note:** The boundary lines, acreage, and square footage estimates provided in this report are approximate. No guarantee is given regarding the accuracy of these estimates. A qualified surveyor or engineer should be enlisted for more accurate estimates.

Access:

Legal access to the subject property is via a 60 foot wide right of way (Val Verde Drive), which extends approximately .25 miles northerly from Rio Road to the southwest corner of the subject. The .25 mile long right of way is a private drive. It is partly paved and poorly maintained.

Although the subject fronts on Carmel Valley Road, there is no driveway approach and it appears that this is a controlled frontage; therefore, no direct access to the subject. This was confirmed by the listing broker; however, neither of us are qualified to make this legal judgement.

Utilities:

Electricity and sewer are developed to the subject according to the current MLS listing. There are water, telephone and natural gas services developed to this general area but not specifically developed to the subject. There is a well on the property and the condition of the well is unknown.

Soil:

This is a coarsely textured soil that is common in the neighborhood. It is readily used for irrigated farming purposes and urban development as evidence by the present adjoining uses.

Building Improvements:

There are no building improvements on the subject property.

Environmental Concerns:

*Flood Hazard:*
According to the National Flood Insurance Program, Flood Insurance Rate Maps, Community Panel Number 06053C0320H, dated June 21, 2017 for Monterey County, the subject property is located within flood zone “X”. This flood zone indicates areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from 1% annual chance flood.

Hazardous Materials:

A Phase I environmental study was not available for review. The appraiser is not qualified to detect hazardous substances whether by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value estimate is based on the subject property being free of hazardous waste contamination, and the final estimate is subject to any cost of clean up and/or stigma resulting from possible contamination.

Zoning/Land Use Controls:

The subject property is located in an unincorporated area of Monterey County. The property is within the jurisdiction of the Carmel Valley Planning Area, of the Monterey County General Plan. It is designated as "LDR/B-6-D-S-Raz – low density residential/building site – design control – site plan – residential allocation zoning " on the plan.

The purpose of this LDR is to provide a district to accommodate low density and intensity uses in the rural and suburban areas of the County of Monterey and to insure that allowable land uses are compatible in the area.

The zoning and general plan are in conformance and are normal for the market area.
HIGHEST AND BEST USE ANALYSIS

*Highest and Best Use*: "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."\(^1\)

**As If Vacant:**

The highest and best use of the subject property, as if vacant, is for investment hold, until such time as it is developed to a single family homesite or other use.

Given the and gentle topography of the subject property, a number of potential uses are physically possible. The location of the site is ideal; however, access is less than ideal. The 60 foot right of way to the subject is shared by a number of properties and is poorly maintained. In addition, although the property fronts on Carmel Valley Road, there is no developed access to it and a legal determination was not made available to the appraiser. A more intense development of the parcel is highly speculative given the B6 designation which restricts further subdivision of the parcel. The most productive use of the parcel, as is, is for a single residential homesite.

The topography is ideal for single family residential use allowing ample room for horses, vineyard, etc. However; the location adjacent to the four lane section of Carmel Valley Road is less than ideal do to street noise. In addition, this is somewhat of a low lying parcel with no elevated views. It is a very large usable site which is ideal; however, access, noise and view are below average.

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EXPOSURE TIME

“The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” (USPAP, 2018-2019 ed.)

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, when the purpose of the appraisal is to estimate market value. An estimated exposure time for the subject is 18 months assuming competitive pricing and prudent marketing efforts.

METHODS OF VALUATION

The cost, direct sales comparison, and income approaches were all considered in valuing the subject property. Of the three approaches, only the sales comparison approach is relevant.

The income approach involves establishing an income to value ratio, capitalization rate, based on the comparable sales. This method is widely used for income producing properties such as commercial and industrial buildings and is sometimes used for agricultural properties. It is not a viable approach for the subject given the relatively limited income potential of the subject property.

The cost approach is also not relevant because there are no building improvements on the subject property.
SALES COMPARISON APPROACH

The sales comparison approach is “the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.”\(^2\)

In estimating the value of the subject, an investigation was conducted for recent sales of comparable properties in the market area. As a result of the investigation, several sales were found, of which the following sales are considered the most comparable and indicative of value.

The sales are briefly described in the following pages and adjustments for characteristic differences between the sales and the subject property are summarized in the following table.

In order to make equal comparisons between the sales and the subject property, the overall sales price is used as the main unit of comparison. This is the most consistent method.

Market support for adjustment amounts is based on matched sales pairings and/or industry data. All of the sales are fee simple interest sales, with normal financing terms for the area.

The elements of comparison considered most by buyers are financing, market conditions (time), location, frontage, access, site profile, view, size, shape, water, and available utilities. In comparing the sales to the subject, not all elements of comparison required adjustment. Those elements that require adjustment are discussed in more detail in the following paragraphs.

Elements of Comparison:

Market Conditions (Time):
According to the Monterey County Board of Realtors, the following charts show the trends for Single Family Residential, and Residential Lots and Lands for Monterey and Carmel. Single family residential prices have increased significantly over the past five years.

Single Family Residential:

<table>
<thead>
<tr>
<th>Primary Year</th>
<th>Sale Price, Average</th>
<th>Sale Price, Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1,207,518</td>
<td>$875,000</td>
</tr>
<tr>
<td>2014</td>
<td>$1,372,243</td>
<td>$1,052,438</td>
</tr>
<tr>
<td>2015</td>
<td>$1,405,495</td>
<td>$1,008,000</td>
</tr>
<tr>
<td>2016</td>
<td>$1,474,481</td>
<td>$1,107,500</td>
</tr>
<tr>
<td>2017</td>
<td>$1,547,863</td>
<td>$1,210,250</td>
</tr>
<tr>
<td>2018</td>
<td>$1,684,165</td>
<td>$1,235,000</td>
</tr>
</tbody>
</table>
Residential Lots and Lands:

The following chart indicates prices of single family lots have increased significantly over the past three years (note: 2018 is a partial year; therefore, the number of closed sales is significantly less)

<table>
<thead>
<tr>
<th>Primary Year</th>
<th>Sale Price, Average</th>
<th>Sales, Number of</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$680,231</td>
<td>26</td>
</tr>
<tr>
<td>2016</td>
<td>$628,576</td>
<td>33</td>
</tr>
<tr>
<td>2017</td>
<td>$925,290</td>
<td>31</td>
</tr>
<tr>
<td>2018</td>
<td>$1,311,300</td>
<td>10</td>
</tr>
</tbody>
</table>
Location/Access/Frontage:
The location adjustment accounts for different locational characteristics such as distance to main transportation routes and commercial centers, climatic differences, and adjoining uses. In addition, properties within gated subdivisions and amenities have higher values than those without; and paved, all weather road access is superior to a dirt right of way.

Neighborhood is also a significant locational adjustment. Prices on the Monterey Peninsula and Carmel Valley areas are considerably higher than the Salinas/Monterey Highway and Laureles Grade neighborhoods.

Site Profile/View:
This adjustment accounts for views, soil type, topography, terrain, farming potential, grazing quality, interior roads, and most other physical characteristics of the site. Sales indicate that properties with gently rolling topography, good recreational character, and unobstructed views, sell for the highest prices since they attract the greatest number of buyers. These properties can be used for a homesite, cattle grazing, farming, and/or recreational purposes. Properties with steep terrain, heavy brush, and/or limited recreational character sell for lower prices.

Development Potential:
This adjustment accounts for zoning and the overall effect of perceived development potential, i.e. subdivision or alternative and supplemental commercial uses.

Utilities/Water:
Properties with utilities and an abundant water supply (wells, mutual water company, rivers, springs, ponds, etc.) are more desirable than those without utilities or sufficient water.

Site/Building Improvements:
This adjustment accounts for the existence, or lack of improvements such as buildings, fencing, landscaping, vineyards, paving, etc.

Size:
Historical sales indicate that as a parcel increases in size, the per acre unit value decreases; however, overall prices increase.
### SUMMARY OF COMPARABLE SALES:

<table>
<thead>
<tr>
<th>Comparable</th>
<th>Subject</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer Name</td>
<td>N/A</td>
<td>Pavlos Politopoulos, et ux</td>
<td>Robert Winkleback, et ux</td>
<td>Hill Family Tr.</td>
<td>Carmel Rio Rd. LLC</td>
<td>Ocho West CA LLC</td>
</tr>
<tr>
<td>Seller Name</td>
<td>N/A</td>
<td>Brian Poma et ux, tr</td>
<td>Pacific Lutheran Univ.</td>
<td>John Deitchman, et ux</td>
<td>Pacific Lutheran Univ.</td>
<td>Denise Malcolm</td>
</tr>
<tr>
<td>Doc. No.</td>
<td>N/A</td>
<td>9194</td>
<td>53153</td>
<td>14907</td>
<td>34275</td>
<td>20850</td>
</tr>
<tr>
<td>County</td>
<td>Monterey</td>
<td>Monterey</td>
<td>Monterey</td>
<td>Monterey</td>
<td>Monterey</td>
<td>Monterey</td>
</tr>
<tr>
<td>Location</td>
<td>Val Verde Dr.</td>
<td>151 Robley Rd</td>
<td>Venado Dr</td>
<td>5495 Oak Trail</td>
<td>Val Verde Dr.</td>
<td>12 Rancho San Carlos</td>
</tr>
<tr>
<td>Nearest Town/Landmark</td>
<td>Carmel</td>
<td>Monterey</td>
<td>Carmel</td>
<td>Carmel - Quail Mdws.</td>
<td>Carmel - Crossroads</td>
<td>Carmel - The Preserve</td>
</tr>
<tr>
<td>Topography/Terrain</td>
<td>gently sloping to flat</td>
<td>gently sloping to flat</td>
<td>2 to 4 flat acres, rest</td>
<td>flat to steep, meadow</td>
<td>All flat and usable</td>
<td>Flat to rolling, open</td>
</tr>
<tr>
<td>Views</td>
<td>surrounding hills</td>
<td>surrounding hills</td>
<td>surrounding hills</td>
<td>surrounding hills</td>
<td>surrounding hills</td>
<td>sweeping ocean</td>
</tr>
<tr>
<td>Utilities</td>
<td>electricity</td>
<td>Elect., gas</td>
<td>electricity</td>
<td>Elect., gas, sewer</td>
<td>electricity</td>
<td>elect., tele., water</td>
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<tr>
<td>Water</td>
<td>well</td>
<td>Shared system</td>
<td>well</td>
<td>Water system</td>
<td>well</td>
<td>Mutual</td>
</tr>
<tr>
<td>Zoning</td>
<td>LDR/B-6-D-S-RAZ</td>
<td>RDR/B8VS</td>
<td>LDR 2-D-S</td>
<td>R1</td>
<td>LDR 1</td>
<td>WSC/40-D(CZ)</td>
</tr>
<tr>
<td>Legal Parcels</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gross Acres</td>
<td>8.580</td>
<td>5.99</td>
<td>111.69</td>
<td>5.02</td>
<td>5.34</td>
<td>171.10</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>none</td>
<td>None</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$2,500,000</td>
<td>$465,000</td>
<td>$700,000</td>
<td>$1,050,000</td>
<td>$1,450,000</td>
<td>$3,200,000</td>
</tr>
</tbody>
</table>

### ELEMENTS OF COMPARISON AND SALES ADJUSTMENTS

| Market Conditions (Time) | 0.00% | 7.00% | 0.00% | 7.00% | 0.00% |
| Time Adjusted Price | $465,000 | $749,000 | $1,050,000 | $1,551,500 | $3,200,000 |
| Conditions of Sale | Similar | Similar | Similar | Superior | Similar |
| Financing | Similar | Similar | Similar | Similar | Similar |
| Location/Access/Frontg. | Inferior | Inferior | Similar | Superior | Similar |
| Site Profile/View | Similar | Inferior | Inferior | Superior | Similar |
| Development Potential | Similar | Similar | Similar | Similar | Similar |
| Utilities/Water | Similar | Similar | Similar | Similar | Similar |
| Site/Building Improvements | Similar | Similar | Similar | Similar | Similar |
| Size | Inferior | Superior | Inferior | Superior | Superior |

| Overall Comparison | Inferior | Inferior | Inferior | Similar To | Superior |
| Overall Indicated | More Than | More Than | More Than | Similar To | Less Than |
| Value of Subject | $465,000 | $749,000 | $1,050,000 | $1,551,500 | $3,200,000 |
Comparable 1:

A rare find! Mostly flat, usable 5.99 acre parcel located adjacent to the Carmel Tennis and Fitness Club. Magnificent views of Castle Rock in the distance. The building site is cleared and partially fenced, allowing for great accessibility to design your future home! Water provided by Carmel Water Association, a shared private water system. Storage tank and some irrigation lines are already in place. Good location near Laureles Grade, with easy accessibility to Highway 68 or Carmel Valley. Call the listing agent for more details on this property including details regarding the fence.

Appraiser's Comments: Comparable 1 is inferior to the subject as to location and size. At $465,000, this sale brackets the low end of the market range for the subject.
Comparable 2:

Appraiser's Comments: Comparable 2 is a much larger parcel than the subject but most of the site is very steep and not very usable. In addition, the actual building site is far removed from the paved road and a significant interior driveway access road is required. While superior as to the total size of the site, and seller financing, it is inferior as to location and required interior driveway. All things considered, this sale is inferior to the subject.
Comparable 3:

Appraiser's Comments: Comparable 3 is inferior as to the size and topography of the site.
Comparable 4:

Comparables:

MLS #: ML81498124
Approx Lot: 232,615 SqFt
Approx Acres: 3.348 Acres
Parcel #: 015-021-004
DOM: 577
Transf. Tax: POS Ord:
Walk Score: 35

Comparable 4:

Appraiser's Comments: Comparable 4 is nearest to the subject and similar as to most physical characteristics except that it is significantly smaller than the subject. It is considered to be superior as to the conditions of the sale. The buyer owns the adjoining former Rancho Canada Golf Course which is in the process of being redeveloped for single family residential use. This property was purchased as plottage to their larger holding and in the hopes of expanding the density allocations for the larger development. All things considered, the plottage purchase consideration and smaller size counterbalance and this sale is similar overall.
Comparable 5:

**Appraiser's Comments:** Comparable 5 is a much larger homesite within The Preserve development. It is superior to the subject in terms of location, site profile and size. At $3,200,000, this sale is significantly superior to the subject. It was included to help bracket the upper end of the value range.
Summation of Value:

The preceding sales indicate a time-adjusted range in value of $465,000 to $3,200,000. Comparable 3 and 4 are regarded to be the most similar to the subject and were given greatest emphasis. Based on the preceding sales, the market value of the subject is estimated to be $1,600,000.

Rounded To $1,600,000
## RECONCILIATION OF APPROACHES AND FINAL VALUE CONCLUSION

<table>
<thead>
<tr>
<th>Approach</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST APPROACH</td>
<td>N/A</td>
</tr>
<tr>
<td>SALES COMPARISON APPROACH</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>INCOME CAPITALIZATION APPROACH</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The sales comparison approach indicates a value of $1,600,000 for the subject property. Given the unique characteristics and highest and best use of the subject, the sales comparison approach is the only relevant approach to value.

The income approach involves establishing an income to value ratio, capitalization rate, based on the comparable sales. This method is widely used for income producing properties such as commercial and industrial buildings, and is sometimes used for agricultural properties. It is not a viable approach for the subject given the relatively limited income potential of the subject property.

The cost approach is also not relevant because there are no building improvements on the property.

Based on the preceding analysis, and with full emphasis given to the sales comparison approach, the market value of the subject property is estimated to be:

$1,600,000 “As Is”
ONE MILLION SIX HUNDRED THOUSAND DOLLARS
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, impartial, and unbiased professional analyses, opinions, and conclusions.

− I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

− 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.

− 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 was not contingent upon developing or reporting predetermined results.

− My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

− My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

− I have made a personal inspection of the property that is the subject of this report.

− No one provided significant real property appraisal assistance to the person signing this certification.

− The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

− The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

− As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

Date: July 26, 2018

Appraiser: R. Anthony Brigantino, MAI
License No. AG006530
Expires April 29, 2019
ADDENDA

Definitions of Appraisal Terms
Photographs of Subject
Plot map prepared by Sandis Humber Jones, dated August 21, 2000
2016 Preliminary Title Report
Qualifications of Appraiser
DEFINITIONS OF APPRAISAL TERMS

Depreciation:
"In appraisal, a loss in property value from any cause; the difference between the cost of an improvement the effective date of the appraisal and the market value of the improvement on the same date."¹

Fee Simple Estate:
"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."²

Leased Fee Interest:
"The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."³

Leasehold Interest:
"The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."⁴

Definition of Market Value (California Code of Civil Procedure Section 1263.320):
“(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

Highest and Best Use:
"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."⁵

Photographs of Subject
Taken July 23, 2018

West side of the subject, facing north from the southwest corner

South side of the subject, facing east from the southwest corner
Photographs of Subject
Taken July 23, 2018

East side of the subject, facing north from the southeast corner.

Well
NOTE:
PROPERTY CONFIGURATION IS BASED ON RECORDED DEEDS AND IS NOT REPRESENTATIVE OF A FIELD SURVEY.
In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.
Dated as of July 07, 2016 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance (2010) and ALTA Ext Loan Policy 1056.06 (06-17-06) if the land described is an improved residential lot or condominium unit on which there is located a one-to-four family residence; or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) and the ALTA Loan Policy 2006 (06-17-06) if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:


The estate or interest in the land hereinafter described or referred to covered by this Report is:

A FEE AS TO PARCEL(S) I AND III, AN EASEMENT AS TO PARCEL(S) II AND IV

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.

2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.


10. Any easements and/or servitudes affecting easement parcel(s) II AND IV herein described.

11. Water rights, claims or title to water, whether or not shown by the public records.

12. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.

**Prior to the issuance of any policy of title insurance, the Company will require:**

13. With respect to the trust referred to in the vesting:
   a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
   b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
   c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.
Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitratted at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2015-2016.
   First Installment: $713.85, PAID
   Penalty: $0.00
   Second Installment: $713.85, PAID
   Penalty: $0.00
   Tax Rate Area: 060-042
   A. P. No.: 015-021-018

2. General and special taxes and assessments for the fiscal year 2015-2016.
   First Installment: $4,368.17, PAID
   Penalty: $0.00
   Second Installment: $4,368.17, PAID
   Penalty: $0.00
   Tax Rate Area: 060-042
   A. P. No.: 015-021-035

3. The property covered by this report is vacant land.

4. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:
   None

5. We find no open deeds of trust. Escrow please confirm before closing.
   
   NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Monterey, State of California, described as follows:

PARCEL I:

CERTAIN REAL PROPERTY SITUATE, LYING AND BEING IN THE RANCHO CANADA DE LA SEGUNDA, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND BEING A PART OF LOT 14, AS SAID LOT IS SHOWN AND SO DESIGNATED UPON THAT CERTAIN MAP ENTITLED, "PARTITION MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SEGUNDA", A COPY OF WHICH MAP IS ATTACHED TO "ORDER GRANTING CONSENT OF PARTITION", RECORDED MARCH 17, 1927 IN VOLUME 109, OF OFFICIAL RECORDS, AT PAGE 1, MONTEREY COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A 1" DIAMETER IRON PIPE TOP 18" UNDERGROUND STANDING IN THE SOUTHERLY LINE OF CARMEL VALLEY ROAD (A COUNTY ROAD 50 FEET WIDE) FROM WHICH THE NORTHEASTERLY CORNER OF SAID LOT 14 BEARS ALONG SAID ROAD LINE, N. 89° 14' E., 156.8 FEET TO INTERSECTION WITH THE EASTERLY BOUNDARY OF SAID LOT 14, AND THENCE ALONG SAID BOUNDARY NORTH 25.0 FEET DISTANT, AND RUNNING THENCE FROM SAID PLACE OF BEGINNING ALONG SAID SOUTHERLY ROAD LINE:

(1) S. 89° 14' W., 116.99 FEET; THENCE

(2) S. 85° 12' W., 366.24 FEET, AT 336.14 FEET A 1" DIAMETER IRON PIPE TOP 18" UNDERGROUND, 366.24 FEET TO INTERSECTION WITH THE CENTERLINE OF A PRIVATE ROAD; THENCE ALONG SAID PRIVATE ROAD CENTERLINE

(3) SOUTH, 816.06 FEET, THENCE LEAVE SAID PRIVATE ROAD CENTERLINE AND RUNNING

(4) EAST, 481.94 FEET, AT 30.0 FEET A 1" DIAMETER IRON PIPE TOP 18" UNDERGROUND 481.94 FEET TO A 1" DIAMETER IRON PIPE; THENCE

(5) NORTH, 848.28 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF AS DESCRIBED IN THE DEED TO THE COUNTY OF MONTEREY, RECORDED SEPTEMBER 22, 1950 IN BOOK 1247, PAGE 348, OFFICIAL RECORDS, AND IN DEED RECORDED AUGUST 14, 1962 IN REEL 85, PAGE 243, OFFICIAL RECORDS OF MONTEREY COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 14, SAID CORNER BEING A PART OF THE CENTERLINE OF CARMEL VALLEY COUNTY ROAD, FROM WHICH A 4" X 4" POST MARKED "HHH, WH, WP", BEARS SOUTH 25.2 FEET, AS SAID LOT, SAID ROAD AND SAID POST ARE SHOWN ON THAT CERTAIN MAP ENTITLED, "PARTITION MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SEGUNDA", A COPY OF WHICH MAP IS ATTACHED TO THE CERTIFIED COPY OF "ORDER GRANTING CONSENT OF PARTITION", RECORDED MARCH 17, 1927 IN VOLUME 109, OFFICIAL RECORDS OF MONTEREY COUNTY, CALIFORNIA AT PAGE 1; THENCE FOLLOWING CENTERLINE; S. 89° 14' W., 275.00 FEET; THENCE S. 85° 12' W., 365.03 FEET, TO THE POINT OF INTERSECTION OF SAID CENTERLINE WITH THE WESTERLY LINE OF A RIGHT OF WAY THENCE, FOLLOWING SAID WESTERLY LINE OF SAID RIGHT OF WAY SOUTH 233.09
FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING,

(1) SOUTH 208.71 FEET; THENCE LEAVING SAID WESTERLY LINE OF SAID RIGHT OF WAY

(2) EAST, 238.71 FEET; THENCE

(3) NORTH, 208.71 FEET; THENCE

(4) WEST, 238.71 FEET TO SAID TRUE POINT OF BEGINNING.

PARCEL II:

A NON-EXCLUSIVE RIGHT OF WAY APPURTENNANT TO PARCEL I FOR ALL PURPOSES OF A ROAD
OVER, UPON AND ACROSS THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF CARMEL VALLEY ROAD (A COUNTY ROAD
50 FEET WIDE) FROM WHICH THE NORTHEASTERLY CORNER OF SAID LOT 14 BEARS WITH THE
FOLLOWING THREE COURSES AND DISTANCES: N. 85° 12' E., 336.14 FEET ALONG SAID ROAD
LINE; THENCE N. 89° 14' E., 273.79 FEET ALONG SAID ROAD LINE TO A POINT IN THE
EASTERLY BOUNDARY OF SAID LOT 14; AND THENCE ALONG SAID BOUNDARY NORTH, 25.00
FEET DISTANT, AND THENCE FROM SAID POINT OF BEGINNING SOUTH 2073.45 FEET; THENCE
TANGENTIALLY CURVING TO THE LEFT ON A CIRCULAR ARC OF 20 FEET RADIUS THROUGH AN
ANGLE OF 44° 25' FOR A DISTANCE OF 15.5 FEET; THENCE TANGENTIALLY CURVING TO THE
RIGHT ON A CIRCULAR ARC OF 50 FEET RADIUS THROUGH AN ANGLE OF 268° 50' FOR A
DISTANCE OF 234.56 FEET; THENCE TANGENTIALLY CURVING TO THE LEFT ON A CIRCULAR
ARC OF 20 FEET RADIUS THROUGH AN ANGLE OF 44° 25' FOR A DISTANCE OF 15.5 FEET;
THENCE TANGENTIALLY NORTH, 2068.42 FEET TO A POINT IN THE SAID SOUTHERLY LINE OF
CARMEL VALLEY ROAD; THENCE ALONG SAID ROAD, LINE, N. 85° 12' E., 60.21 FEET TO THE
PLACE OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF LYING WITHIN PARCEL I AND IN THE LINES OF
CARMEL VALLEY COUNTY ROAD.

PARCEL III:

CERTAIN REAL PROPERTY SITUATE, LYING AND BEING IN THE RANCHO CANADA, DE LA
SEGUNDA, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND BEING A PART OF LOT 14, AS
SAID LOT IS SHOWN AND SO DESIGNATED UPON THAT CERTAIN MAP ENTITLED, “PARTITION
MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SEGUNDA”, A COPY OF WHICH MAP IS
ATTACHED TO “ORDER GRANTING CONSENT OF PARTITION”, RECORDED MARCH 17, 1927 IN
VOLUME 109, OFFICIAL RECORDS, PAGE 1, MONTEREY COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 14, SAID CORNER BEING A POINT
ON THE CENTERLINE OF CARMEL VALLEY COUNTY ROAD FROM WHICH A 4" X 4" POST
MARKED "H D. H., WH, WP" BEARS SOUTH 25.2 FEET; THENCE FOLLOWING SAID CENTERLINE; S.
89° 14' W., 275.00 FEET; THENCE S. 85° 12' W., 365.03 FEET, TO THE POINT OF
INTERSECTION OF SAID CENTERLINE WITH THE WESTERLY LINE OF A RIGHT OF WAY
HEREINAFTER DESCRIBED; THENCE FOLLOWING SAID WESTERLY LINE OF SAID RIGHT OF
WAY SOUTH 233.09 FEET; TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE
POINT OF BEGINNING.

(1) SOUTH 208.71 FEET; THENCE LEAVING SAID WESTERLY LINE OF SAID RIGHT OF WAY

(2) EAST, 238.71 FEET; THENCE
(3) NORTH, 208.71 FEET; THENCE

(4) WEST, 238.71 FEET; TO THE TRUE POINT OF BEGINNING.

PARCEL IV:

A NON-EXCLUSIVE RIGHT OF WAY FOR CONSTRUCTION, MAINTENANCE AND USE OF ROADWAY AND OF UTILITIES LINES APPURTENANT TO PARCEL III OVER A STRIP OF LAND 30 FEET WIDE LYING ALONG; ADJACENT TO AND ON THE EASTERLY SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID PARCEL III, SAID CORNER BEING THE POINT OF BEGINNING OF THE DESCRIPTION OF SAID PARCEL III; THENCE

(1) NORTH, TO POINT OF INTERSECTION OF SAID LINE WITH THE SOUTH LINE OF SAID CARMEL VALLEY COUNTY ROAD.

APN: 015-021-018 and 015-021-035
NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.
INCOMING DOMESTIC WIRE INSTRUCTIONS

PAYABLE TO: First American Title Company
BANK: First American Trust, FSB
ADDRESS: 5 First American Way, Santa Ana, CA 92707
ACCOUNT NO: 3128140000
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:
PROPERTY: 0 Carmel Valley Road, Carmel, CA 93923
FILE NUMBER: 2714-5238784 (NN)

PLEASE USE THE ABOVE INFORMATION WHEN WIRING FUNDS TO First American Title Company. FUNDS MUST BE WIRED FROM A BANK WITHIN THE UNITED STATES. PLEASE NOTIFY YOUR ESCROW OFFICER AT (831)293-5151 OR NNickerson@firstam.com WHEN YOU HAVE TRANSMITTED YOUR WIRE.

IF YOUR FUNDS ARE BEING WIRED FROM A NON-U.S. BANK, ADDITIONAL CHARGES MAY APPLY. PLEASE CONTACT YOUR ESCROW OFFICER/CLOSER FOR INTERNATIONAL WIRING INSTRUCTIONS.

AN ACH TRANSFER CANNOT BE ACCEPTED FOR CLOSING, BECAUSE IT IS NOT THE SAME AS A WIRE AND REQUIRES ADDITIONAL TIME FOR CLEARANCE.

FIRST AMERICAN TRUST CONTACT INFO: Banking Services 1-877-600-9473

ALL WIRES WILL BE RETURNED IF THE FILE NUMBER AND/ OR PROPERTY REFERENCE ARE NOT INCLUDED

With cyber crimes on the increase, it is important to be ever vigilant. If you receive an e-mail or any other communication that appears to be generated from a First American employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust. Our bank wire instructions seldom change.
EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA/ALTA HOMEOWNER’S POLICY OF TITLE INSURANCE (02-03-10)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys’ fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   (a) building; (b) zoning; (c) land use; (d) improvements on the Land; (e) land division; and (f) environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
   (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   (c) that result in no loss to You; or
   (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
   (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   (b) in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors’ rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner’s Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<table>
<thead>
<tr>
<th></th>
<th>Your Deductible Amount</th>
<th>Our Maximum Dollar Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Risk 16:</td>
<td>1% of Policy Amount or $2,500.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Covered Risk 18:</td>
<td>1% of Policy Amount or $5,000.00</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Covered Risk 19:</td>
<td>1% of Policy Amount or $5,000.00</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Covered Risk 21:</td>
<td>1% of Policy Amount or $2,500.00</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys’ fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   (a) and use
   (b) improvements on the land
   (c) and division
   (d) environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

2. The right to take the land by condemning it, unless:

First American Title
Page 11 of 15
(a) a notice of exercising the right appears in the public records on the Policy Date
(b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
   (a) that are created, allowed, or agreed to by you
   (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
   (c) that result in no loss to you
   (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
   (b) in streets, alleys, or waterways that touch your land
This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys’ fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys’ fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

**2006 ALTA OWNER'S POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
First American Title

Privacy Information
We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:
- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American’s Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site
First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates’ Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships
First American Financial Corporation’s site and its affiliates’ sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies
Some of First American’s Web sites may make use of “cookie” technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness
We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record
We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use
We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy
We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education
We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security
We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates’ Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships
First American Financial Corporation’s site and its affiliates’ sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies
Some of First American’s Web sites may make use of “cookie” technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness
We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record
We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

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We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

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We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education
We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security
We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.
R. ANTHONY BRIGANTINO, MAI

APPRaisal SPECIALTY

Appraising complex agricultural, commercial, industrial, and transitional properties in Monterey, Santa Cruz, San Benito, and southern Santa Clara Counties since 1984.

Some specific assignments include farmland, large farm and ranch tracts, conservation easements, vineyards, wineries, greenhouses, food processing, and cold storage. Commercial properties such as vacant land, retail, office, medical, apartments, residential care facilities, municipal properties, and industrial warehouses. Existing and proposed improvements, current, historical, and future dates of value. Purposes such as financing, litigation, eminent domain and partial acquisition, tax planning, purchase, IRS and general market analysis.

Appraisal reports are prepared under the guidelines of the Uniform Standards of Professional Appraisal Practice, or the Uniform Standards for Federal Land Transactions and the Ethics and Standards of the Appraisal Institute.

PROFESSIONAL AFFILIATIONS AND LICENSES

MAI Member 09840, Appraisal Institute. (continuing education program - current)
Candidate - American Society of Farm Managers and Rural Appraisers.
Member - International Right of Way Association.
Director - Northern California Chapter of the Appraisal Institute, 2000-2003.
Member - Appraisal Institute, Region I Panel, Ethics Administration Division.
President - Monterey Bay Chapter of the Appraisal Institute, 1998.
Director - Monterey Bay Chapter of the Appraisal Institute, 1994 - 1997.
Member – Christians In Commerce

APPRaisal EXPERIENCE

Expert Witness Qualified as an expert witness in Monterey, Santa Cruz, Santa Clara, and San Luis Obispo Counties Superior Courts.
4/95 - Present President/CEO - Brigantino & Company, Salinas, CA
11/91 - 4/95 Senior Appraiser, Pacific Coast Farm Credit, Salinas, CA
06/86 - 10/91 Associate Appraiser, Piini Realty, John W. Piini, MAI, Salinas, CA
01/84 - 05/86 Appraiser/Loan Officer, Federal Land Bank Association, Salinas, CA

EDUCATION

1983 Bachelor of Science Degree in Agriculture Business, California State University, Fresno, CA
APPRAISAL CONTINUING EDUCATION:

2017  22 Hours Condemnation Appraising: Principles & Applications
2017  7 Hours Appraising of Fast Food Facilities
2017  6 Hours Appraising Small Apartment Properties
2017  7 Hours USPAP Update
2017  4 Hours Laws and Regulations
2014  7 Hours USPAP Update
2013  7 Hours USPAP Update
2013  Federal and California Statutory and Regulatory Law
2012  7 Hours Fall Conference, San Francisco.
2011  7 Hours USPAP Update
2011  7 Hours – Corridor Valuation
2010  6 Hours Fall Conference, San Francisco.
2010  15 Hours The Appraiser as an Expert Witness.
2010  7.5 IRS Valuation Summit.
2009  7 Hours Fall Conference, San Francisco.
2009  5 Hours Business Practices and Ethics.
2009  4 Hours Real Estate Appraisal Operations.
2008  31 Hours Valuation of Conservation Easements Certification.
2006  7 Hours USPAP Update
2003  7 Hours USPAP Update – Standards I and II
2003  8 Hours Business Practices and Ethics
2003  7 Scope of Work: Expanding Your Range
2002  7 Hours Vineyard Valuation III
2002  2 Hours Undivided Interest Valuation
2001  6 Hours - Fall Conference
2001  40 Hours – Course 401, The Appraisal of Partial Acquisitions
2000  6 Hours - Fall Conference
2000  12 Hours – Valuation 2000 (Partial Interests, Mock Trial, Feng Shui)
2000  4 Hours - Misc. Offerings
2000  16 Hours - Appraising Conservation Easements
2000  Spring Ag. Outlook Forum
1999  8 Hours - Misc. Offerings
1999  14 Hours - Attacking and Defending an Appraisal in Litigation
1999  6 Hours - Fall Conference
1999  7 Hours - USPAP Update
1998  4 Hours - The Technical Inspection of Commercial/Industrial Real Estate.
1998  4 Hours - Business Value in the World of Real Estate Appraisal.
1998  4 Hours - Operating Expense Information.
1998  4 Hours - Valuation Considerations Regarding a Partial Acquisition.
1998  Spring Ag. Outlook Forum
1998  16 Hours - Eminent Domain Law Basics for Right of Way Professionals
1997  Spring Ag. Outlook Forum
1997  7 Hours - Internet and Appraising
1997  8 Hours - Misc. Offerings
1996  6 Hours - Misc. Offerings
1996  16 Hours - Permanent Plantings Appraisal
1995  8 Hours - Eminent Domain
1994  25 Hours - Standards of Professional Practice, Parts A & B
1993  40 Hours - Advanced Rural Appraisal
1992  8 Hours - Principles of Rural Appraisal

PUBLIC SPEAKING/MISCELLANEOUS:

1998 & 2000 Conference Panel Speaker – American Society of Farm Managers and Rural Appraisers; Spring Ag. Outlook Forum. (Quoted by the Associated Press)
1998 Panel Discussion - Monterey Bay Chapter of the Appraisal Institute
Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Ralph A. Brigantino

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 006530

Effective Date: April 30, 2017
Date Expires: April 29, 2019

Jim Martin, Bureau Chief, BREA
NOTE:
PROPERTY CONFIGURATION IS BASED ON RECORDED DEEDS AND IS NOT REPRESENTATIVE OF A FIELD SURVEY.
Methodology

- Survey of likely voters in the Carmel Unified School District; survey data has been weighted to reflect a likely November 2020 electorate
- Hybrid telephone and email-/text-to-web methodology
  - Telephone interviews were conducted by trained, professional interviewers; landlines and mobile phones included
  - Email and text message invitations were sent to complete the survey online
- Conducted January 23-29, 2020
- 410 interviews; overall margin of error ±4.8 percentage points
- Split sample was used to test two potential bond amounts:
  - Sample A: $45,000,000 (n=205; MoE ± 6.8 percentage points)
  - Sample B: $65,000,000 (n=205; MoE ± 6.8 percentage points)
- Survey was offered in both English and Spanish languages
- Where applicable, results compared with research conducted by the Center for Community Opinion; telephone survey of registered voters; conducted May 24-June 3, 2012; n=415

Please note that due to rounding, some percentages may not add up to exactly 100%.
Key Findings

- Voters give the local schools and quality of education positive ratings, and they are optimistic about the direction of their community.

- Many voters agree that schools should be a top priority, even if it means raising taxes. However, perception of need for additional money for schools is low.

- Support today for a potential bond measure hovers just above the 55% threshold needed to pass.

- Top voter priorities include updating STEAM classrooms and labs, keeping schools clean, safe, and well maintained, and improving safety and security.

- While the difference in support between the two initial bond amounts tested is not significant, there is some indication of price sensitivity.
Connection to The District Segmentation

Half of likely voters do not have a direct connection with the District.

Note: respondents segmented into mutually exclusive categories

- Current CUSD Parent: 15%
- Alumni or Past/Future CUSD Parent: 33%
- Not CUSD Parent or Alumni: 52%
Right Direction/Wrong Track: Your Community

Many voters are optimistic about the direction of the community in which they live.

Q4. Do you feel that things in the community in which you live are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?

- Right Direction: 66%
- Wrong Track: 22%
- Don't Know: 11%
Opinions of CUSD

Voters generally have positive opinions of the District; however, many are unable to give a rating on the management of district monies or the management of bond funds.

<table>
<thead>
<tr>
<th>Area</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality of education</td>
<td>46%</td>
<td>26%</td>
<td>7%</td>
<td>2%</td>
<td>1%</td>
<td>17%</td>
</tr>
<tr>
<td>Public schools in the Carmel Unified School District</td>
<td>44%</td>
<td>27%</td>
<td>6%</td>
<td>1%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>The overall safety of schools and grounds</td>
<td>38%</td>
<td>30%</td>
<td>7%</td>
<td>2%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>The condition of the school buildings and facilities</td>
<td>29%</td>
<td>34%</td>
<td>14%</td>
<td>1%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>The management of district monies</td>
<td>15%</td>
<td>23%</td>
<td>10%</td>
<td>5%</td>
<td>3%</td>
<td>44%</td>
</tr>
<tr>
<td>The management of bond funds</td>
<td>12%</td>
<td>18%</td>
<td>8%</td>
<td>5%</td>
<td>2%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Q6-11. Students are often given the grades A, B, C, D, and F to denote the quality of their work. Suppose the schools in your community were graded in the same way. Regardless of whether you have children in school, what grade would you give each of the following for the Carmel Unified School District? A, B, C, D or F?
Opinions of CUSD Among Current Parents

Current CUSD parents are more able to rate the District and have very positive opinions, generally.

Among current CUSD Parents only, n=62

- **The quality of education:**
  - Grade A: 77%
  - Grade B: 16%
  - Grade C: 5%
  - Grade D: 2%
  - Grade F: Don't Know

- **Public schools in the Carmel Unified School District:**
  - Grade A: 73%
  - Grade B: 15%
  - Grade C: 5%
  - Grade D: 7%
  - Grade F: Don't Know

- **The overall safety of schools and grounds:**
  - Grade A: 54%
  - Grade B: 38%
  - Grade C: 3%
  - Grade D: 1%
  - Grade F: Don't Know

- **The condition of the school buildings and facilities:**
  - Grade A: 39%
  - Grade B: 49%
  - Grade C: 8%
  - Grade D: 5%
  - Grade F: Don't Know

- **The management of district monies:**
  - Grade A: 20%
  - Grade B: 28%
  - Grade C: 6%
  - Grade D: 6%
  - Grade F: 4%
  - Grade E: Don't Know

- **The management of bond funds:**
  - Grade A: 19%
  - Grade B: 21%
  - Grade C: 5%
  - Grade D: 7%
  - Grade E: Don't Know

Q6-11. Students are often given the grades A, B, C, D, and F to denote the quality of their work. Suppose the schools in your community were graded in the same way. Regardless of whether you have children in school, what grade would you give each of the following for the Carmel Unified School District? A, B, C, D or F?
Opinions of CUSD Over Time

Current opinions of public schools and the condition of buildings and facilities are consistent with opinions in 2012.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public schools in the Carmel Unified School District</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>D</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>F</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>21%</td>
<td>22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The condition of the school buildings and facilities</strong></th>
<th>2020</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>29%</td>
<td>26%</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>D</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>F</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>22%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Q6-11. Students are often given the grades A, B, C, D, and F to denote the quality of their work. Suppose the schools in your community were graded in the same way. Regardless of whether you have children in school, what grade would you give each of the following for the Carmel Unified School District? A, B, C, D or F?
Nearly three-in-four voters believe maintaining the quality of schools is a priority, even if it means raising taxes and over half trust the District to manage tax dollars; ultimately, few are tax averse.

Maintaining the quality of our schools should be a top priority, even if it means raising taxes

- Strongly Agree: 42%
- Somewhat Agree: 31%
- Don't Know: 2%
- Somewhat Disagree: 16%
- Strongly Disagree: 9%

I trust the Carmel Unified School District to properly manage my tax dollars

- Strongly Agree: 21%
- Somewhat Agree: 41%
- Don't Know: 12%
- Somewhat Disagree: 17%
- Strongly Disagree: 10%

I would never vote for a tax increase, no matter how it might be used

- Strongly Agree: 10%
- Somewhat Agree: 13%
- Don't Know: 3%
- Somewhat Disagree: 28%
- Strongly Disagree: 46%
Perceived Need for Additional Money

*Perception of need for additional money is low.*

36%

- Great Need: 11%
- Some Need: 25%
- Don't Know: 23%
- Only a Little Need: 17%
- No Real Need: 25%

Q5. As you may know, you live in the Carmel Unified School District, which is the public-school system in your area. Would you say that schools in the Carmel Unified School District have a great need for more money, some need for more money, only a little need for more money, or no real need for more money?
## Perceived Need by Connection to the District

Awareness of the need for additional money is also low among current CUSD parents.

<table>
<thead>
<tr>
<th></th>
<th>Great Need</th>
<th>Some Need</th>
<th>Don't Know</th>
<th>Only a Little Need</th>
<th>No Real Need</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall</strong></td>
<td>11%</td>
<td>25%</td>
<td>23%</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Current CUSD Parent</strong> (15%)</td>
<td>8%</td>
<td>30%</td>
<td>8%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Alumni or Past/Future CUSD Parent</strong> (33%)</td>
<td>9%</td>
<td>27%</td>
<td>12%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Not CUSD Parent or Alumni</strong> (52%)</td>
<td>13%</td>
<td>22%</td>
<td>34%</td>
<td>8%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Q5. As you may know, you live in the Carmel Unified School District, which is the public-school system in your area. Would you say that schools in the Carmel Unified School District have a great need for more money, some need for more money, only a little need for more money, or no real need for more money?
Support today hovers just above the 55% threshold required for passage, with no significant difference in support between the two amounts tested.

To update local school science, technology, engineering, math, and arts classrooms and labs; improve school safety and security; upgrade aging heating and ventilation and outdated plumbing and sewer systems; and, construct, repair, and equip facilities/sites/classrooms, shall Carmel Unified School District issue \textdollar{45,000,000}/\textdollar{65,000,000} in bonds at legal rates, raising approximately \textdollar{2,900,000}/\textdollar{4,200,000} annually while bonds are outstanding and projected tax rates of \textdollar{10}/\textdollar{14}/\textdollar{100,000} of assessed valuation, with citizen oversight, audits, and no money for administrators?

**Sample A: $45,000,000**
- Total Yes: 62% (58% Yes, 5% Lean)
- Total No: 33% (33% No, 1% Lean)
- Undecided: 4%

**Sample B: $65,000,000**
- Total Yes: 59% (54% Yes, 4% Lean)
- Total No: 34% (33% No, 2% Lean)
- Undecided: 7%

Q12. Now I’m going to read you a measure that may be on the ballot in the future. The measure reads... If the election were held today, would you vote yes to approve or no to reject this measure?
Initial Vote by Subgroups

Democrats and younger voters are more supportive of a measure.

% shown for average of both ballot questions

- **Overall**: Total Yes 61%, Undecided 6%, Total No 34%
- **Male (45%)**: Total Yes 59%, Undecided 3%, Total No 39%
- **Female (55%)**: Total Yes 62%, Undecided 8%, Total No 30%
- **18-49 (24%)**: Total Yes 66%, Undecided 6%, Total No 27%
- **50-64 (26%)**: Total Yes 56%, Undecided 2%, Total No 42%
- **65+ (50%)**: Total Yes 60%, Undecided 7%, Total No 33%
- **Democrat (45%)**: Total Yes 73%, Undecided 5%, Total No 22%
- **Republican (27%)**: Total Yes 39%, Undecided 7%, Total No 54%
- **No Party Preference/Other (28%)**: Total Yes 62%, Undecided 4%, Total No 34%

Q12. If the election were held today, would you vote yes to approve or no to reject this measure?
Initial Vote by Subgroups

Renters and current CUSD parents are more supportive of a potential bond measure.

% shown for average of both ballot questions

<table>
<thead>
<tr>
<th>Subgroup</th>
<th>Total Yes</th>
<th>Undecided</th>
<th>Total No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>61%</td>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Homeowner (70%)</td>
<td>57%</td>
<td>5%</td>
<td>38%</td>
</tr>
<tr>
<td>Renter (30%)</td>
<td>69%</td>
<td>6%</td>
<td>24%</td>
</tr>
<tr>
<td>Current CUSD Parent (15%)</td>
<td>72%</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>Alumni or Past/Future CUSD Parent (33%)</td>
<td>58%</td>
<td>5%</td>
<td>38%</td>
</tr>
<tr>
<td>Not CUSD Parent or Alumni (52%)</td>
<td>59%</td>
<td>6%</td>
<td>35%</td>
</tr>
<tr>
<td>Infrequent Voter (41%)</td>
<td>62%</td>
<td>6%</td>
<td>32%</td>
</tr>
<tr>
<td>Frequent Voter (30%)</td>
<td>65%</td>
<td>2%</td>
<td>33%</td>
</tr>
<tr>
<td>Perfect Voter (29%)</td>
<td>54%</td>
<td>8%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Q12. If the election were held today, would you vote yes to approve or no to reject this measure?
Voters appear less willing to support a bond when asked alternative amounts as a follow up to the initial ballot question.

Based on needs determined through the District’s planning process, the District is considering a range of potential bond amounts to improve facilities. Suppose this measure would authorize the Carmel Unified School District to issue [$75,000,000/$59,000,000/$35,000,000] in bonds at an estimated [$16/$13/$8]/$100,000 of assessed valuation.

Would you vote yes to approve or no to reject this measure?

- **$75,000,000**
  - Total Yes 41%
  - Total No 51%
  - Undecided 8%

- **$59,000,000**
  - Total Yes 47%
  - Total No 43%
  - Undecided 10%

- **$35,000,000**
  - Total Yes 56%
  - Total No 35%
  - Undecided 10%

Q13-15. Based on needs determined through the District’s planning process, the District is considering a range of potential bond amounts to improve facilities. Would you vote yes to approve or no to reject this measure?
Alternative Bond Amounts and Tax Rates

Support for the alternative amounts tested is similar, regardless of the initial ballot amount asked.

% Total Yes

- Among those presented with $45M initially (n=205)
- Among those presented with $65M initially (n=205)

44% 38% 47% 47% 57% 55% Yes

$75,000,000 $59,000,000 $35,000,000
$16/$100,000 $13/$100,000 $8/$100,000

Q13-15. Based on needs determined through the District’s planning process, the District is considering a range of potential bond amounts to improve facilities...Would you vote yes to approve or no to reject this measure?
Potential Bond Projects

Voters prioritize projects that would update classrooms and labs, improve safety/security, and address basic repairs.

<table>
<thead>
<tr>
<th>Project</th>
<th>7 - Extremely important</th>
<th>5-6 - Somewhat important</th>
<th>Total Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updating school science, technology, engineering, math, and arts</td>
<td>42%</td>
<td>35%</td>
<td>78%</td>
</tr>
<tr>
<td>Updating classrooms for career technical education and school-to-work</td>
<td>37%</td>
<td>40%</td>
<td>77%</td>
</tr>
<tr>
<td>Keeping schools clean, safe, and well maintained</td>
<td>40%</td>
<td>33%</td>
<td>73%</td>
</tr>
<tr>
<td>Updating classrooms and labs for 21st-century learning</td>
<td>39%</td>
<td>33%</td>
<td>72%</td>
</tr>
<tr>
<td>Upgrading classroom technology</td>
<td>32%</td>
<td>36%</td>
<td>68%</td>
</tr>
<tr>
<td>Upgrading outdated plumbing and sewer systems</td>
<td>30%</td>
<td>38%</td>
<td>68%</td>
</tr>
<tr>
<td>Improving school safety and security</td>
<td>38%</td>
<td>29%</td>
<td>67%</td>
</tr>
<tr>
<td>Upgrading aging heating and ventilation systems</td>
<td>25%</td>
<td>41%</td>
<td>66%</td>
</tr>
<tr>
<td>Improving traffic and pedestrian safety at schools</td>
<td>27%</td>
<td>35%</td>
<td>62%</td>
</tr>
<tr>
<td>Improving inefficient and inadequate kitchen facilities</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Providing a student wellness center</td>
<td>25%</td>
<td>31%</td>
<td>56%</td>
</tr>
<tr>
<td>Updating school restrooms</td>
<td>18%</td>
<td>37%</td>
<td>54%</td>
</tr>
<tr>
<td>Providing and upgrading gyms and athletic facilities</td>
<td>16%</td>
<td>34%</td>
<td>49%</td>
</tr>
</tbody>
</table>
Additional Information

Fiscal accountability provisions, investing in schools to protect property values, and upgrades to help students prepare for the future are compelling reasons to support a bond measure.

All of the revenue from this measure will be spent here in our local schools and cannot be taken away by the state. An independent citizen’s oversight committee will ensure all funds from this measure are spent as promised, and no money will be used for administrators’ salaries or pensions.

Whether or not you have school-aged children, supporting the quality of our local schools is a wise investment. Good schools protect our quality of life and help protect our property values.

This measure will allow the District to improve outdated classrooms and labs to meet today’s standards for science, technology, engineering, arts, and math education—which are critical in preparing students for college and careers.

Some of our classrooms and facilities were built 80 years ago. This measure will provide necessary repairs and upgrades to our local schools, including updating old and inefficient heating, cooling, plumbing, and replacing old facilities to provide a safe and healthy learning environment for students.

Q32-40. Next I’d like to read you statements from people who support a bond measure for Carmel Unified School District. After you hear each statement, please tell me how convincing it is as a reason to vote for the measure.
Additional Information

Other information is compelling, but with less intensity.

There is nothing more important than protecting our children while they are at school. This measure will upgrade school safety and security with access control, security cameras, public announcement system, and fire alarms.

![Graph showing 27% Very Convincing, 32% Somewhat Convincing, 59% Total Convincing]

Our local schools are doing a great job educating our children. We have high test scores, top-ranked teachers and staff, and strong parent support. This measure will provide our local schools with safe and modern classrooms to continue providing a great education for local students.

![Graph showing 23% Very Convincing, 38% Somewhat Convincing, 61% Total Convincing]

This measure will provide a student union/wellness center, dedicating space for student social, emotional, and mental health services, enhancing our children's wellbeing and healthy habits in and out of the classroom.

![Graph showing 22% Very Convincing, 31% Somewhat Convincing, 54% Total Convincing]

Carmel Unified School District has shown that they are trustworthy and good financial managers. They have served as an excellent steward of the community's investments, maintaining the highest possible credit rating and reducing taxes by refinancing prior bonds to minimize interest expense and maximize the value of each taxpayer dollar. The District will do the same for this new measure.

![Graph showing 17% Very Convincing, 34% Somewhat Convincing, 51% Total Convincing]

Q32-40. Next I'd like to read you statements from people who support a bond measure for Carmel Unified School District. After you hear each statement, please tell me how convincing it is as a reason to vote for the measure.
**This measure would cost the average homeowner approximately $138 per year. That’s less than $12 per month, to provide much needed money for our local schools.**

**This measure would cost the average homeowner approximately $200 per year. That’s less than $17 per month, to provide much needed money for our local schools.**

Voters asked about lower tax rates found the information to be more compelling.
Vote After Additional Information

Additional information helps to solidify support.

% shown for average of both ballot questions

Initial Vote

- Total Yes: 61%
  - Lean: 5%
  - Total: 56%

- Total No: 34%
  - Lean: 1%
  - Undecided: 6%

Vote After Additional Information

- Total Yes: 63%
  - Lean: 2%
  - Total: 55%

- Total No: 33%
  - Lean: 2%
  - Undecided: 4%

Q41. Given what you've heard, would you vote yes to approve or no to reject a measure that reads... If the election were held today, would you vote yes to approve or no to reject this measure?
Potential Opposition Statements

Statements that may be said against a measure are compelling to less than half of respondents.

There are too many taxes in our area. The District already has a bond that we are still paying for and now they’re asking us to pay for another one on top of that. It’s just too much.

We can’t trust the District to manage money properly. In the past they have gone over budget and had to use general fund money—which should have gone towards educating students—to pay for infrastructure projects.

**The District is asking for much more money this time around than they have in the past—more than three times as much as last time. They’re just getting greedy and taking advantage of local taxpayers.

*The District is asking for much more money this time around than they have in the past—more than twice as much as last time. They’re just getting greedy and taking advantage of local taxpayers.

Q42-44. Next, I’d like to read you statements people who oppose a bond measure for Carmel Unified School District may say. After you hear each statement, please tell me how convincing it is as a reason to vote against the measure.

* % shown for Sample A only; n=205
** % shown for Sample B only; n=205
Q45. Given everything you’ve heard, would you vote yes to approve or no to reject a [IF SAMPLE A “$45,000,000”/IF SAMPLE B “$65,000,000”] bond measure for the Carmel Unified School District?
Conclusions

- Voters are aware of the quality of local schools but lack awareness about the need for additional funding.

- Polling indicates that the District can continue to consider a measure for the November 2020 ballot.

- Increasing awareness of facility needs will be important.

- The District should consider a bond amount that will address facility needs while considering price sensitivity and voter willingness to support.

- A robust, privately funded campaign is strongly recommended to ensure voters understand the need for, and benefits of, a measure.