A G E N D A

CITY OF SEASIDE
OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF
THE CITY OF SEASIDE

REGULAR MEETING
COUNCIL CHAMBER
440 Harcourt Avenue
Monday, May 22, 2017
2:30 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL - ESTABLISHMENT OF QUORUM**

Sally Reed	Chair
Vicki Nakamura	Vice Chair
Steve Bradford	Board Member
Mark McClain	Board Member
Jane Parker	Board Member
Chris Ricker	Board Member
Ralph Rubio	Board Member

3. **CHAIR, VICE-CHAIR, EXECUTIVE DIRECTOR REPORTS**

4. **PUBLIC COMMENTS**

5. **REVIEW OF AGENDA**
If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

6. **CONSENT CALENDAR**

   A. **APPROVE THE MINUTES OF APRIL 11, 2017**

7. **BOARD MEMBER, EXECUTIVE DIRECTOR AND LEGAL COUNSEL COMMENTS & REQUESTS**

8. **BUSINESS ITEMS**

A. ADOPT A RESOLUTION ALLOWING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ALL DOCUMENTS REQUIRED COMPLETE THE SALE OF 307 ROBERTS AVENUE (APN: 011-561-035) AS REQUIRED BY THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP).

PURPOSE: Adopt resolutions authorizing the Executive Director or designee to execute all documents required to complete the sale of 307 Roberts Avenue as required by the Long Range Property Management Plan (LRPMP).

RECOMMENDATION: It is recommended that the Oversight Board adopt a resolution authorizing the Executive Director or designee to execute all documents required to complete the sale of 307 Roberts Avenue (APN 011-561-035) as required by the Long Range Property Management Plan (LRPMP).

B. ADOPT A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ALL DOCUMENTS REQUIRED TO COMPLETE THE SALE OF 1533-1535 DEL MONTE AVENUE (APN: 011-301-007) AS REQUIRED BY THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP)

PURPOSE: Adopt a resolution authorizing the Executive Director or designee to execute all documents required to finalize the sale of 1533-1535 Del Monte Blvd. (APN: 011-301-007) to Joshua Hagaman. The sale of this property is required by the Successor Agency's adopted Long Range Property Management Plan (LRPMP).

RECOMMENDATION: It is recommended that the Oversight Board adopt a resolution authorizing the Executive Director or Designee to execute all documents required to finalize the sale of 1533-1535 Del Monte Blvd. (APN: 011-301-007) to Joshua Hagaman.

9. ADJOURNMENT

Next Regularly Scheduled Meeting:
TBD
Seaside City Hall
TBD

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:
http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300
Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

DRAFT MINUTES

OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY
OF THE REDEVELOMENT
AGENCY TO THE CITY OF
SEASIDE

REGULAR MEETING
COUNCIL CHAMBER
Monday, April 10, 2017

2:30 PM

---

1. CALL TO ORDER

Chair Reed called the meeting to order at 2:30 PM.

2. ROLL CALL - ESTABLISHMENT OF QUORUM

PRESENT: Bradford, Parker, Reed, Nakamura
ABSENT: Meewis, Rubio, Ricker

OVERSIGHT BOARD

3. CHAIR, VICE-CHAIR, EXECUTIVE DIRECTOR REPORTS

Vice Chair Nakamura invited reports and there were no reports provided.

4. PUBLIC COMMENTS

There were no requests to speak.

5. REVIEW OF AGENDA

There were no changes requested.

6. CONSENT CALENDAR

A. APPROVAL OF MINUTES FROM THE FEBRUARY 17, 2017 OVERSIGHT BOARD MEETING

On motion by Board Member Jane Parker and seconded by Steve Bradford and passed by the following vote the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Seaside approved the minutes from February 17, 2017 as presented.

RESULT:	**Approved**
MOVER:	Board Member Jane Parker
SECONDER:	Steve Bradford
AYES:	Jane Parker, Sally Reed, Steve Bradford, Vicki Nakamura
NOES:	None
ABSENT:	Meewis, Rubio, Ricker

7. BOARD MEMBER, EXECUTIVE DIRECTOR AND LEGAL COUNSEL COMMENTS & REQUESTS

8. BUSINESS ITEMS

A. **ADOPT RESOLUTIONS AUTHORIZING THE EXECUTIVE DIRECTOR TO FINALIZE THE SALE OF 1600 AND 1622 LA SALLE AVENUE (APNS: 012-853-026, 012,853-025) FOR A TOTAL APPRAISED VALUE OF $655,000.**

Economic Development Manager Overmeyer presented the report and indicated that as part of the Long Range Property Management Plant implementation, the Oversight Board is required to approve the final land disposition agreements. Mr. Overmeyer reported that he received three offers on the properties of 1600 and 1622 La Salle Avenue and that the appraisal received at $55,000 more than the offer. The proposer agreed to pay a total of $655,000 for the property and explained the intent is to update the homes and use both as single family homes. Mr. Overmeyer answered questions from the Board.

Board Member Parker questioned if the houses are on two separate lots to which Mr. Overmeyer affirmed. Ms. Parker questioned the process staff used and if legal counsel was consulted regarding the revised appraisal and bid price to which he indicated that the process was legally confirmed.

RESULT:	**Approved**
MOVER:	Board Member Jane Parker
SECONDER:	Steve Bradford
AYES:	Jane Parker, Sally Reed, Steve Bradford, Vicki Nakamura
NOES:	None
ABSENT:	Meewis, Rubio, Ricker

9. ADJOURNMENT

On motion, the meeting was adjourned at 2:50 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk **Vicki Nakamura, Vice Chair**

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.A.

TO: Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: May 22, 2017

SUBJECT: **ADOPT A RESOLUTION ALLOWING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ALL DOCUMENTS REQUIRED COMPLETE THE SALE OF 307 ROBERTS AVENUE (APN: 011-561-035) AS REQUIRED BY THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP).**

PURPOSE

Adopt resolutions authorizing the Executive Director or designee to execute all documents required to complete the sale of 307 Roberts Avenue as required by the Long Range Property Management Plan (LRPMP).

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution authorizing the Executive Director or designee to execute all documents required to complete the sale of 307 Roberts Avenue (APN 011-561-035) as required by the Long Range Property Management Plan (LRPMP).

BACKGROUND

In July of 2016, the Successor Agency engaged Carpenter-Robbins, a California Real-Estate brokerage, to assist the Successor Agency in marketing the six properties listed as "For Sale" in the Long Range Property Management Plan. Starting in August, Carpenter-Robbins actively marketed these properties throughout the region and state as well as listing them on various websites that catalog properties available for sale nationally and internationally. The Successor Agency received two offers on this property, one for $47,500 and one for $75,000. The Successor Agency entered into a Purchase and Sale agreement with the highest bidder on December 5, 2016.

The buyer ordered an appraisal on the property. This appraisal valued the property at $166,000, however, after a significant marketing effort by a third party broker, no offers near this price were received. Typically, appraisals are used to estimate the value of a property, but the actual value is set by an arms-length, open market bidding process. Given the disparity between the appraised value of the property and the appraisal, both staff and the real-estate firm's analysis conclude that this offer is likely the highest offer possible at this time, even if the property were to be marketed for an additional three month period.

The requirements of AB 26x and SB107 for disposing of property require that the Successor Agency attempt to receive the highest compensation possible. After reviewing the appraisal, the offers on the property, estimates of cost of demolition of the existing structures, and construction estimates for replacing these structures with a commercial structure as proposed by the buyer, staff analysis concludes that the current offer of $75,000 is not likely to be exceeded by seeking additional offers. Given this situation, staff is recommending that the Oversight Board authorize the Executive Director or designee to execute all remaining documents required to finalize the sale of this property.

FISCAL IMPACT

ATTACHMENTS

1. Resolution
2. Appraisal for 307 Roberts Ave.
3. CRCRE Appraisal Analysis
4. Purchase and Sale Agreement

RESOLUTION NO. 17-

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OFTHE REDEVELOPMENT AGENCY TO THE CITY OF SEASIDE

AUTHORIZING THE SALE OF 307 ROBERTS AVENUE TO ANDY RUNNOE AND BRADLEY ZEVE FOR THE MARKET VALUE OF $75,000.

RECITALS:

WHEREAS, The Successor Agency received an offer to purchase 307 Roberts Avenue (APNs: 011-561-035) for the appraised price of $75,000 in October 2016.; and

WHEREAS, On December 5, 2016, the Successor Agency Board approved a purchase and sale agreement for this purchase; and

WHEREAS, The property will be used to provide a mixed use commercial building; and

WHEREAS, The buyer has completed their due diligence and are ready to close on the property, subject to Department of Finance review.

WHEREAS, The sale of these structures will result in a significant removal of blight, the rehabilitation of the structures and will provide a much needed housing in Seaside.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the Redevelopment Agency of the City of Seaside hereby authorizes the sale of the two single family homes at 307 Roberts Avenue to Andy Runnoe and Bradley Zeve for the market value and offer of $75,000.

PASSED AND ADOPTED at a Special meeting of the Agency Board this 22nd day of May, 2017.

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Sally Reed, Chair

ATTEST:

____
Lesley Milton-Rerig, Agency Secretary

011-561-035-000
File No. 307 Roberts 1-17

APPRAISAL OF

A Commercial Lot with "Teardown" house

LOCATED AT:

307 Roberts Avenue
Seaside, CA. 93955

CLIENT:

Andy Runnoe
689 Francis Avenue
Seaside, CA 93955

AS OF:

January 10, 2017

BY:

Brian A. Nicholson, SRA
Nicholson & Company

January 16th, 2017

Andy Runnoe
689 Francis Avenue
Seaside, CA 93955

File Number: 307 Roberts 1-17

Dear Client,

In accordance with your request, I have appraised the real property at:

307 Roberts Avenue
Seaside, CA. 93955

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant. The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of January 10, 2017 is:

$166,000
One Hundred Sixty-Six Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Respectfully Submitted,

Brian A. Nicholson, SRA
Nicholson & Company

Land Appraisal Report

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User Andy Runnoe | E-mail Unk.
Client Address 689 Francis Avenue | City Seaside | State CA | Zip 93955
Additional Intended User(s) City of Seaside
Intended Use Sales Consideration

SUBJECT

Property Address 307 Roberts Avenue | City Seaside | State CA. | Zip 93955
Owner of Public Record Redevelopment Agency of Seaside | County Monterey
Legal Description Not available/Apn. 011-561-035-000
Assessor's Parcel # 011-561-035-000 | Tax Year 2016 | R.E. Taxes $ $5.96
Neighborhood Name Seaside | Map Reference 81: G3 | Census Tract 139.00
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

SALES HISTORY

My research [ ] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Prior Sale/Transfer: Date N/A | Price N/A | Source(s) Real Quest
Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) Not known. The subject has changed ownership in the past 3 years per Realquest.

Offerings, options and contracts as of the effective date of the appraisal The subject property is in contract for $75,000. Contract not reviewed. Effective date of valuation is January 10th, 2017.

NEIGHBORHOOD

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Present Land Use %	
Location	[ ] Urban	[X] Suburban	[ ] Rural	Property Values	[X] Increasing	[ ] Stable	[ ] Declining	PRICE		AGE	One-Unit	25 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Over Supply	$(000)		(yrs)	2-4 Unit	5 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	150	Low	0	Multi-Family	5% %
								950	High	100	Commercial	60 %
								446	Pred.	40	Other Vacant	5 %

Neighborhood Boundaries Sand City north, Del Monte Blvd. west, Canyon Del Rey Blvd. south, and city limits to the east.
Neighborhood Description The subject is located in a mixed area with primarily commercial including construction yards, retail, and the Home Depot Store adjacent south. Commercial uses along Del Monte and Fremont Blvd. The homes in this area were built primarily in the 1930's to 1950's and many are now being used as commercial.
Market Conditions (including support for the above conclusions) Residential property values have been increasing in this area and had increased approx. 11% from 2015 to 2016. Commercial properties have also increased.

SITE

Dimensions See parcel map | Area 6,627 sf. | Shape Irregular | View Neigh.
Specific Zoning Classification CH | Zoning Description Heavy Commercial
Zoning Compliance [ ] Legal [X] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)
Highest and best use of the subject property Highest and best use as vacant is to develope the lot with a commercial use that conforms with the zoning. As improved, the highest and best use is to remove the existing dilapidated improvements and build new.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street Asphalt	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X500 | FEMA Map # 06020306053C0326G | FEMA Map Date 04/02/2009
Site Comments The subject is comprised of one lot which totals 6,627 sf. No known adverse easements or encroachments noted. Prelim. title report not seen. Home Depot Parking lot and driveway entrance adjacent south, not adverse to value for commercial uses. The existing house is in "tear down" condition and was built prior to the current zoning. Appraised as a commercial lot.

MARKET DATA ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	307 Roberts Avenue Seaside	1066 Broadway Avenue Seaside		1130 Broadway Avenue Seaside		2081 Fremont Blvd Seaside	
Proximity to subject		0.59 miles SE		0.70 miles SE		1.07 miles NE	
Sales Price	$ N/A		$ 66,000		$ 115,000		$ 165,000
Price $/ sf.	0		20.10		5.21		16.73
Data Source	Insp/Realquest	Mls#81315833/Rlqst/Loopnet		Realquest/Loopnet		Rlqst/Loopnet	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.
	Apr.1/10/2017	04/02/2014 Ce	5.83	02/29/2012 Ce	3.07	10/04/2013 Ce	6.19
Location	Suburban	Equal		Equal		Equal/super Crnr	-3.35
Site/View	6,627 sf./Neigh.	3,283 sf./small	-4.02	22,060/Larger	15.00	9,864 sf./sl.largr	3.35
Plans/permits	None	None		None		None	
Demolition	Yes/old house	Not required	-5.00	Not required	-0.75	Not required	-1.50
Zoning	CH	CMX		CMX		CA	
Other	Has utilities	None Avail.	15.23	None Available	2.27	None Available	5.07
Sales or Financing Concessions		Conv. Regular sale		Conv. Regular sale		Cash Regular sale	
Net Adj. (Total)		[X] + [ ] -	$ 12.04	[X] + [ ] -	$ 19.59	[X] + [ ] -	$ 9.76
Indicated Value of Subject		Net Adj. 59.9% Gross Adj. 149.7%	$ 32.14	Net Adj. 376.0% Gross Adj. 404.8%	$ 24.80	Net Adj. 58.3% Gross Adj. 116.3%	$ 26.49

Summary of Sales Comparrison Approach The adjusted range was from $24.50 to $32.14 per sf. The median was $25.78/sf., and the average was $26.66. All comparables considered. Comparables #1-3l were purchased without water rights. All are still vacant. High net and gross adjustments are unavoidable due to the lack of similar recent comparables. Subject is valued at $25.00/sf. Sales adjusted upward per month for time. ($25.00/sf. @ 6,627 sf. = $165,675. Rounded to $166,000.

RECONCILIATION

This appraisal is made [X] "as is," [ ] subject to the following: This is a current appraisal as of January 10th, 2017. The value is estimated at $166,000. Only the sales approach is applicable to this commercial lot with a "teardown" structure.

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is $ 166000 **as of** January 10th, 2017 **, which is the effective date of this appraisal.**

Land Appraisal Report

MARKET DATA ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	307 Roberts Avenue Seaside	575 Broadway Avenue Seaside		907 Harcourt Avenue Seaside		211 Palm Avenue Marina	
Proximity to subject		0.19 miles SE		0.55 miles SE		0.08 miles SE	
Sales Price	$ N/A		$ 325,000		$ 390,000		$ 375,000
Price $ / sf.	0		81.25		37.26		44.51
Data Source	Insp/Realquest	Rlqst/Mls		Rlqst/Mls		Rlqst/Mls	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.
	Apr.1/10/2017	11/28/2016 Ce		10/15/2016 Ce		Listing	
Location	Suburban	Equal/super Crnr	-16.25	Equal		Equal	
Site/View	6,627 sf./Neigh.	4,000 sf./small	-16.00	10,467 sf./large	7.45	8,425 sf./sl.largr	-4.45
Plans/permits	None	600 sf. bldng.	-12.50	1,500 sf. bldg.	-12.540	762 sf. bldg.	-13.00
Demolition	Yes/old house	Not required	-4.00	Not required	-1.50	Not required	-2.00
Zoning	CH	C1	-8.00	MDR	-3.73	Multi-Use	
Other	Has utilities	Equal		Equal		Equal	
Sales or Financing Concessions		Cash Regular sale		Owner Regular sale		Unk. Regular sale	
Net Adj. (Total)		☐ + ☒ -	$ 56.75	☐ + ☒ -	$ 10.32	☐ + ☒ -	$ 19.45
Indicated Value of Subject		Net Adj. -69.8% Gross Adj. 69.8%	$ 24.50	Net Adj. -27.7% Gross Adj. 67.7%	$ 26.94	Net Adj. -43.7% Gross Adj. 43.7%	$ 25.06

Summary of Sales Comparrison Approach See addendum.

MARKET DATA ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 7		COMPARABLE NO. 8		COMPARABLE NO. 9	
Address	307 Roberts Avenue Seaside						
Proximity to subject							
Sales Price	$ N/A		$		$		$
Price $ / sf.	0						
Data Source	Insp/Realquest						
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.	DESCRIPTION	+(-) Adjust.
	Apr.1/10/2017						
Location	Suburban						
Site/View	6,627 sf./Neigh.						
Plans/permits	None						
Demolition	Yes/old house						
Zoning	CH						
Other	Has utilities						
Sales or Financing Concessions							
Net Adj. (Total)		☐ + ☐ -	$	☐ + ☐ -	$	☐ + ☐ -	$
Indicated Value of Subject		Net Adj. % Gross Adj. %	$	Net Adj. % Gross Adj. %	$	Net Adj. % Gross Adj. %	$

Summary of Sales Comparrison Approach

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.

3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.

4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.

5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

COMPETENCY OF APPRAISER:
This appraisal, unless otherwise stated, was completed in accordance with the competency provisions of the USPAP standards. The appraiser in this report has demonstrated the appropriate skills and knowledge to complete this report. The appraiser has been licensed by the State Office of Real Estate Appraisers, (O.R.E.A.) as a "Certified General Real Estate Appraiser". The appraiser has also demonstrated the appropriate skills and knowledge to attain and keep current the "SRA" designation with the Appraisal Institute.

" CSR 1-1: The reported analysis, opinions and conclusions were developed in this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute which include the Uniform Standards of Professional Appraisal Practice.
" CSR: 1-2: The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
CSR: 1-3: As of the date of this report, I, Brian A. Nicholson, SRA, have completed the continuing education program of the Appraisal Institute

See Addendum

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: [X] **Market Value** [ ] **Other Value:**

Source of Definition: Source: OCC, 12 CFR, Part 34, Subpart C - Appraisals, 34.42 Definitions [g].

Definition of Market Value

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ADDRESS OF THE PROPERTY APPRAISED:
307 Roberts Avenue
Seaside, CA. 93955

EFFECTIVE DATE OF THE APPRAISAL: January 10th, 2017

APPRAISED VALUE OF THE SUBJECT PROPERTY $ 166000

APPRAISER	**SUPERVISORY APPRAISER**
Signature:	Signature:
Name: Brian A. Nicholson, SRA	Name:
State Certification # AG006742	State Certification #
or License #	or License #
or Other (describe): State #:	State:
State: CA	Expiration Date of Certification or License:
Expiration Date of Certification or License: 01/25/2019	Date of Signature:
Date of Signature and Report: January 16th, 2017	Date of Property Viewing:
Date of Property Viewing: January 10th, 2017	Degree of property viewing:
Degree of property viewing:	[ ] Did personally view [ ] Did not personally view
[X] Did personally view [ ] Did not personally view	

ADDENDUM

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

SCOPE OF THE REPORT:
This appraisal was completed in cornformance with the guidelines set forth by the Appraisal Institute and involved inspecting the property, measuring any improvements, gathering information regarding the subject and comparables, and completing the three approaches to value, when appropriate. The results of the appraisal are then documented in a written report and made available to the client. In this appraisal, the property has been inspected and only the sales approach was completed. The property was fully inspected in January 10th, 2017.

PERSONAL PROPERTY:
No items of personal property was valued in this report.

HAZARDOUS MATERIALS:
There was no indication of any hazardous wastes or materials on the property. This appraisal assumes no adverse environmental conditions.

IMPROVEMENTS:
The house and carport are considered "tear-downs" and are not valued in this report. A demolition cost of $15,000 was deducted in the appraisal.

SITE:
The subject lots are mostly level and all usable with a location at the end of Roberts Avenue at the entrance of the Home Depot parking lot. The zoning is CH. See attached zoning information. The appraisal assumes that all utilities including water, sewer, and gas and electric area available.

SALES COMPARISON ANALYSIS:
The subject was difficult to appraise due to lack of recent comparable sales of similar size and zoned vacant parcels, especially with locations in the Seaside area. The best available and most recent similar sales were used in this appraisal. All the comparable sales selected are from the Seaside area and one from Marina. The opinion of value of the subject is $25.00 per sq.ft. No other sales could have been used that would have required less adjustments. Time adjustments were made to the older sales as values have increased since 2011. Comparables #4-6 are improved properties with uitilities, thus the improvements were deducted in the adjustment grid.

MARKET STATISTICS: SEASIDE

Year	Median SP.	Change in Value
2011	$263,000	Base
2012	$296,000	+12.5%
2013	$327,500	+10.6%
2014	$310,000	-5.3%
2015	$402,000	+29.7%
2016	$446,000	+10.9%

NEIGHBORHOOD COMMENTS
Interest rates are in the 3.5-4% range for conventional financing. Sellers market still prevailing with a supply of 2-3 months. Homes are selling around 95-100% of list price. Homes below the predominate value have a shorter marketing time. The median sales price has increased over the past 3 years. Short sales and REOs have been part of the market in the past few years, but now there are less of them.

PURPOSE AND INTENDED USE OF THE APPRAISAL REPORT:
The purpose of this appraisal is to form an opinion of market value of the subject property as defined in the Certification and Statement of Limiting Conditions. The intended use of the report is to provide the client with sufficient information and value parameters for sales consideration. The intended user of the report is the client and his assignees.

EXPOSURE TIME:
Assuming the subject property was listed prior to the effective date of the appraisal, the estimated exposure time for the subject is 90 to 180 days.

COMPETENCY OF APPRAISER:
This appraisal, unless otherwise stated, was completed in accordance with the competency provisions of the USPAP standards. The appraiser in this report has demonstrated the appropriate skills and knowledge to complete this report. The appraiser has been licensed by the State Bureau of Real Estate Appraisers, (B.R.E.A.) as a "Certified General Real Estate Appraiser".

CONTINUING EDUCATION STATUS:
As of the date of this appraisal, I, Brian Nicholson, have completed the requirements under the continuing education program of the Bureau of Real Estate Appraisers.

APPRAISAL:
This is an APPRAISAL REPORT.. The appraisal was made in conformance with USPAP-Uniform Standards of Professional Appraisal Practice, the Comptrollers of the Currency's (OCC) minimum standards, and any additional requirements of the client.

PRIOR SALE:

Client: Andy Runnoe	File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue	Case No.: 011-561-035-000
City: Seaside	State: CA. Zip: 93955

The subject property has not changed ownership in the past 3 years. The subject was not listed on the Mls.

HYPOTHETICAL CONDITIONS:
None noted

EXTRAORDINARY ASSUMPTIONS:
That the property has all utilities available and there are no hazardous wastes on the lot.

Site Comments
See above

Comments on Sales Comparison
See above

Brian A. Nicholson, SRA, AG006742
Nicholson & Company

PROPERTY DETAIL REPORT

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

Property Detail Report

For Property Located At :
ROBERTS AVE, SEASIDE, CA 93955

CoreLogic
RealQuest Professional

Owner Information

Owner Name:	REDEVELOPMENT AGENCY OF SEASIDE
Mailing Address:	1600 LA SALLE AVE, SEASIDE CA 93955-3346 C014
Vesting Codes:	/ /

Location Information

Legal Description:	VOL 12 PAR MAPS PG 71 PAR 2		
County:	MONTEREY, CA	APN:	011-561-035-000
Census Tract / Block:	139.00 /	Alternate APN:	
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	/
Legal Lot:		Tract #:	
Legal Block:		School District:	MONTEREY PENINSULA M
Market Area:	107	School District Name:	
Neighbor Code:	F11B	Munic/Township:	

Owner Transfer Information

Recording/Sale Date:	03/02/1978 /	Deed Type:	ASSIGNMENT OF MORTGAGE
Sale Price:		1st Mtg Document #:	
Document #:	12PM-71		

Last Market Sale Information

Recording/Sale Date:	/	1st Mtg Amount/Type:	/
Sale Price:		1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:		2nd Mtg Amount/Type:	/
Deed Type:		2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:			
Seller Name:			

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Gross Area:		Parking Type:	GARAGE	Construction:	WOOD
Living Area:	1,091	Garage Area:	441	Heat Type:	WALL
Tot Adj Area:		Garage Capacity:		Exterior wall:	STUCCO
Above Grade:		Parking Spaces:		Porch Type:	
Total Rooms:	7	Basement Area:		Patio Type:	PATIO
Bedrooms:	2	Finish Bsmnt Area:		Pool:	
Bath(F/H):	1 /	Basement Type:		Air Cond:	
Year Built / Eff:	1945 / 1945	Roof Type:	GABLE	Style:	U-SHAPE
Fireplace:	Y / 2	Foundation:	CONCRETE	Quality:	FAIR
# of Stories:	1.00	Roof Material:	COMPOSITION SHINGLE	Condition:	
Other Improvements:					

Site Information

Zoning:		Acres:	0.15	County Use:	PUBLICLY OWNED (7A)
Lot Area:	6,627	Lot Width/Depth:	x	State Use:	
Land Use:	SFR	Res/Comm Units:	/	Water Type:	
Site Influence:				Sewer Type:	

Tax Information

Total Value:		Assessed Year:		Property Tax:	$5.96
Land Value:		Improved %:		Tax Area:	010012
Improvement Value:		Tax Year:	2016	Tax Exemption:	
Total Taxable Value:					

SUBJECT PROPERTY PHOTO ADDENDUM

Client: Andy Runnoe	File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue	Case No.: 011-561-035-000
City: Seaside State: CA.	Zip: 93955

FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: January 10, 2017
Appraised Value: $ 166,000

REAR VIEW OF SUBJECT PROPERTY

STREET SCENE

SUBJECT PHOTOGRAPHS

Client: Andy Runnoe		File No.: 307 Roberts 1-17	
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000	
City: Seaside	State: CA.		Zip: 93955

Close-up of house

Cracking in stucco near foundation

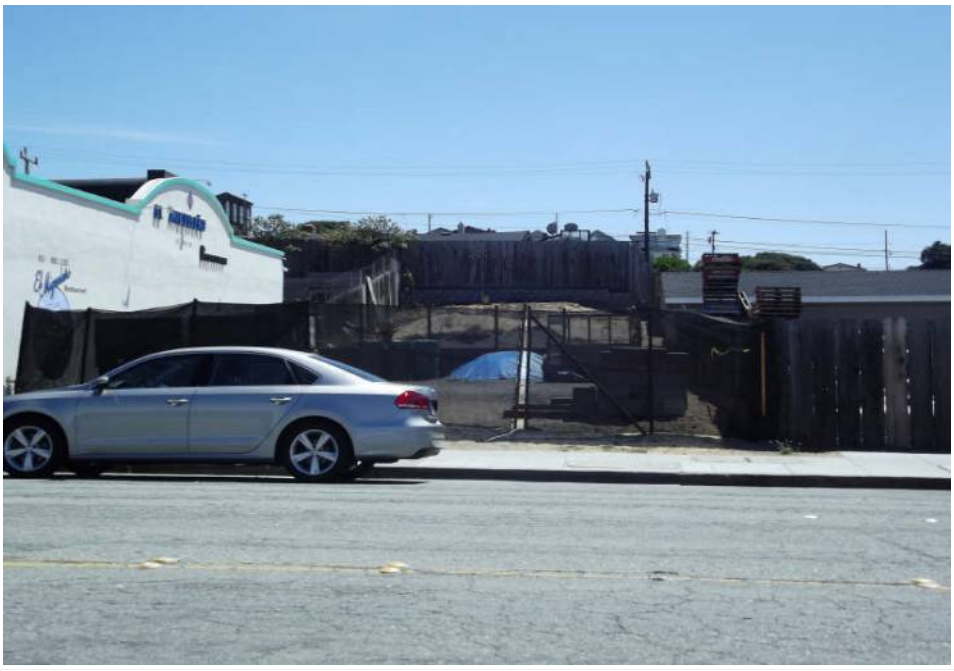
Home Depot next door

Client: Andy Runnoe		File No.: 307 Roberts 1-17	
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000	
City: Seaside	State: CA.	Zip: 93955	

Interior-kitchen

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955



COMPARABLE SALE #1

1066 Broadway Avenue
Seaside
Sale Date: 04/02/2014 Ce
Sale Price: $ 66,000

COMPARABLE SALE #2

1130 Broadway Avenue
Seaside
Sale Date: 02/29/2012 Ce
Sale Price: $ 115,000

COMPARABLE SALE #3

2081 Fremont Blvd
Seaside
Sale Date: 10/04/2013 Ce
Sale Price: $ 165,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Andy Runnoe		File No.: 307 Roberts 1-17	
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000	
City: Seaside	State: CA.		Zip: 93955

COMPARABLE SALE #4

575 Broadway Avenue
Seaside
Sale Date: 11/28/2016 Ce
Sale Price: $ 325,000

COMPARABLE SALE #5

907 Harcourt Avenue
Seaside
Sale Date: 10/15/2016 Ce
Sale Price: $ 390,000

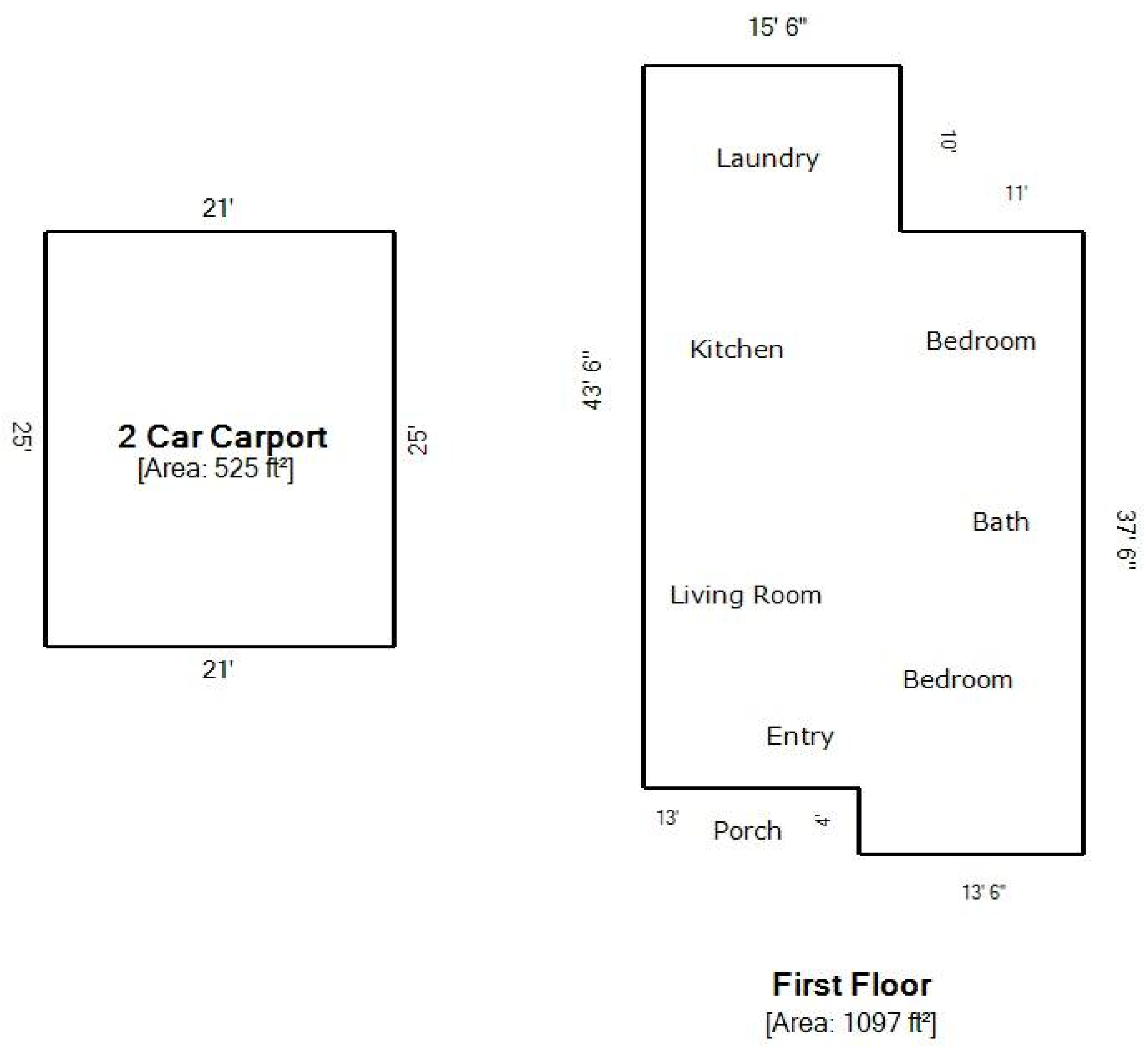
COMPARABLE SALE #6

211 Palm Avenue
Marina
Sale Date: Listing
Sale Price: $ 375,000

FLOORPLAN SKETCH

Client: Andy Runnoe		File No.: 307 Roberts 1-17	
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000	
City: Seaside	State: CA.		Zip: 93955

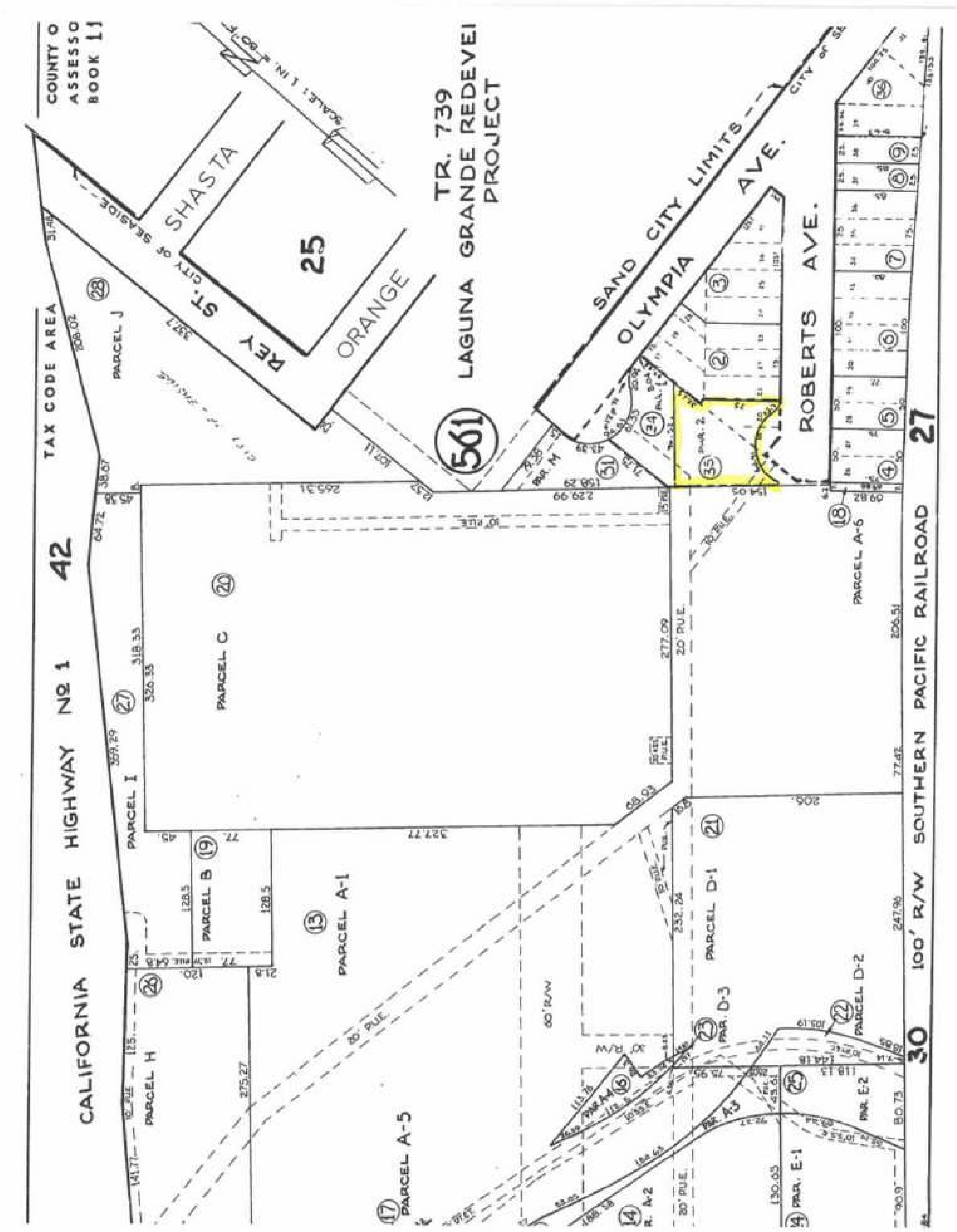
Sketch



Living Area		Area Calculation				
First Floor	1096.75 ft²	First Floor				x 1.00 = 1096.75 ft²
Nonliving Area			10' x	15' 6" x	1.00 =	155 ft²
2 Car Carport	525.00 ft²		4' x	13' 6" x	1.00 =	54 ft²
Total Living Area (rounded):	**1097 ft²**		33' 6" x	26' 6" x	1.00 =	887.75 ft²

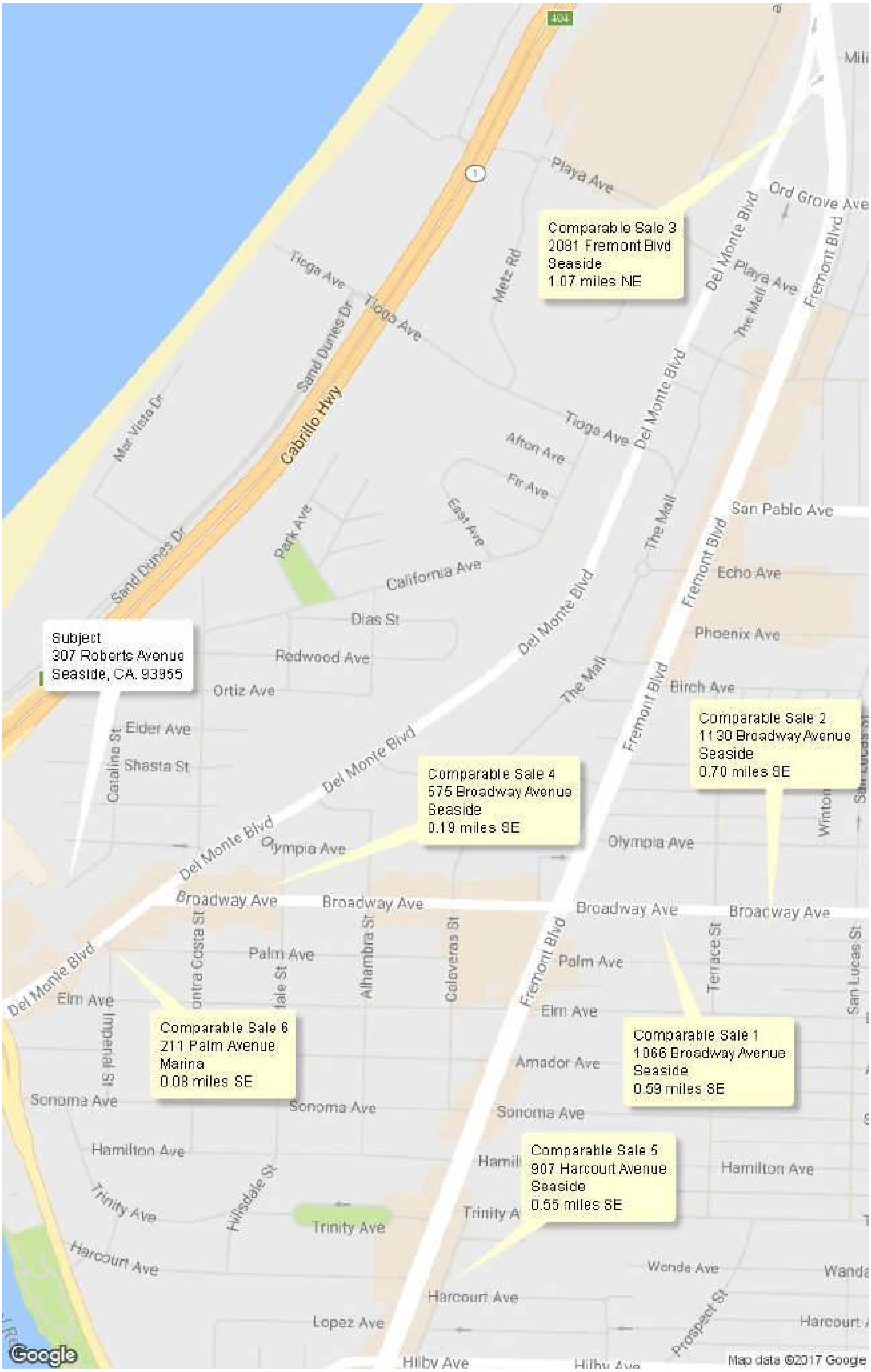
PLAT MAP

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955



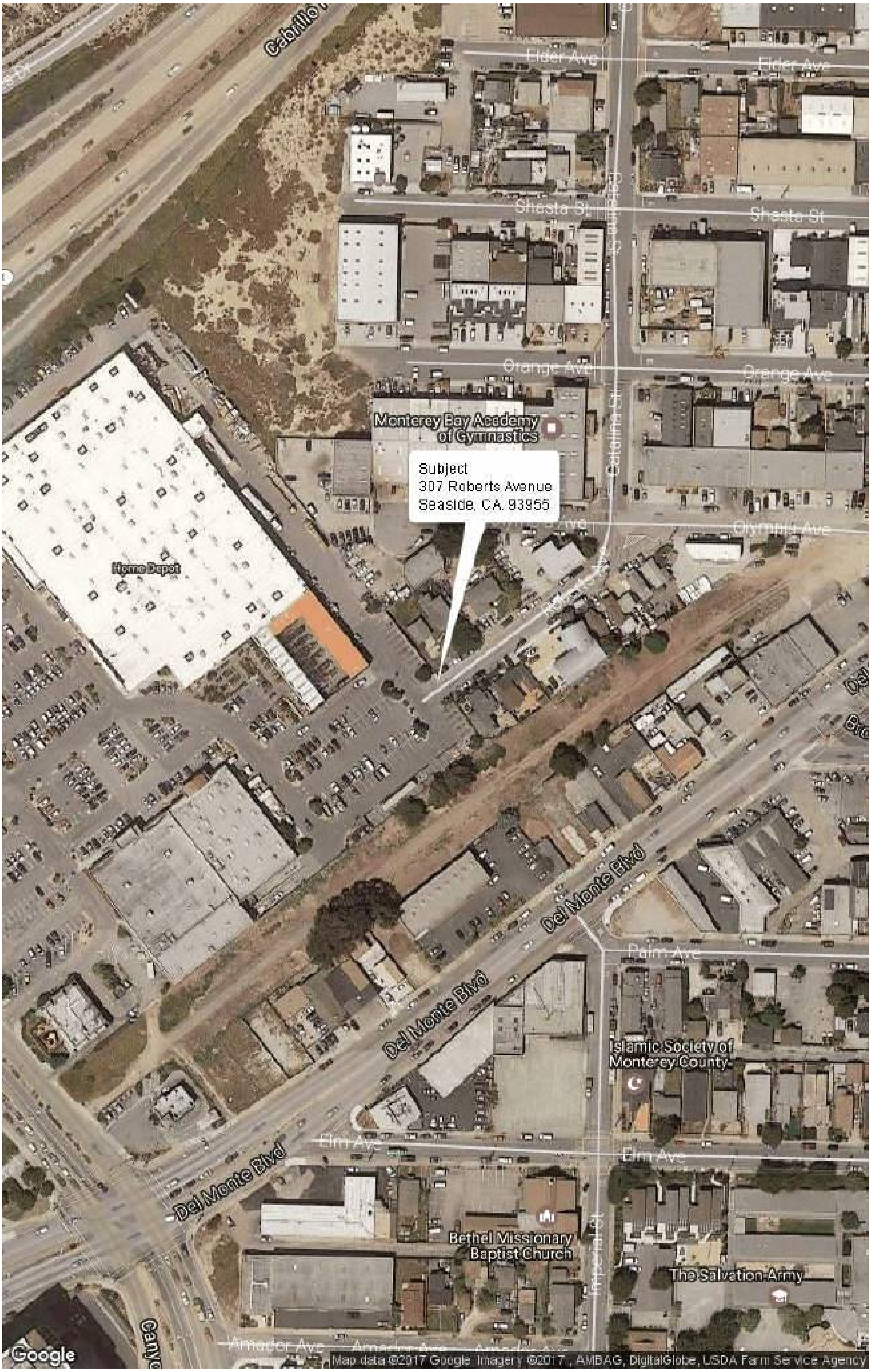
LOCATION MAP

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955



AERIAL MAP

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955



FLOOD MAP

Client: Andy Runnoe		File No.: 307 Roberts 1-17	
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000	
City: Seaside	State: CA.	Zip: 93955	

Flood Map Report

For Property Located At

CoreLogic®
RealQuest® Professional

ROBERTS AVE, SEASIDE, CA 93955-3527

Report Date: **12/14/2016**

County: **MONTEREY, CA**

Flood Zone Code	Flood Zone Panel	Panel Date
X500	060203 - 06053C0326G	04/02/2009
Special Flood Hazard Area (SFHA)	**Within 250 ft. of multiple flood zones?**	**Community Name**
Out	Yes (X,X500)	SEASIDE

Flood Zone Description:

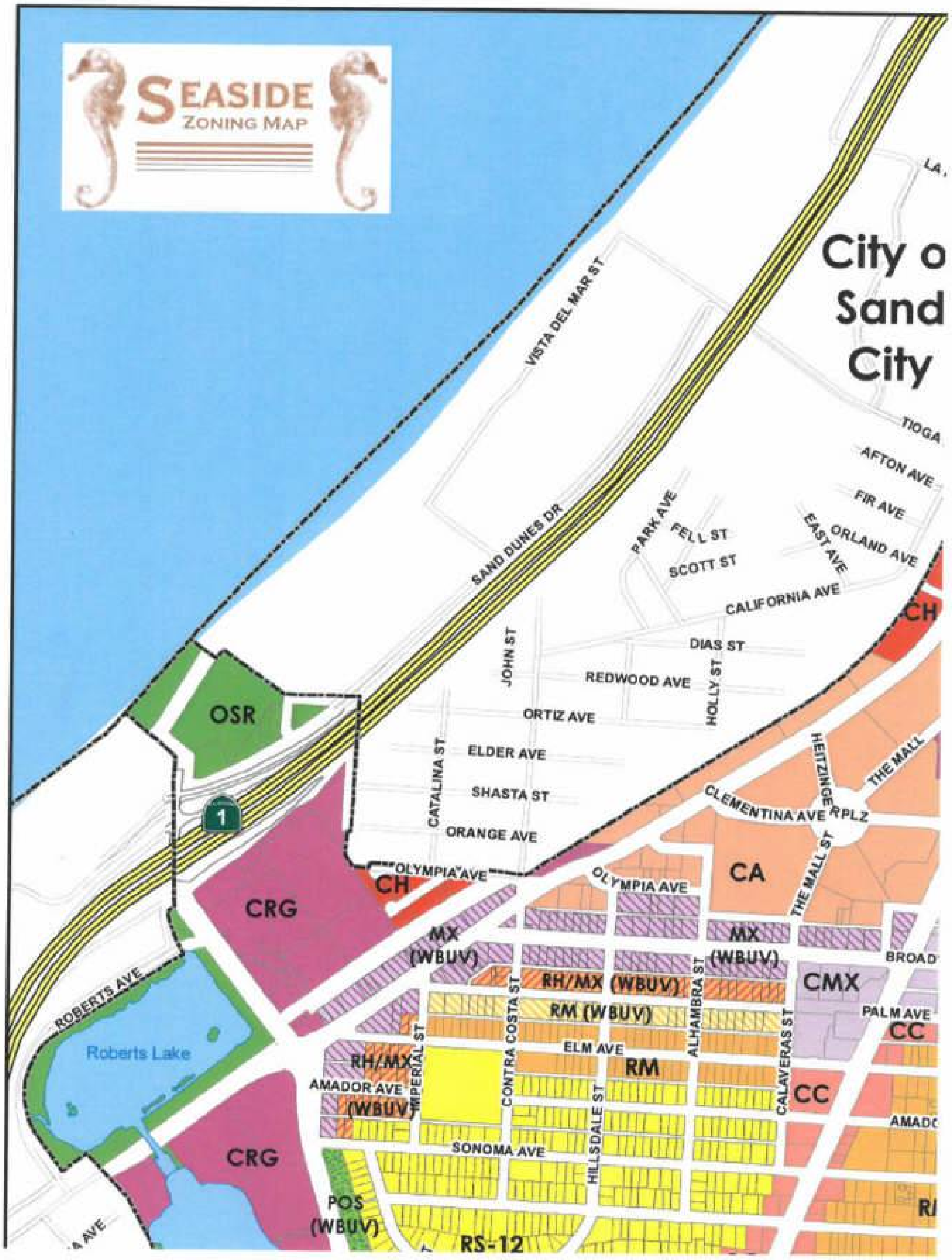
Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.

Flood Zones

- Coastal 100-year Floodway
- 100-year Floodway
- Undetermined
- 500-year Floodplain incl. levee protected area
- Coastal 100-year Floodplain
- 100-year Floodplain
- Unknown or Area Not Included
- Out of Special Flood Hazard Area

ZONING MAP

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955



Client: Andy Runnoe	File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue	Case No.: 011-561-035-000
City: Seaside	State: CA. Zip: 93955

F. **CH (Heavy Commercial) zone.** The CH zone is applied to areas of the City suitable for wholesale, heavy commercial, and light industrial uses that which are best suited away from areas regularly generating large amounts of pedestrian traffic. The maximum floor area ratio (FAR) is 0.5. The CH zone implements and is consistent with the Heavy Commercial (HC) land use designation of the General Plan.

17.24.030 - Commercial Zone Land Uses and Permit Requirements

A. **General permit requirements.** Table 2-4 identifies the uses of land allowed by this Zoning Ordinance in each Commercial zone, and the planning permit required to establish each use, in compliance with Section 17.20.030 (Allowable Land Uses and Planning Permit Requirements).

B. **Requirements for certain specific land uses.** Where the last column in Table 2-4 ("Specific Use Regulations") includes a section number, the referenced section may affect whether the use requires a Zoning Clearance, Minor Use Permit, or Use Permit, and/or may establish other requirements and standards applicable to the use.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

TABLE 2-4 Allowed Land Uses and Permit Requirements for Commercial Zones		
	P	Permitted Use, Zoning Clearance required
	MUP	Minor Use Permit required (see Section 17.52.070)
	UP	Use Permit required (see Section 17.52.070)
	S	See cited Section for permit requirement
	—	Use not allowed

LAND USE (1)	CD	CMX	CC	CRG	CA	CH	Specific Use Regulations
INDUSTRY, MANUFACTURING & PROCESSING, WHOLESALING							
Laboratory - Analysis, research and development, testing	—	—	—	—	—	P	
Laundry, dry cleaning plant	—	—	—	—	—	P	
Manufacturing/processing – Light	—	—	—	—	—	P	
Printing and publishing	—	—	—	—	—	P	
Recycling - Reverse vending machine	—	—	UP	UP	—	MUP	17.42.170.B
Recycling - Small collection facility	—	—	—	—	—	MUP	17.42.170.C
Recycling - Large collection facility	—	—	—	—	—	MUP	17.42.170.D
Research and development (R&D)	—	—	—	UP	—	P	
Storage - Outdoor contractors storage	—	—	—	—	—	UP	
Storage - Personal storage facility (mini-storage)	—	—	—	—	—	UP	
Storage - RVs, boats	—	—	—	—	—	UP	
Storage - Warehouse, indoor storage	—	—	—	—	—	UP	
Wholesaling and distribution	—	—	—	—	—	UP	
RECREATION, EDUCATION & PUBLIC ASSEMBLY							
Adult oriented business	—	—	—	—	—	UP	17.40
Commercial recreation facility – Indoor	MUP	MUP	UP	UP	—	—	17.42.050
Commercial recreation facility – Outdoor	—	—	—	UP	—	—	
Conference/convention facility	—	—	—	UP	—	—	
Health/fitness facility	MUP	MUP	P	P	—	—	
Library, museum, art gallery	MUP	MUP	MUP	P	—	—	
Meeting facility, public or private	UP(2)	UP	UP	UP	—	UP	
School - Public or private, state accredited	—	—	—	UP	—	—	
School - Specialized education/training	UP(2)	UP	UP	UP	—	—	
Sports and entertainment assembly	—	UP	UP	UP	—	—	
Studio - Art, dance, martial arts, music, etc.	P	P	P	P	—	—	
Theater, cinema or performing arts	UP	UP	—	UP	—	—	

Key to Zoning District Symbols

CD	Downtown Commercial	CRG	Regional Commercial
CMX	Commercial Mixed Use	CA	Automotive Regional Commercial
CC	Community Commercial	CH	Heavy Commercial

Notes:

(1) See Article 7 for land use definitions.

(2) Use allowed only on second or upper floors; Office - Business/service may be allowed on ground floor with Minor Use Permit.

(3) Use allowed only on a site north of Light Fighter Drive.

(4) Use limited to the establishments existing in the City as of December 4, 2006.

Client: Andy Runnoe	File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue	Case No.: 011-561-035-000
City: Seaside State: CA.	Zip: 93955

TABLE 2-4 *(continued)*
Allowed Land Uses and Permit Requirements for Commercial Zones

P	Permitted Use, Zoning Clearance required
MUP	Minor Use Permit required (see Section 17.52.070)
UP	Use Permit required (see Section 17.52.070)
S	See cited Section for permit requirement
—	Use not allowed

LAND USE (1)	CD	CMX	CC	CRG	CA	CH	Specific Use Regulations
	PERMIT REQUIRED BY ZONE						
RESIDENTIAL							
Emergency/transitional shelter	—	UP	—	—	—	—	17.42.090
Home occupation	P	P	P	P	—	—	17.42.110
Mixed use project residential component	MUP(2)	MUP(2)	UP(2)	UP(2)	—	—	17.42.120
Residential care facility, 7 or more clients	—	—	UP	—	—	—	
RETAIL							
Alcoholic beverage sales	UP	UP	UP	UP	—	—	
Art, antique, and collectables stores	P	P	P	P	—	—	
Artisan shop	P	P	P	—	—	—	
Auto and vehicle rental	—	—	UP	UP	P	UP	
Auto and vehicle sales, new vehicles, w/accessory used sales	—	—	—	—	P	UP	
Auto and vehicle sales, used vehicles only	—	—	—	—	—	UP	
Auto parts sales with no installation services	—	—	—	UP	P(6)	P	
Auto restoration and sale, collectible cars	—	—	—	—	P	UP	
Bar/tavern	UP(4)	UP(4)	UP(4)	UP	—	—	
Big box retail	—	—	—	UP	—	—	
Building and landscape materials sales - Indoor	—	—	UP	P	—	P	
Building and landscape materials sales - Outdoor	—	—	UP	UP	—	P	
Construction and heavy equipment sales and rental	—	—	—	—	—	UP	
Convenience or liquor store	UP(4)	UP(4)	UP(4)	UP(4)	—	—	17.42.070
Drive-through retail	—	UP(4)	UP(4)	UP(4)	—	—	17.42.080
Drug store	P	P	P	P	—	—	
Equipment rental - Indoor	—	—	P	P	—	P	

Retail Trade uses continue on next page.

Key to Zoning District Symbols

CD	Downtown Commercial	CRG	Regional Commercial
CMX	Commercial Mixed Use	CA	Automotive Regional Commercial
CC	Community Commercial	CH	Heavy Commercial

Notes:

(1) See Article 7 for land use definitions.
(2) Use allowed only on second or upper floors; Office - Business/service may be allowed on ground floor with Minor Use Permit.
(3) Use allowed only on a site north of Light Fighter Drive.
(4) Use limited to the establishments existing in the City as of December 4, 2006.
(5) Beauty and nail salons limited to the existing as of December 4, 2006.
(6) Only allowed as an accessory use to a new car sales agency.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

TABLE 2-4 *(continued)*
Allowed Land Uses and Permit Requirements for Commercial Zones

P	Permitted Use, Zoning Clearance required
MUP	Minor Use Permit required (see Section 17.52.070)
UP	Use Permit required (see Section 17.52.070)
S	See cited Section for permit requirement
—	Use not allowed

LAND USE (1)	PERMIT REQUIRED BY ZONE						Specific Use Regulations
	CD	CMX	CC	CRG	CA	CH	
RETAIL (Continued)							
Equipment rental - With outdoor storage	—	—	—	—	—	UP	
Fuel dealer (propane for home and farm use, etc.)	—	—	—	—	—	UP	
Furniture, furnishings and appliance store	P	P	P	P	—	P	
Gas station	—	—	UP	UP	—	UP	17.42.210
General retail - 5,000 sf or larger	MUP	MUP	P	P	—	—	
General retail - Less than 5,000 sf	P	P	P	P	—	—	
Grocery or specialty food store - 5,000 sf or larger	P	P	UP	P	—	—	
Grocery or specialty food store - Less than 5,000 sf	P	P	P	P	—	—	
Mobile home, boat, or RV sales	—	—	—	—	—	UP	
Motorcycle sales, new, with accessory used sales	—	—	—	—	P	UP	
Night club	UP	UP	UP(4)	UP(4)	—	—	
Outdoor retail sales and activities	P	P	P	P	—	—	17.42.150
Restaurant, café, coffee shop - Table service	P	P	P	P	—	P	
Restaurant, café, coffee shop - Counter service	UP	UP	UP	UP	—	—	
Restaurant - Fast food	—	UP	—	UP	—	—	
Speculative retail building	UP	UP	UP	UP	—	—	
Shopping center	—	UP	UP	UP	—	—	
Second hand store	—	—	P(4)	—	—	—	
Winery/Wine Tasting	MUP	MUP	MUP	MUP	—	—	

Key to Zoning District Symbols

CD	Downtown Commercial	CRG	Regional Commercial
CMX	Commercial Mixed Use	CA	Automotive Regional Commercial
CC	Community Commercial	CH	Heavy Commercial

Notes:

(1) See Article 7 for land use definitions.
(2) Use allowed only on second or upper floors; Office - Business/service may be allowed on ground floor with Minor Use Permit.
(3) Use allowed only on a site north of Light Fighter Drive.
(4) Use limited to the establishments existing in the City as of December 4, 2006.
(5) Beauty and nail salons limited to the existing as of December 4, 2006.
(6) Only allowed as an accessory use to a new car sales agency.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

TABLE 2-4 *(continued)*
Allowed Land Uses and Permit Requirements for Commercial Zones

P	Permitted Use, Zoning Clearance required
MUP	Minor Use Permit required (see Section 17.52.070)
UP	Use Permit required (see Section 17.52.070)
S	See cited Section for permit requirement
—	Use not allowed

LAND USE (1)	PERMIT REQUIRED BY ZONE CD	CMX	CC	CRG	CA	CH	Specific Use Regulations
SERVICES - BUSINESS, FINANCIAL, PROFESSIONAL							
ATM	P	P	P	P	P	P	
Bank, financial services	P	P	P	P	—	—	
Business park	—	—	—	UP	—	—	
Business support service	P	P	P	P	—	—	
Medical services - Doctor office	MUP(2)	MUP(2)	P	—	—	—	
Medical services - Clinic, lab, urgent care	UP	UP	P	UP	—	—	
Medical services - Hospital	—	—	—	UP(3)	—	—	
Medical services - Veterinary clinic, no boarding	—	—	UP	—	—	UP	
Medical services - Veterinary clinic, animal hospital, with boarding	—	—	—	—	—	UP	
Office - Accessory	P	P	P	P	P	P	
Office - Business/service	P(2)	P	P	P	—	P	
Office - Government	—	P	UP	—	—	—	
Office - Processing	—	P	—	P(3)	—	—	
Office - Professional/administrative	P(2)	P	P	P	—	—	

Key to Zoning District Symbols

CD	Downtown Commercial	CRG	Regional Commercial
CMX	Commercial Mixed Use	CA	Automotive Regional Commercial
CC	Community Commercial	CH	Heavy Commercial

Notes:
(1) See Article 7 for land use definitions.
(2) Use allowed only on second or upper floors; Office - Business/service may be allowed on ground floor with Minor Use Permit.
(3) Use allowed only on a site north of Light Fighter Drive.
(4) Use limited to the establishments existing in the City as of December 4, 2006.
(5) Beauty and nail salons limited to the existing as of December 4, 2006.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

TABLE 2-4 *(continued)*
Allowed Land Uses and Permit Requirements for Commercial Zones

P	Permitted Use, Zoning Clearance required
MUP	Minor Use Permit required (see Section 17.52.070)
UP	Use Permit required (see Section 17.52.070)
S	See cited Section for permit requirement
—	Use not allowed

LAND USE (1)	PERMIT REQUIRED BY ZONE						Specific Use Regulations
	CD	CMX	CC	CRG	CA	CH	
SERVICES - GENERAL							
Catering service	—	—	MUP	MUP	—	P	
Child day care center	UP(2)	UP(2)(6)	UP	UP	—	—	
Construction Contractor Base	—	—	—	—	—	P	
Drive-through service	—	—	UP(4)	UP(4)	—	—	
Kennel, animal boarding	—	—	—	—	—	UP	
Lodging - Hotel or motel	—	—	UP	UP	—	—	
Maintenance facility	—	—	—	—	—	UP	
Maintenance service - Client site services	—	—	—	—	—	P	
Mortuary, funeral home	—	—	UP	—	—	—	
Personal services	P(5)	P(5)	P(5)	P(5)	—	—	
Personal services - Restricted	—	—	—	—	—	UP	
Public safety facility	UP	UP	UP	UP	UP	UP	
Repair service - Equipment, large appliances, etc.	—	—	—	—	—	P	
Social service organization	—	UP	UP	—	—	—	
Therapeutic Massage	UP	UP	UP	—	—	—	
Vehicle services - Major repair/body work	—	—	—	—	UP	P	
Vehicle services - Minor maintenance/repair	—	—	—	—	UP	P	
TRANSPORTATION, COMMUNICATIONS & INFRASTRUCTURE							
Ambulance, taxi, or limousine dispatch facility	—	—	—	—	—	UP	
Broadcasting studio	MUP(2)	MUP(2)	MUP	—	—	MUP	
Parking facility, public or commercial	UP	UP	UP	UP	UP	UP	
Telecommunications facility	S	S	S	S	S	S	17.44
Transit station or terminal	UP	UP	—	UP	—	UP	
Utility facility	UP	UP	UP	UP	UP	UP	
Vehicle storage	—	—	—	—	—	UP	

Key to Zoning District Symbols

CD	Downtown Commercial	CRG	Regional Commercial
CMX	Commercial Mixed Use	CA	Automotive Regional Commercial
CC	Community Commercial	CH	Heavy Commercial

Notes:
(1) See Article 7 for land use definitions.
(2) Use allowed only on second or upper floors; Office - Business/service may be allowed on ground floor with Minor Use Permit.
(3) Use allowed only on a site north of Light Fighter Drive.
(4) Use limited to the establishments existing in the City as of December 4, 2006.
(5) Beauty and nail salons limited to the existing as of December 4, 2006.
(6) Use may be approved on street-fronting ground floor in a CMX zone on a local street.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

17.24.040 - Commercial Zone Subdivision Standards

A. Each subdivision shall comply with the minimum parcel size requirements shown in Table 2-5 for the applicable zone.

B. The minimum parcel size requirements for a specific subdivision are determined by the review authority as part of subdivision approval. The review authority may require one or more parcels within a specific subdivision to be larger than the minimums required by this table based on potential environmental impacts, the physical characteristics of the site or surrounding parcels, and/or other factors.

C. A condominium or other common interest project may be subdivided with smaller parcels for ownership purposes, with the minimum lot area determined through subdivision review, provided that the overall development site complies with the minimum parcel size, and the total number of any allowed dwellings complies with the maximum density for the applicable zone.

TABLE 2-5 - MINIMUM PARCEL SIZE STANDARDS

Zone	Minimum Parcel Size	
	Minimum Area	Minimum Width
CD	4,000 sf	40 ft
CMX	4,000 sf	40 ft
CC	4,000 sf	40 ft
CRG	20,000 sf	100 ft
CA	None	None
CH	12,000 sf	100 ft

17.24.050 - Commercial Zone Site Planning and Building Standards

A. **General standards.** Subdivisions, new land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Table 2-6 in addition to the applicable development standards (e.g., landscaping, parking and loading, etc.) in Article 3.

Client: Andy Runnoe	File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue	Case No.: 011-561-035-000
City: Seaside State: CA.	Zip: 93955

TABLE 2-6 - COMMERCIAL ZONE DEVELOPMENT STANDARDS

Development Feature	Requirement by Zone		
	CD Commercial Mixed Use	CMX Commercial Mixed Use	CC Community Commercial
Residential density	*Maximum number of dwelling units allowed in a project. The actual number of units allowed will be determined by the City through subdivision or planning permit approval, as applicable.*		
Maximum density	1 dwelling unit for each 1,742 sf of site area.	1 dwelling unit for each 1,742 sf of site area.	1 dwelling unit for each 1,742 sf of site area.
Setbacks	*Minimum setbacks required for primary structures. See Section 17.30.100 for exceptions to these requirements.*		
Front	0 ft (none allowed)	0 ft (none required)	0 ft (none required)
Side - Interior	0 ft (none required)	0 ft (none required)	0 ft (none required)
Side - Street side	0 ft (none allowed)	0 ft (none required)	0 ft (none required)
Rear	0 ft (none required)	0 ft (none required)	0 ft (none required)
Floor area ratio (FAR)	*Maximum floor area ratio allowed (2).*		
Maximum FAR	2.0	2.0	2.0 in Broadway Corridor Specific Plan area; 0.50 elsewhere.
Site coverage	*Maximum percentage of the total lot area that may be covered by structures and pavement.*		
Maximum coverage	100%, see Section 17.30.040.C and D.	90%, see Section 17.30.040.C and D.	90%
Height limit	*Maximum allowable height of structures. See Section 17.30.030 (Height Limits and Exceptions) for height measurement requirements, and height limit exceptions.*		
Maximum height	Lesser of 4 stories or 48 ft	Lesser of 4 stories or 48 ft	Lesser of 4 stories or 48 ft
Fencing	See Section 17.30.020 (Fences, Walls, and Screening)		
Landscaping	See Section 17.30.040 (Landscaping Standards)		
Parking	See Chapter 17.34 (Parking and Loading)		
Signs	See Chapter 17.38 (Signs)		

Notes:

(1) See Section 17.30.100 for setback requirement on a block with existing development.

(2) Area within parking garages is not included in calculation.

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

TABLE 2-6 - COMMERCIAL ZONE DEVELOPMENT STANDARDS

Development Feature	Requirement by Zone		
	CRG Regional Commercial	CA Automotive Regional Commercial	CH Heavy Commercial
Residential density	*Maximum number of dwelling units allowed in a project. The actual number of units allowed will be determined by the City through subdivision or planning permit approval, as applicable.*		
Maximum density	No residential allowed	No residential allowed	No residential allowed
Setbacks	*Minimum setbacks required for primary structures. See Section 17.30.100 for exceptions to these requirements.*		
Front	0 ft (none required); except as required by 17.24.070 in the Coastal Zone.	See Section 17.24.080	10 ft
Side - Interior	30 ft total, 18 ft minimum on one side and 12 ft minimum on the other.	None required	None required
Side - Street side	Same as front	None required	None required
Rear	0 ft (none required); except as required by 17.24.070 within the Coastal Zone.	None required	None required
Floor area ratio (FAR)	*Maximum floor area ratio allowed. Does not include area within parking garages.*		
Maximum FAR	3.0 for hotels; 1.0 for other uses.	1.0	0.50
Site coverage	*Maximum percentage of the total lot area that may be covered by structures and pavement.*		
Maximum coverage	90%, see Section 17.30.040.C and D.	40%, exclusive of carport-type display structures.	90%
Height limit	*Maximum allowable height of structures. See Section 17.30.030 (Height Limits and Exceptions) for height measurement requirements, and height limit exceptions.*		
Maximum height	Lesser of 6 stories or 72 ft	50 ft	Lesser of 3 stories or 36 ft
Fencing	See Section 17.30.020 (Fences, Walls, and Screening)		
Landscaping	See Section 17.30.040 (Landscaping Standards)		
Parking	See Chapter 17.34 (Parking and Loading)		
Signs	See Chapter 17.38 (Signs)		

Client: Andy Runnoe		File No.: 307 Roberts 1-17
Property Address: 307 Roberts Avenue		Case No.: 011-561-035-000
City: Seaside	State: CA.	Zip: 93955

In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, ~~Stephen Brown Associates, Inc.,~~ at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

SELLER'S INITIALS   **BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is 20 days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey

Carpenter/Robbins
Commercial Real Estate, Inc.

May 3, 17, 12:02 PM

RE: 307 Roberts Appraisal – January 10,2017

Kurt Overmeyer
Economic Development Manager
City of Seaside Economic Development
440 Harcourt Ave
Seaside, CA 93955

Dear Kurt:

In reviewing the above appraisal, while we agreed with methodology used, we found several items in the assumptions of the adjustments that suggest further review in my professional opinion.

Having done an extensive study of the commercial land market since 2009 while representing the VA in their acquisition of the site for the new VA Clinic in Marina, it appears there has been little appreciation of land due to a very slow demand for commercial sites in the Monterey Peninsula. A more conservative approach to the *Time/Adjustment* impact would result if the CPI for SF Area Feb. 2017 were used, which is probably more optimistic than the Monterey Peninsula specific area. The current CPI Index for San Francisco Area is attached.

Land Sale Comparable

Comparable No.1 –
Time/ Adjustment –. As noted above, this would result in an adjustment to No. 1 of 11.3% or $2.27 vs. $5.83
Location – This site appears superior, not “equal” to the subject. The subject is located on a back street behind the yard space of a large retailer in an area of semi-industrial uses and a small lane road in poor condition. The comparable is located on a major thoroughfare next to retail. Thus the adjustment should be a deduction from the comparable property such as . No. 3 which uses a $3.35 deduct,
Other – Comparable No. 2 & 3 have minor adjustment for lack of utilities, ($2.27 and 5.07) while the No.1 is $15.23. No. 1 should be consistent and we suggest using the lower No.3 at $5.07.

3160 Crow Canyon Road, Suite 200, San Ramon, CA 94583 ~ www.crcre.com
Phone: (925) 866-1300 ~ Fax (925) 866-1306 ~ DRE#01280981

Carpenter/Robbins
Commercial Real Estate, Inc.

Comparable No. 2
*Time/ Adjustment –*As noted above, this would result in an adjustment to No. 2 of 16.7% or $0.87 vs. $3.07.
Location – This site appears superior, not "equal" to the subject. The subject is located on a back street behind the yard space of a large retailer in an area of semi-industrial uses and a small lane road in poor condition. The comparable is located on a major thoroughfare next to retail. Thus, the adjustment should be a deduction from the comparable property such as.No. 3 which uses a $3.35 deduct,
Site/View – While the comparable is larger, in sites of this size both would be considered small, so the suggested adjustment of $15 might be questioned. It would appear a value of $10 might be more reasonable.

Comparable No. 3
Time/ Adjustment –. As noted above, this would result in an adjustment to No.3 of 13.7% or $2.29 vs. $6.19.

Improved Comparable

Comparable No. 4,5 and 6 - The subject property structure is functionally obsolete, in fact its beyond repair and dangerous to enter, whereas the three properties are all structures with fully functional and usable buildings.

The evaluations of each comparable considers cost of demolition, however, as the structures are all economical functional, the land value should be adjusted by also subtracting the cost of construction of the structures to arrive at a residual land value. Using $200 SF for construction would result in a lower valuation on each property in the category "Plans and Permits". An adjustment of -$17.50 on Comparable 4 would leave a land value of $7, an adjustment of -$16.12 on Comparable 5 would leave a land value of $10.82 and an adjustment of -$5.09 on Comparable 6 would leave a land value of $19.97 (Noting No. 6 is a listing, not a sales price).

Attached is a replication of the Market Data Analysis to illustrate the impact each of the above suggestions would have. I suggest the appraiser be requested to review the assumption and the eventual valuation of the subject property.

Sincerely,

John Robbins

John Robbins
Principal, SIOR, FRICS

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

Bradley Zeve and Andy Runnoe
("Buyer")

TABLE OF CONTENTS

Page

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between Bradley Zeve and Andy Runnoe("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 307 Roberts Avenue together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within five (5) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 796-3452 Email: Kim.Verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is seven (7) days after the expiration of the Due Diligence Period, as defined in Section 5 below ("Outside Closing Date").

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of _Seventy Five Thousand Dollars ($75,000.00) ("Purchase Price").

Seller acknowledges having received the sum of One Thousand Dollars ($1,000.00) from Buyer (the "Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price.

In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 <u>ET SEQ</u>. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 <u>Prorations</u>. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. <u>Title Insurance</u>.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is 20 days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is 45 days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils, water and electric and other utility connections, and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller Buyer shall also confirm that no gas station has been on Property. All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar

proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

____
Buyer's Initials

12. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:	Bradley Zeve and Andy Runnoe 668 Williams Avenue Seaside, CA 93955 (831) 601-5678 bradley@mcweekly.com
Buyer Broker:	David J. Zeve 2716 Hilltop Drive Newport Beach, CA 92660
Seller:	Successor Agency to the Redevelopment Agency of the City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: Executive Director

Seller Broker: Carpenter/Robbins Commercial Real Estate, Inc.
3160 Crow Canyon Road, Suite 200
San Ramon, CA 94583
Attn: John Robbins/Alyce Rados

Escrow Holder:
Chicago Title Company
250 Bonifacio Place
Monterey, CA 93940
(831) 796-3452
Attn: Kimberly Verania

13. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. David J. Zeve is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to David J. Zeve at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

14. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

15. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

16. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

17. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

18. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

19. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

24. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
BRADLEY ZEVE AND ANDY RUNNOE

____

____

By: ___________________________

Print Name: ____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Approved as to Form____________________

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Inventory Information
Parcel Data

APN: 011-561-035-000

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ___________________

____

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This document is exempt from the
payment of a recording fee pursuant to
Government Code Section 27383

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Grantor") hereby grants to _____________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $___________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
SEASIDE

By: ___________________________
Print Name: ____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature___________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. **BRE #** 01280981

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT:____ **BRE#** **00418143**

(PRINTED NAME) John Robbins **is the agent of (check one):**

(SIGNED) AGENT:__________________________________ **BRE#** **01169743**

(PRINTED NAME) Alyce H. Rados

BUYER AGENT:

(SIGNED) AGENT:____ ***BRE#***

(PRINTED NAME): ***David J. Zeve***

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real

property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent)Carpenter/Robbins Commercial Real Estate, Inc.is the agent of (check one): (x) the seller exclusively; or ( ) both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one): (x) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:__307 Roberts Avenue, Seaside, CA_

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. **BRE #** 01280981

(SIGNED) AGENT:______________________________ **BRE#** **_______00418143**

(PRINTED NAME)___John Robbins________________________ **is the agent of (check one):**

(SIGNED) AGENT:______________________________ **BRE#__01169743____________**

(PRINTED NAME)__Alyce H. Rados__________________________**is the agent of (check one):**

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:____ **BRE #** ____________________

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT:____ **BRE#**_______
____

(PRINTED NAME)____**is the agent of (check one):**

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__

PRINT NAME: ___Bradley Zev and Andy Runnoe_______

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.B.

TO:	Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Seaside
FROM:	Craig Malin, City Manager
BY:	Kurt Overmeyer, Economic Development Manager
DATE:	May 22, 2017
SUBJECT:	**ADOPT A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ALL DOCUMENTS REQUIRED TO COMPLETE THE SALE OF 1533-1535 DEL MONTE AVENUE (APN: 011-301-007) AS REQUIRED BY THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP)**

PURPOSE

Adopt a resolution authorizing the Executive Director or designee to execute all documents required to finalize the sale of 1533-1535 Del Monte Blvd. (APN: 011-301-007) to Joshua Hagaman. The sale of this property is required by the Successor Agency's adopted Long Range Property Management Plan (LRPMP).

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution authorizing the Executive Director or Designee to execute all documents required to finalize the sale of 1533-1535 Del Monte Blvd. (APN: 011-301-007) to Joshua Hagaman.

BACKGROUND

In July of 2016, the Successor Agency engaged Carpenter-Robbins, a California Real-Estate brokerage, to assist the Successor Agency in marketing the six properties listed as "For Sale" in the Long Range Property Management Plan. Starting in August, Carpenter-Robbins actively marketed these properties throughout the region and state as well as listing them on various websites that catalog properties available for sale nationally and internationally. The Successor Agency received one offer on this property for $21,000. The Successor Agency entered into a Purchase and Sale agreement with the bidder on December 5, 2016.

The buyer ordered an appraisal on the property. This appraisal valued the property at $70,000, however, after a significant marketing effort by a third party broker, no offers near this price were received. Typically, appraisals are used to estimate the value of a property, but the actual value is set by an arms-length, open market bidding process. Given the disparity between the appraised value of the property and the appraisal, both staff and the real-estate firm's analysis conclude that this offer is likely the highest offer possible at this time, even if the property were to be marketed for an additional three month period. Given this properties size, staff analysis concludes that little or no development can occur on this parcel under its current zoning. As a result, the parcel is only valuable to the neighboring property owners that are in a position to assemble land. The offer is from Mr. Hagaman who owns an adjacent parcel.

The requirements of AB 26x and SB107 for disposing of property require that the Successor Agency attempt to receive the highest compensation possible. After reviewing the appraisal, the offers on the property, estimates of cost of demolition of the existing structures, and construction estimates for replacing these structures with a commercial structure as proposed by the buyer, staff analysis concludes that the current offer of $21,000 is not likely to be exceeded by seeking additional offers. Given this situation, staff is recommending that the Oversight Board authorize the Executive Director or designee to execute all remaining documents required to finalize the sale of this property.

Proceeds of this sale, after direct expenses, will be disbursed to the various taxing entities at their current rate.

FISCAL IMPACT

ATTACHMENTS

1. Resolution
2. Appraisal for 1533-1535 Del Monte
3. Purchase and Sale Agreement

RESOLUTION NO. 17-XX

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OFTHE REDEVELOPMENT AGENCY TO THE CITY OF SEASIDE

AUTHORIZING THE SALE OF 1533-1535 DEL MONTE BOULEVARD TO JOSHUA HAGAMAN FOR THE MARKET VALUE OF $21,000.

RECITALS:

WHEREAS, The Successor Agency received an offer to purchase 1533-1535 Del Monte Boulevard (APN: 011-301-007) for the market price of $21,000 in October 2016.; and

WHEREAS, On December 5, 2016, the Successor Agency Board approved a purchase and sale agreement for this purchase; and

WHEREAS, The property will be used to provide a mixed use commercial building; and

WHEREAS, The buyer has completed their due diligence and are ready to close on the property, subject to Department of Finance review.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the Redevelopment Agency of the City of Seaside hereby authorizes the sale of the two single family homes at 1533-1535 Del Monte Boulevard to Joshua Hagaman for the market value and offer of $21,000.

PASSED AND ADOPTED at a Regular Meeting of the Agency Board this 22nd day of May, 2017.

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Sally Reed, Chair

ATTEST:

____
Lesley Milton-Rerig, Agency Secretary

AN APPRAISAL REPORT OF:

The 4,000 Square Foot Vacant Site
Located at 1533 Del Monte Boulevard
Seaside, CA

REQUESTED BY:

Mr. Kurt Overmeyer
Economic Development Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

DATE OF VALUE:

February 16, 2017

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

17011

Brigantino & Company
Real Estate Appraisers, Brokers & Consultants

March 14, 2017

Mr. Kurt Overmeyer
Economic Development Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

Dear Mr. Overmeyer:

In response to your request, I have prepared an appraisal report of the 4,000 square foot site, located at 1533 Del Monte Boulevard, Seaside, 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 February 16, 2017, and subject to the assumptions and limiting conditions set forth in the following report, the current market value of the subject property is:

$70,000 “As Is”
SEVENTY 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

TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS

DATE OF VALUE:	February 16, 2017
DATE OF VIEWING:	February 16, 2017
DATE OF REPORT:	March 14, 2017
PROPERTY LOCATION:	1533 Del Monte Boulevard, Seaside, California
ASSESSOR'S PARCEL NUMBER:	011-301-007
GROSS LAND AREA:	Approximately 4,000 square feet, according to the assessor's parcel map
USABLE LAND AREA:	Approximately 4,000 square feet
BUILDING IMPROVEMENTS:	None
ACCESS:	Del Monte Boulevard frontage
PROPERTY RIGHTS APPRAISED:	Fee Simple
OWNERSHIP:	Redevelopment Agency of the City of Seaside
LAND USE CONTROLS:	Zoning: MX – Mixed Use General Plan: RGC – Regional Commercial
ESTIMATED MARKET VALUE:	**$70,000 "As Is"**
EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:	See item 11 of assumptions and limiting conditions.

PROPERTY IDENTIFICATION AND LOCATION

The subject property contains a gross land area of approximately 4,000 square feet, according to the assessor's parcel map. The address is shown to be 1533 Del Monte Boulevard, Seaside, California. It is further identified as Monterey County assessor's parcel number 011-301-007.

LEGAL DESCRIPTION

The legal description, supplied by the Monterey County Assessor's office, is listed as Vista Del Rey Tract, Lot 8, Block 11.

A completely accurate plotting of the legal description goes beyond the scope of this appraisal. No guarantee is given in regards to the accuracy of the description. A qualified surveyor or engineer should be used for an accurate plotting of the legal description.

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:	City of Seaside
Intended User:	City of Seaside
Intended Use:	To assist with the possible sale of the property

This appraisal is made at the request of Mr. Kurt Overmeyer, City of Seaside. 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 sale 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 February 16, 2017, the date of observation of the subject property.

OWNERSHIP HISTORY

According to the assessor's data sheet, title to the subject property is currently held in the name of Redevelopment Agency of the City of Seaside. Title to the property has remained relatively unchanged and it has not been formally listed for sale during the past three years.

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 assessor's parcel map is relied upon for identification of the subject property. Assessor's maps are not the most accurate form of identification. A legal survey of the property would be the most accurate. Furthermore, multiple legal and separately salable parcels may exist within one single assessor's parcel, or one separate legal parcel may be composed of several separate assessor's parcels. **Caution:** The appraiser is not qualified to determine the number of separate legal parcels that may exist, nor is the appraiser a qualified land surveyor. The client is encouraged to have the property surveyed and to obtain a qualified legal opinion regarding boundary lines and potential separate legal parcels. The appraised value of the property could be significantly different, if the legal parcel status or boundary lines of the property are significantly different than indicated by the assessor's map.

Property Observation: An on-site observation of the subject property was performed by the appraiser on February 16, 2017.

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, Direct 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 assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2012-2013 ed.)*

None.

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. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis. (USPAP, 2012-2013 ed.)*

None.

SUBJECT LOCATION MAP

MARKET AREA DESCRIPTION AND ANALYSIS

Seaside:

Seaside is located approximately 115 miles south of San Francisco, and 320 miles north of Los Angeles, in Monterey County. It is located on the Monterey Bay, adjacent to the communities of Sand City, Del Rey Oaks, and Monterey, towards the southern reach of the area known as the Monterey Peninsula, a popular tourist area.

From the 1930's through the 1960's the area boomed as the Fort Ord military installation expanded its activities and population. The City of Seaside was granted a portion of the former Fort Ord, which was deactivated in 1993. They picked up one elementary and one middle school in the process. Seaside now has five elementary schools, two middle schools, and one high school. Directly adjacent to the city, on the former Fort Ord property, is the campus of California State University Monterey Bay; community colleges are nearby in both Salinas and Monterey. City facilities include a library, a community center, a youth center, parks, miles of city-owned jogging/biking trails, and beaches. Additionally, Seaside is on the shores of the Monterey Bay National Marine Sanctuary, which has a wealth of available pursuits such as scuba diving, kayaking, sailing, and wildlife viewing.

The town comprises 8.89 square miles. Its population was 34,071, as of January 2016 (source: California Department of Finance). This population figure represents a 0.3% decrease over the January 2015 figure. Seaside has an average annual mean temperature of approximately 65 degrees, with an annual rainfall of 18.5 inches. The fog rolls in most afternoons, especially during the summer, raising the average annual humidity to 68.7%. Winter days are usually clear and bright.

Seaside has a Council-Manager form of government, comprised of five elected council members with the position of mayor rotated among them.

Seaside is served by the Monterey Airport, which is just minutes away and is directly off State Highway 1. Marina Municipal Airport, which was the former Fritzsche Army Airfield at Fort Ord, is nearby and serves private craft.

Seaside has some commercial development, mainly small family-owned businesses. However, the city has made moves to encourage the development of light industrial, office, and retail businesses. The city contains several motels and inns, although none are adjacent to the Monterey Bay shoreline - the reason being that the oceanfront dunes area was formerly owned and operated by the United States Army at Fort Ord as a firing range and military maneuvers area. However, Seaside is primarily a residential community and its economy is primarily related to tourism and local services.

Economy:

Seaside's economy is based mainly on tourism and local services. It is viewed as a more moderately priced alternative to hostelries in Monterey or Carmel. It has no major industrial base to speak of, and concentrates mainly on retail, small commercial, hostelry, restaurant, professional, and service industries.

The economic downturn that began at the end of 2000, coupled with the dramatic drop in travel after September 11, 2001, had a moderate to serious impact on tourism-oriented businesses in peninsula communities. An aggressive regional promotion program partnered by the County of Monterey and the Monterey County Travel & Tourism Alliance has been a factor contributing to the increases in revenue.

Seaside's unemployment rate is 10.2%, the highest unemployment rate of the Peninsula cities. Part of the unemployment rate may be attributable to the high university student population in the area.

Housing:

The amount of available housing in the City of Seaside had remained relatively steady for several years due to its lack of available building space for any additional residential development. However, this changed with the acquisition of the former Fort Ord land. Seaside Heights, the city's first development on this land, began in early 2004 and is considered a luxury home development. Additionally, The Dunes on Monterey Bay, in nearby Marina, began development but construction was temporarily halted due to the recent economic downturn. Construction continued recently.

Marina:

Marina is located approximately 110 miles south of San Francisco and 324 miles north of Los Angeles, in Monterey County. It is located on the Monterey Bay, between Castroville and Seaside, at the northernmost reach of the area known as the Monterey Peninsula, a popular tourist area.

The town comprises 8.7 square miles and its population for January 2016 was 20,982 (source: State of California Department of Finance). It has an average annual mean temperature of approximately 65 degrees, with an annual rainfall of 18.5 inches. The fog rolls in most afternoons, especially during the summer, raising the average annual humidity to 68.7%. Winter days are usually clear and bright.

Marina has a Council-Manager form of government, comprised of five elected council members with the position of mayor rotated among them.

Marina is served by the Monterey Airport, which is just minutes away and is directly off State Highway 1. Its own Marina Municipal Airport, which was the former Fritzsche Army Airfield at Fort Ord, serves private craft.

Marina has some commercial development, but very little industrial activity. However, the city has made moves to bring increased light industrial, office, and research and development-oriented businesses to the city by the development of the area surrounding its airport. When the University of California MBEST center is complete, there will be more than 25,000 square feet of new office and research and development space. The city contains a number of motels and inns, some adjacent to the Monterey Bay shoreline, including the more upscale Marina Dunes Resort, located directly on the beach. However, it is primarily a residential community and its economy is primarily related to tourism and local services.

Economy:

Marina's economy is based mainly on tourism and local services. It is generally viewed as a more moderately priced alternative to hostelries in Monterey or Carmel. It has no major industrial base to speak of and concentrates mainly on retail, small commercial, hostelry, restaurant, professional, and service industries.

The conversion of the former Fort Ord Army Base is proceeding well. The shutdown of the base initially had a negative impact on the area's economy, especially in Marina, but has since recovered in most of the affected communities. The development of the two golf courses on the base, the headquartering of a regional GAO office, and the opening and continuing expansion of the California State University Monterey Bay campus have exceeded initial expectations for the base conversion. The Economic Forecast states that the continuing expansion of the California State University Monterey Bay will bring in over $120 million annually to the local economy, and this amount is expected to increase in coming years.

Marina's unemployment rate is 7.5%, which is lower than the rate for Monterey County as a whole. Salinas has a higher unemployment rate, while Pacific Grove and Monterey have lower rates. Part of the unemployment rate may be attributable to the high university student population in the area.

Housing:

The amount of available housing in the City of Marina had remained steady for several years. However, several new residential developments in and around Marina are underway, which will significantly increase the amount of available housing. Marina is viewed as a more economical alternative to the higher housing prices found in Monterey, Pacific Grove, and Carmel.

New Development:

The continuing expansion of the California State University Monterey Bay will help drive retail and residential construction, such as the new Marina Landing Shopping Center. Both Marina Square and Seacrest Plaza shopping centers have had recent expansions. In 2000, the new Marina Dunes Resort opened with its more upscale accommodations. The University of California, Santa Cruz, began construction and development on nearly 1,000 acres, known as the Monterey Bay Educational Science and Technology Center (MBEST), which extends from the airport boundary to and down Reservation Road, and over to Blanco Road. The City of Marina offers low-interest small business loans to businesses wishing to locate in the city, with preference given to those businesses which will create new jobs. In the fall of 2000, the voters of the City of Marina voted against a general plan proposal, which would have allowed a large development on the Armstrong Ranch just north of town. A scaled-down development was approved. The last developable residential land within the city limits encompasses just under five acres and will contain 27 homes. However, the city, along with the county and state, have completed negotiations with the Army and the Fort Ord Reuse Authority over the development of the former Abrams Park Community housing area. Consensus seems to be that a combination of rehabilitation of some of these long-empty housing units along with new residential and commercial construction is the desired approach. A number of projects are underway:

The University Villages development was approved in July 2005 by the Fort Ord Reuse Authority (FORA). This large-scale development, on 420 acres, calls for:

- Development of 358 acres in three phases
- 1,129 homes and 108 apartments, of which 372 will be priced as affordable housing for low-income households
- Approximately 65 acres for retail uses, including regional retail stores at the 12th Street-Highway 1 interchange; total retail space could total 666,000 square feet
- Approximately 43 acres for business park use, totaling 661,000 square feet
- Approximately 16 acres for hotels, with a total of 500 rooms
- Approximately five acres for a cultural and arts district with galleries and shops
- Approximately 42 acres for parks, greenbelts, and recreation areas, including small neighborhood parks
- A “town square” with a main street

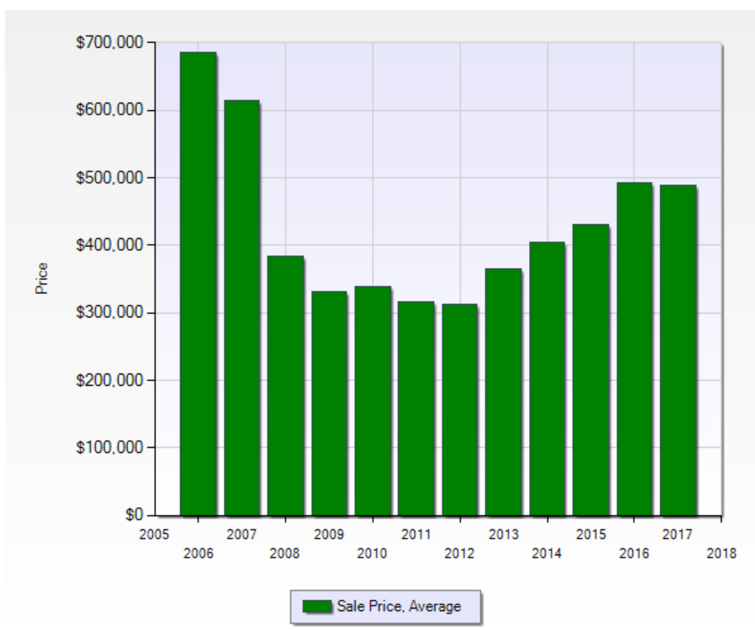
It is estimated that University Villages will eventually be home to more than 3,000 residents, and that stores, offices, and other businesses in the development could employ more than 4,000 people.

The Marina Heights development, which has started, will be a housing development on 247 acres, and will contain 1,050 single-family homes, with 192 affordable housing units.

Since the conversion of the former Fort Ord, which began with its closure in 1993, Marina has very actively pursued development possibilities on these former military properties. The airport is undergoing redevelopment and expansion. It has a full complement of fixed-based operations for support.

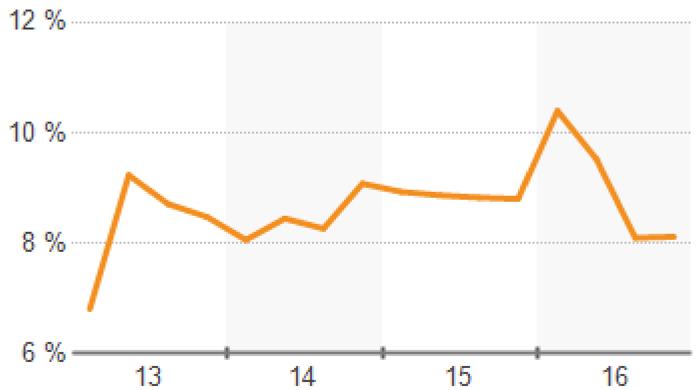
Real Estate Market Trends:

The following chart from MLSListings.com shows the average sale price for single family dwellings in Seaside and Marina through January 2017. In 2006, the average sale price was $685,099. However, by the end of 2012, this figure had decreased 54%, to $313,290. Since 2012, home prices have increased overall. As of January 2017, the average sale price has increased to $489,228. This indicates a 56% increase from the 2012 figure.



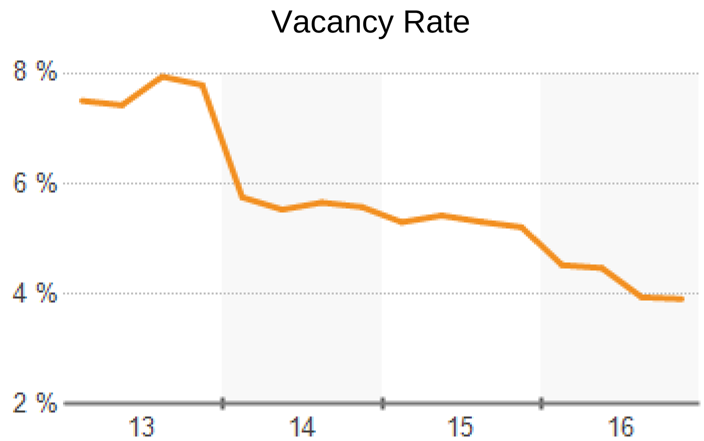
According to data provided by CoStar.com, the Monterey County office market is in a relatively stable trend overall. As shown on the following charts, the vacancy rate has generally fluctuated between 8% to 10% over the past three years. The asking rent per square foot has fluctuated as well, but has slightly decreased since 2013.

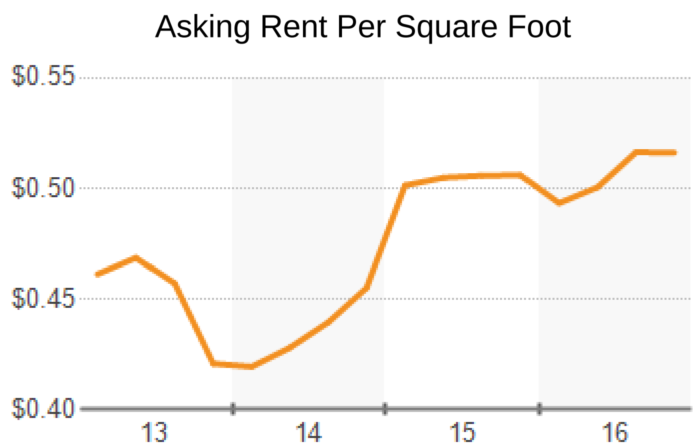
Vacancy Rate



Asking Rent Per Square Foot

The Monterey County industrial market is currently in an increasing trend. Vacancy rates have decreased significantly, while the asking rent per square foot has increased.



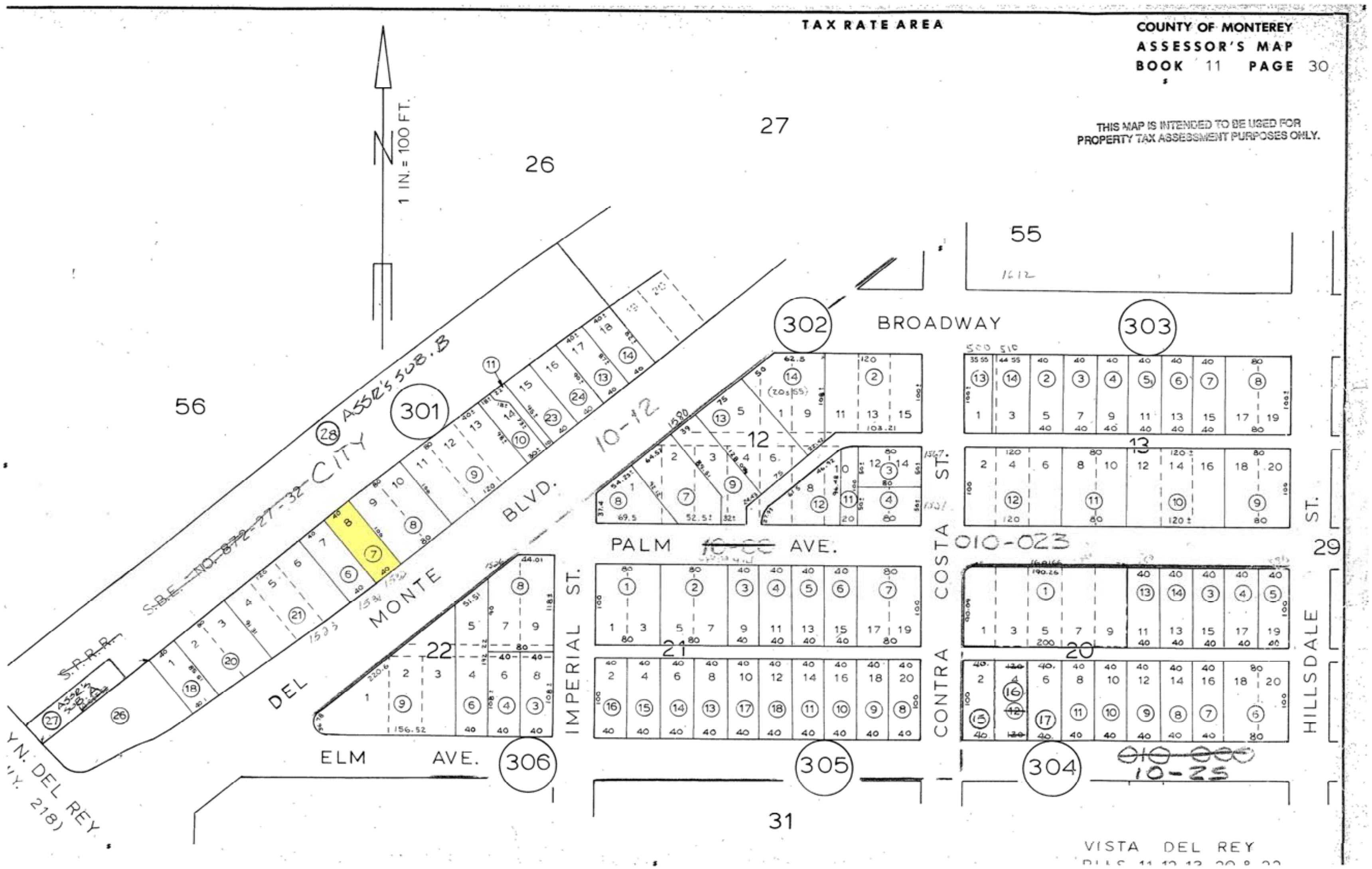


<u>Summary:</u>

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, has added a new dimension to their approach over the past few years.

The transformation of the former Fort Ord continues and bodes well for future development. The peninsula will continue to show high selling prices due to the lack of developable residential areas and the desirability of the area itself.

ASSESSOR'S PARCEL MAP



AERIAL PHOTOGRAPH

SUBJECT PROPERTY DESCRIPTION

The subject property is a rectangular shaped vacant site, situated on the northwest side of Del Monte Boulevard, approximately 450 feet east of Canyon Del Rey Boulevard. The subject contains a gross land area of approximately 4,000 square feet, according to the assessor's parcel map, and all of the site appears to be usable. The topography of the site is relatively flat and at street grade.

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:

The subject property has approximately 40 feet of frontage along Del Monte Boulevard.

Utilities:

Electricity, telephone, sewer, and water are developed within Del Monte Boulevard. Water service is not available to the parcel. Although the infrastructure is in place, there is no water allocation available for this parcel.

Soil:

The subject property is composed of a coarse textured, sandy loam type soil that is normal for the neighborhood.

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 06053C0326G, dated April 2, 2009 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 within the City of Seaside. According to the City of Seaside Planning Department, the subject is zoned MX – Mixed Use. In addition, the subject is designated RGC – Regional Commercial on the General Plan.

The Mixed Use zone is applied to areas of the City identified by the General Plan as appropriate for pedestrian and transit oriented activity centers.

The zoning and general plan are in conformance and are normal for the market area.

A use permit could be obtained by one of the adjoining owners for use of the parcel for parking, according to Rick Medina, Senior Planner, City of Seaside. However, any other party could not purchase the property and develop an independent parking or storage area.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use: *"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."*[1]

Highest and Best Use - As If Vacant: *"Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."*[2]

Highest and Best Use - As Improved: *"The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."*[3]

As If Vacant:

The highest and best use of the subject property, as if vacant, is for an investment holding or plottage purchase by one of the adjoining owners.

The subject parcel is relatively small for the neighborhood, at 4,000 square feet, and the street frontage is below normal at only 40 feet. These two factors significantly limit the number of physically possible uses for the site. There is no water allocation for the parcel, which means it cannot currently be developed. The lack of water has a significant diminutive affect on value based on the comparable sales discovered and analyzed.

Land use policies restrict use of the subject property to mixed use and/or regional commercial type uses. These policies are relatively normal and in good demand in the neighborhood.

The location on Del Monte Boulevard is prime for Seaside. Exposure to traffic and the proximity between commercial centers housing Embassy Suites, Home Depot and Costco is ideal.

---

[1] Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 93.

[2] Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 93.

[3] Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 94.

EXPOSURE TIME

“1) The time a property remains on the market. 2) The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market."[4]

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 property.

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

[4] Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 73.

DIRECT SALES COMPARISON APPROACH

The direct sales comparison approach is "the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."[5]

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 sales are analyzed based on the overall price as the unit of comparison. This is the most consistent unit of comparison.

Market support for adjustment amounts is based on matched sales pairings and/or industry data. The elements of comparison considered most by buyers are conditions of sale, financing, market conditions (time), location/access, site profile, site improvements, size, shape, utilities, and zoning. 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.

<u>Elements of Comparison:</u>

<u>Market Conditions (Time):</u>

This adjustment reflects the change in land values from the date of each sale transaction until the date of valuation. Commercial land prices have generally been stable to increasing over the past two years. Upward time adjustments are warranted in some cases.

<u>Location/Access:</u>

The location adjustment accounts for different locational characteristics such as distances to main transportation routes and commercial centers, access roads, elevation, climatic differences, and adjoining uses.

---

[5] Appraisal Institute, <u>The Dictionary of Real Estate Appraisal</u>, Fifth Edition, Chicago: Appraisal Institute, 2010, page 175.

Land Profile/Topography:

Land profile adjusts for characteristics such as soil quality, topography, and any other physical conditions that might affect the development potential of the property.

Zoning/Development Potential:

This adjustment accounts for characteristics such as zoning, possible commercial, industrial, or public uses, and the possibility of further subdivision.

Utilities/Infrastructure/Water:

Properties with utilities, infrastructure, and an abundant water supply (wells, mutual water company, etc.) are more desirable than those without.

Size/Shape:

Larger parcels tend to receive higher prices and parcels with irregular shape are less efficient for development and generally receive lower prices.

Comparable Land Sales:

Comparable No.	Subject	1	2	3	4	5
Buyer Name	N/A	Montecristo Cap.	Ron Yasny	Magin Bonilla	Jason Gordo	Joe Cardoso, et ux
Seller Name	N/A	Fred Lavett	Tina Satow	Te T Liu Tr.	Karahadian Prop.	B C Blackwell Tr.
Location	1533 Del Monte Ave	1203 Broadway	Judson St.	1066 Broadway	Hilton St.	751 Hawthorne St.
City	Seaside	Seaside	Seaside	Seaside	Seaside	Monterey
Date of Sale	N/A	12/22/14	10/12/16	04/02/14	05/08/15	04/15/16
Deed Reference	N/A	63959	61725	14368	24177	20055
County	Monterey	Monterey	Monterey	Monterey	Monterey	Monterey
Assessor's Parcel No.	011-301-007	012-192-026	012-832-021	012-182-007	012-163-003	001-078-004
Gross Land Area - SF	4,000	15,125	5,000	3,240	5,689	6,000
Gross Land Area - AC	0.09	0.35	0.11	0.07	0.13	0.14
Usable Area - SF	4,000	15,125	5,000	3,240	5,689	6,000
Lot Orientation	Interior	Corner	Interior	Interior	Interior	Interior
Land Use Policies	Mixed Use/WBUV	Commercial	Single Family	Comm. MU	Single Family	Mult. Fam. Lot
Utilities/Infrastructure	at lot line	at lot line	at lot line	at lot line	at lot line	at lot line
Water	No	No	No	No	No	No
Improvements	none	none	none	none	none	none
Sale Price	N/A	$56,000	$49,000	$66,000	$35,000	$165,000
Special Assessments	None	$0	$0	$0	$0	$0
Adjusted Sale Price	N/A	$56,000	$49,000	$66,000	$35,000	$165,000

COMPARABLE LAND SALES COMPARISON APPROACH

	1	2	3	4	5
Time Adjustment	10.00%	0.00%	10.00%	0.00%	0.00%
Time Adjusted Sale Price	$61,600	$49,000	$72,600	$35,000	$165,000
Conditions of Sale	Similar	Similar	Superior	Similar	Similar
Financing	Similar	Similar	Superior	Similar	Similar
Location/Access	Inferior	Inferior	Inferior	Inferior	Superior
Land Profile/Topography	Similar	Similar	Similar	Similar	Superior
Zoning/Development Potential	Similar	Inferior	Similar	Inferior	Similar
Utilities/Infrastructure/Water	Similar	Similar	Similar	Similar	Similar
Size/Shape	Superior	Superior	Inferior	Superior	Superior

Overall Comparison	**Inferior**	**Inferior**	**Inferior**	**Inferior**	**Superior**
Indicated Value of Subject Land	**More Than $61,600**	**More Than $49,000**	**More Than $72,600**	**More Than $35,000**	**Less Than $165,000**

Description of Sales:

The limited remarks that follow are made to provide the reader with unusual aspects of the sales listed, pertinent facts, and an indication of which sales were most relied on in the final analysis.

Comparable 1 involves the 2014 sale of a 15,125 square foot site, located at the corner of Broadway Avenue and San Lucas Street, Seaside. This is a rectangular shaped site with a relatively flat topography. All utilities are developed along Broadway Avenue; however, this site has no water allocation. The site is zoned for commercial use. The purchase price was $56,000, and the seller received all cash in the transaction. According to the selling broker, this was an arm's length transaction. The property fell out of a prior escrow and the seller was eager to move the property. The buyer is an investor who purchased this as a long term land holding investment.

Comparison to Subject: This sale is inferior to the subject as to location, but is superior as to the larger size. All things considered, this sale is inferior to the subject overall.

Comparable 2 involves the 2016 sale of a 5,000 square foot site, located on Judson Street, Seaside. This is a rectangular shaped site with a relatively flat topography. All utilities are developed within Judson Street; however, this site has no water allocation. The site is zoned for single family residential use. The purchase price was $49,000, and the seller received all cash in the transaction. The buyer is an investor who purchased this as a long term land holding investment.

Comparison to Subject: This sale is superior to the subject as to size, but is inferior overall due mainly to location and zoning.

Comparable 3 involves the 2014 sale of a 3,240 square foot site, located at 1066 Broadway Avenue, Seaside. This is a rectangular shaped site with a relatively flat topography. All utilities are developed within Broadway Avenue; however, this site has no water allocation. The site is zoned for commercial use. The purchase price was $66,000, and the seller received all cash in the transaction. The buyer owned the adjoining parcel and purchased this site for minor storage.

Comparison to Subject: This sale is inferior as to location and the smaller size, but is superior as to the seller financing and because it was a plottage purchase. According to the listing broker, the seller financing accounted for a 15% to 20% higher sale price; therefore, the sale price adjusted for seller financing, would range from approximately $58,000 to $62,000. All things considered, at a midpoint of $60,000, this sale is inferior to the subject.

Comparable 4 involves the 2015 sale of a 5,689 square foot site, located on Hilton Street, Seaside. This is a rectangular shaped site with a relatively flat topography. All utilities are developed within Hilton Street; however, this site has no water allocation. The site is zoned for single family residential use. The purchase price was $35,000, and the seller received all cash in the transaction. The buyer is an investor who purchased this as a long term land holding investment.

Comparison to Subject: This sale is slightly superior as to size, but is significantly inferior overall due mainly to location and zoning. At $35,000, this sale brackets the low end of the value range for the subject.

Comparable 5 involves the 2016 sale of a 6,000 square foot site, located at 751 Hawthorne Street, Monterey. This is a rectangular shaped site with a relatively flat topography. All utilities are developed within Hawthorne Street; however, this site has no water allocation. The site is zoned for multi-family residential use. Ocean views are seen from the site. The purchase price was $165,000, and the seller received all cash in the transaction. The buyer is an investor who purchased this as a long term land holding investment.

Comparison to Subject: This sale is superior as to the Monterey location, ocean view and the larger lot size. At $165,000, this sale is significantly superior and brackets the upper end of the value range for the subject.

Summation of Value:

The preceding sales indicate time-adjusted values ranging from $35,000 to $165,000. Comparable 3 is the most similar to the subject, and was given greater emphasis in the final analysis.

Based on the preceding sales, and with more emphasis given to Comparable 3, the market value of the subject site is estimated at $70,000.

RECONCILIATION OF APPROACHES
AND FINAL VALUE CONCLUSION

COST APPROACH	**N/A**
SALES COMPARISON APPROACH	**$70,000**
INCOME CAPITALIZATION APPROACH	**N/A**

The sales comparison approach indicates a value of $70,000 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 property.

The cost approach is also not relevant because there are no building improvements on the subject 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:

$70,000 "As Is"
SEVENTY 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: March 14, 2017

Appraiser: ______________________________

R. Anthony Brigantino, MAI
License No. AG006530

ADDENDA

DEFINITIONS OF APPRAISAL TERMS

Depreciation:

"A loss in property value from any cause; the difference between the cost of an improvement on 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:

"A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease)."[3]

Leasehold Interest:

"The tenant's possessory interest created by a 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."

---

[1]Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 56.

[2]Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 78.

[3]Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 111.

[4]Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago: Appraisal Institute, 2010, page 111.

Photographs of Subject

Taken February 16, 2017

Street scene of Del Monte Boulevard, facing north, subject on left.

Subject property, as seen from Del Monte Boulevard.

COMPARABLE SALES LOCATION MAP

Brigantino & Company
Real Estate Appraisers, Brokers & Consultants

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)

Certified General Real Estate Appraiser, State of California, Appraiser Number AG006530, Expires 4/29/2017.

Licensed Real Estate Broker, State of California, expires 1/28/2020.

Valuation of Conservation Easements Program, Certificate of Completion, May 23, 2008

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

(R. Anthony Brigantino cont.)

APPRAISAL INSTITUTE COURSES

2013	4 Hours California Land Conservation Conference – Appraisers Forum.
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
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
2000	6 Hours - Fall Conference
2000	12 Hours – Valuation 2000 (Partial Interests, Mock Trial, Feng Shui)
2000	4 Hours - Misc. Offerings
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	6 Hours - Misc. Offerings.
1997	7 Hours - Internet and Appraising
1997	8 Hours - Misc. Offerings
1996	6 Hours - Misc. Offerings
1995	8 Hours - Eminent Domain
1994	25 Hours - Standards of Professional Practice, Parts A & B

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS COURSES:

2014	7 Hours USPAP Update
2000	16 Hours - Appraising Conservation Easements
2000	Spring Ag. Outlook Forum
1998	Spring Ag. Outlook Forum
1997	Spring Ag. Outlook Forum
1996	16 Hours - Permanent Plantings Appraisal
1993	40 Hours - Advanced Rural Appraisal
1992	8 Hours - Principles of Rural Appraisal

INTERNATIONAL RIGHT OF WAY ASSOCIATION COURSES:

2011	7 Hours – Corridor Valuation
2001	40 Hours – Course 401, The Appraisal of Partial Acquisitions
1998	16 Hours - Eminent Domain Law Basics for Right of Way Professionals

PUBLIC SPEAKING/MISCELLANEOUS:

2001 & 2002	Attendee – Appraisal Institute, Leadership Development Advisory Council, Wash. D.C. – Congressional Visits, Meeting with Congressman Sam Farr.
1999	Panel Speaker, Monterey County Economic Forecast, hosted by Steven Nukes & Associates, Management Strategy and Economic Consultants.
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

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

Joshua Hageman
("Buyer")

TABLE OF CONTENTS

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between Joshua Hageman ("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 1533-1535 Del Monte Boulevard together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within three (3) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 796-3452 Email: Kim.Verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is sixty (60) days after the effective date.

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of Twenty-One Thousand Dollars ($21,000.00) ("Purchase Price").

Seller acknowledges having received the sum of Three Thousand Dollars ($3,000.00) from Buyer (the "Initial Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under

Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

Buyer acknowledges increasing the deposit in the sum of Three Thousand Dollars ($3,000.00) within three (3) business days after the removal of all contingencies (the "Increased Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.**IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:**

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is _twenty_(20) days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title

Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected <u>not</u> to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. <u>Due Diligence; Right Of Entry</u>.

5.1 Buyer hereby acknowledges receipt of the documents described on <u>Exhibit "D"</u>. Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is ______forty five (45)______ days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller.All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar

proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

____
Buyer's Initials

Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notices given to the other party. Buyer:Joshua Hageman______________________
____
____

Buyer Broker: Ryan Edwards
Mahoney & Associates
501 Abrego Street
Monterey, CA 93940
(831) 646-1000

Seller: Successor Agency to the Redevelopment Agency of City of Seaside
440 Harcourt Avenue
Seaside, California 93955
Attn.: Executive Director

Seller Broker: Carpenter/Robbins Commercial Real Estate, Inc.
3160 Crow Canyon Road, Suite 200
San Ramon, CA 94583
Attn: John Robbins/Alyce Rados

Escrow Holder: Chicago Title Company
250 Bonifacio Place
Monterey, CA 93940
(831) 796-3452
Attn: Kimberly Verania

12. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. Mahoney & Associates is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to Mahoney & Associates at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

13. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

14. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

15. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

16. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

17. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

18. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

19. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

23. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
JOSHUA HAGEMAN

____

____

By:_________________________

Print Name:__________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Attest:

____

Print Name: _________________________
City Clerk

Approved as to Form:__________________

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Inventory Information
Parcel Data

APN: 011-301-007-000
Vista Del Rey tact
Lot 8 BLK 11

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ____________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This document is exempt from the
payment of a recording fee pursuant to
Government Code Section 27383

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside] (the "Grantor") hereby grants to ______________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $____________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGNECY OF THE CITY OF
SEASIDE

By: ____________________________
Print Name: _____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature____________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:
CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT: _______________ *BRE#* *00418143*
(PRINTED NAME) *John Robbins* _______________ *is the agent of (check one):*

(SIGNED) AGENT: _______________ *BRE#* *01169743*
(PRINTED NAME) *Alyce H. Rados* _______________

BUYER AGENT:

(SIGNED) AGENT: _______________ *BRE#01521253*

(PRINTED NAME): ***Ryan Edwards, Mahoney & Associates***

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent) Carpenter/Robbins Commercial Real Estate,Inc. is the agent of (check one): (x) the seller exclusively; or () both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one):
( ) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:___1511-1535 Del Monte Boulevard, Seaside, CA__

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

(SIGNED) AGENT:_John Robbins_______________________________________ ***BRE#*** ***_______00418143***

(PRINTED NAME)___*John Robbins*__________________________________ ***is the agent of (check one):***

(SIGNED) AGENT:_Alyce H Rados_______________________________ ***BRE#__01169743___________***

(PRINTED NAME)__*Alyce H. Rados*_____________________________________***is the agent of (check one):***

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:____ ***BRE #*** _____________________

(SIGNED) AGENT:____ ***BRE#***_____________________

(PRINTED NAME)____***is the agent of (check one):***

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__)

PRINT NAME: ______*Joshua Hageman*

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981